

INTERIM REPORT JANUARY– SEPTEMBER 2022

Image Systems AB (publ)

Record quarter as favorable trend continues

The Group reports its single best quarter to date with an EBITDA margin of approximately 28 percent under positive market conditions. Both business units also continue to perform well in terms of order intake and net sales, and in rolling twelve months, we are getting close to the Group's long-term objective to achieve an EBITDA margin of 15 percent. This development is in line with the Group's strategy to establish a center of excellence in non-contact measuring technology.

Q3

JANUARY–
SEPTEMBER
2022

Third quarter July–September

- Order intake amounted to MSEK 64.7 (32.7).
- Net sales amounted to MSEK 44.9 (36.1).
- Gross margin amounted to 72 (74) percent.
- EBITDA amounted to MSEK 12.7 (7.8).
- Basic and diluted earnings per share amounted to SEK 0.09 (0.04).

Interim period January–September

- Order intake amounted to MSEK 147.2 (131.1).
- Net sales amounted to MSEK 124.3 (114.5).
- Gross margin amounted to 70 (67) percent.
- EBITDA amounted to MSEK 19.1 (11.9).
- Basic and diluted earnings per share amounted to SEK 0.05 (-0.03).

Financial overview

MSEK	July-Sep 2022	July-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Full year 2021
Order intake, MSEK	64.7	32.7	147.2	131.1	182.8
Order backlog, MSEK	96.8	60.3	96.8	60.3	72.0
Net sales, MSEK	44.9	36.1	124.3	114.5	158.7
Gross margin, %	72	74	70	67	68
EBITDA, MSEK	12.7	7.8	19.1	11.9	19.4
EBITDA margin, %	28	22	15	10	12
Operating profit (EBIT), MSEK	8.1	3.2	4.5	-2.1	0.8
Cash flow from operating activities, MSEK	2.3	9.3	13.7	8.1	15.7
Solidity, %	59	60	59	60	58
Average number of employees	73	83	73	83	82
Earnings per share	0.09	0.04	0.05	-0.03	0.00

“We deliver a quarter in which both business units perform strongly. This is a clear indication of the strength of our strategy and strengthens our determination to continue our efforts in the same direction.”



A WORD FROM THE CEO

The development in the third quarter clearly shows the underlying strength of the Group and its established strategy involving the creation of a center of excellence in non-contact measuring technology. To create and intelligently analyze data within niche technological sectors offers every possibility of being a viable business in the long term.

With RemaSawco receiving a number of orders, and Motion Analysis at the same time showing successful progress, the order intake doubled over the previous year for the third quarter and increased by approximately 12 percent for the year as a whole. Thus, we are moving into the fourth quarter with an order backlog of as much as MSEK 97.

It is gratifying that the Group also reports a strong operating profit and stronger margins. RemaSawco, which is implementing fundamental changes to the product mix, delivers an EBITDA margin of 23 percent. During the third quarter, Motion Analysis had an unusually high proportion of sales in software, which resulted in an EBITDA margin of approximately 57 percent for the business unit.

Volatile market conditions

As a result of the slowdown in the construction sector, the sawmill industry has seen a downward price trend over the past quarter, and, as such, a decline in profitability. This has led to uncertainty in the sawmill market. How and when this will impact RemaSawco is difficult to predict. Our assessment is that the volume of sawn wood will grow, going forward, both because of the capacity of wood to reduce the carbon footprint and to enable economically sustainable construction. In such a scenario, the products developed by RemaSawco will be key components to

make the most of the raw material and the production facilities at the sawmills.

In the short term, we see continued strong demand for the Company's products, as sawmills in general have consolidated their financial positions and continue to have significant upgrading needs in their facilities.

Motion Analysis, which directs about half of its sales to defence-related customers, is perceiving an increase in demand for its products, and we assess that this demand growth is set to continue over the long term.

Change is implemented and brings results

The journey of change that RemaSawco has embarked upon is continuing to pay off. We can establish that the product-range changes, which have been implemented in a short time, are proceeding as planned and have had a positive impact on both turnover and results.

Firm foundation for growth

In rolling 12 months, we are now approaching the Group's long-term objective of an EBITDA margin of 15 percent.

Our clear strategy to stay at the forefront of niche markets allows us to stand firm even during periods burdened by uncertainties in the outside world.

We deliver a quarter in which both business units perform strongly. This is a clear indication of the strength of our strategy and strengthens our determination to continue our efforts in the same direction.

Johan Friberg
CEO and President

THE GROUP'S DEVELOPMENT IN THE THIRD QUARTER

Order intake, net sales, and profit

Order intake amounted to MSEK 64.7 (32.7). Order backlog as of September 30, 2022, amounted to MSEK 96.8 (60.3). During the quarter, MSEK 8.5 of the order backlog was written off following the shutdown of a project with an end customer in Russia.

Net sales amounted to MSEK 44.9 (36.1), of which MSEK 1.8 (1.2) related to capitalized development expenses across both business units.

Gross margin amounted to 72 (74) percent.

EBITDA amounted to MSEK 12.7 (7.8). Other external charges 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.

Depreciation/amortization amounted to MSEK -4.6 (-4.6). Net financial items amounted to MSEK -0.2 (-0.1).

Result after taxes amounted to MSEK 8.0 (3.2).

Financial position, investments, and cash flow

The Group's investments in non-current assets during the quarter amounted to MSEK 1.8 (2.2) of which MSEK 1.8 (2.2) 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 0.5 (7.1). Solidity amounted to 59 (60) percent as of September 30, 2022. Net indebtedness amounted to 0.1 (0.2) times.

Available liquid funds including undrawn overdraft facilities amounted to MSEK 27.9 (17.0) as of September 30, 2022.

THE GROUP'S DEVELOPMENT DURING THE INTERIM PERIOD

Order intake amounted to MSEK 147.2 (131.1). Order backlog as of September 30, 2022, amounted to MSEK 96.8 (60.3).

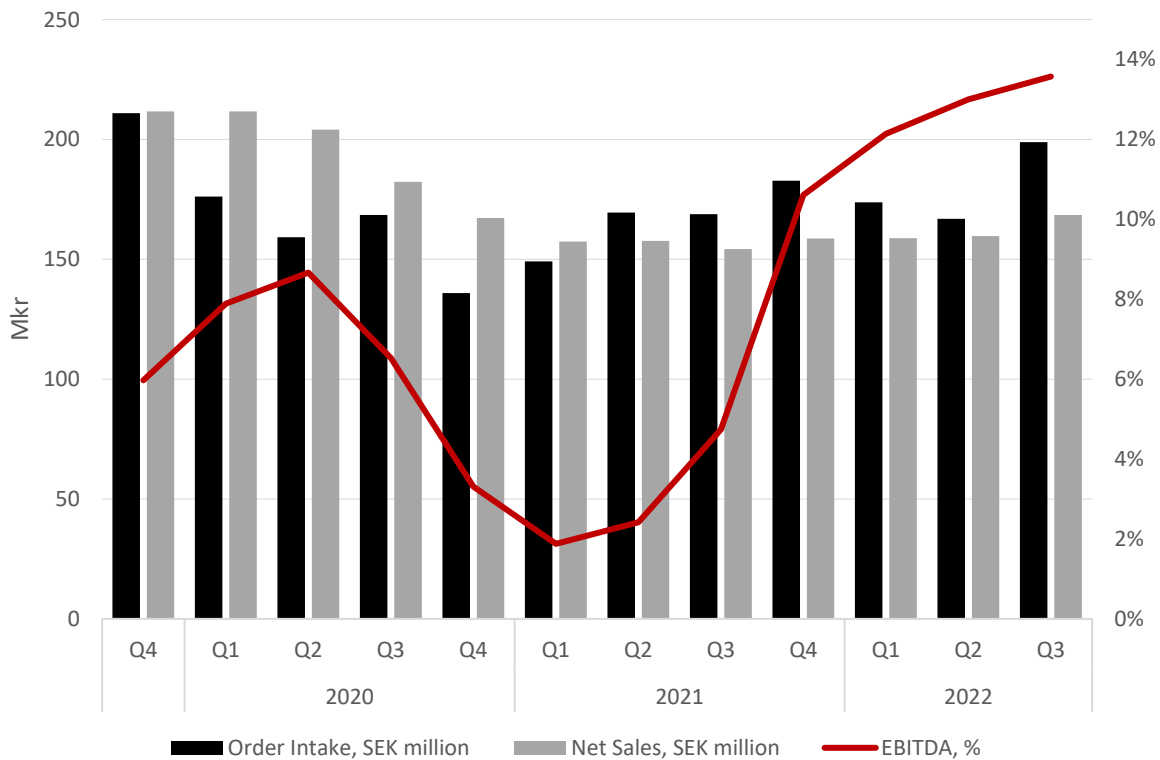
Net sales amounted to MSEK 124.3 (114.5), of which MSEK 7.2 (4.9) related to capitalized development expenses. Capitalization of development projects takes place in both business units.

Gross margin amounted to 70 (67) percent.

EBITDA amounted to MSEK 19.1 (11.9). 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 -14.6 (-14.0). Net financial items amounted to MSEK -0.8 (-0.8).

Result after taxes amounted to MSEK 4.1 (-2.5).

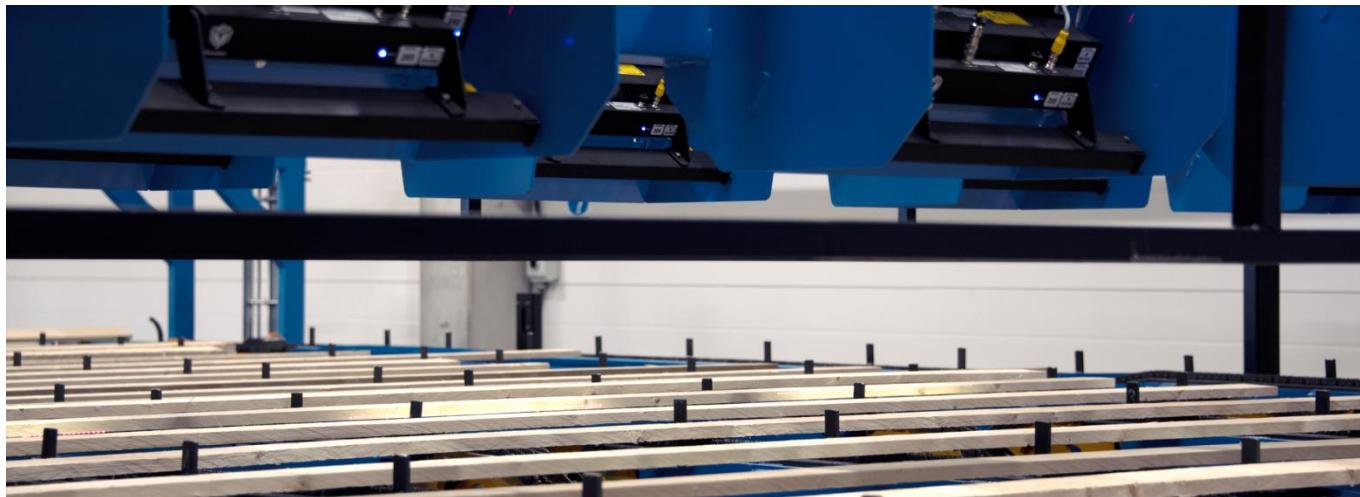
The Group's performance, rolling 12 months



The Group has seen a positive trend in performance for several quarters, which is a clear indication of the strength of our strategy and strengthens our determination to continue our efforts in the same direction. In rolling 12 months, we are now approaching the Group's long-term objective of an EBITDA margin of 15 percent.

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 third quarter

RemaSawco showed a quarter of growth. The order intake doubled in comparison to the previous year. Both net sales and EBITDA increased sharply over the previous year's levels. During the quarter, RemaSawco received, among other things, orders for more than MSEK 27 from Moelven Timber under the framework contract that was signed in the previous quarter. Other order intake derives from a number of customers that are phasing out their older products.

The price of sawn wood fell during the quarter, a consequence of a slowdown in the construction sector. In the construction sector, however, wood is increasing its market share, and we thus maintain a positive outlook on the industry's development in the long term. These trends have limited impact on the demand for RemaSawco's products and services in the short term, however. There is persistent strong interest in products that optimize quality and ensure the production availability of sawmills.

RemaSawco continues the implementation of the organizational change that was decided on and disclosed during the first quarter, with the purpose of focusing on profitable products and enhancing the level of customer service. The aim is to create scalability and key components for the digitalization of sawmills and related processes.

MSEK	July-Sep 2022	July-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Full year 2021
Order intake, MSEK	56.8	27.8	123.9	112.1	155.6
Net sales, MSEK	34.9	28.7	97.0	91.6	130.3
EBITDA, MSEK	8.1	5.7	11.1	6.3	14.4
EBITDA margin, %	23.2	19.9	11.4	6.9	11.1

Product development

RemaSawco is involved in an ongoing effort to modernize its product portfolio, and older products are gradually being phased out in favour of new, innovative products and product improvements. During the period, we have focused on three key areas: harmonization of functionality, user interfaces, and product upgrades.

The period involved three major product upgrades relating to the products Boardscanner-Q, RS-Opt, and our new 3D frame, RS-LogScanner 3D, which replaces the product RS-LogProfiler. In addition, an upgrade of our timber sorting system RS-715 is ongoing and advancing according to plan.

MOTION ANALYSIS

Motion Analysis Systems offers its customers 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 third quarter

Motion Analysis delivers a good quarter with healthy order intake and sales. The increased EBITDA margin during the third quarter compared with the previous year is attributable to a higher proportion of sales relating to software licences in combination with positive currency effects. Several customer projects were finalized and delivered. Both the Asian markets and the US market performed well in terms of both order intake and sales.

The international development, where we now see increases in defence spending, is yet to reflect on the order intake of Motion Analysis. Nevertheless, we are noting an increased global interest in our software and measuring systems, which benefits the business unit in the long run.

MSEK	July-Sep 2022	July-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Full year 2021
Order intake, MSEK	7.9	4.9	23.3	19.0	27.2
Net sales, MSEK	10.0	7.4	27.3	22.9	28.4
EBITDA, MSEK	5.7	2.9	11.2	8.0	8.3
EBITDA margin, %	57.0	39.2	41.0	34.9	29.2

Product development

During the third quarter, the Company finalized a customer adaptation of the TrackEye product for a major customer, which also has been delivered. The work to add new functionality to this year's main release of TEMA is ongoing. At the same time, the development of our new software platform continues with parallel further developments of DIC (Digital Image Correlation) and 3D calculation modules now under way. This effort is carried out alongside feasibility studies for the development of additional modules.

OTHER INFORMATION

The Parent Company

The Parent Company's net sales amounted to MSEK 0.9 (0.9). Operating profit amounted to MSEK -1.1 (-0.7). During the quarter, a write-down of the shares in the Finnish subsidiary of SEK 50 million was made, as most of the operations will be handled by the Swedish subsidiary in the future. Result after taxes amounted to MSEK -51.1 (-0.5). Investments in fixed assets amounted to MSEK 0.0 (0.0). The Parent Company's available liquid funds amounted to MSEK 0.0 (0.2) as of September 30, 2022. The Parent Company's equity as of September 30, 2022, amounted to MSEK 86.5 (132.8). Solidity was 88 (90) percent.

Significant events after the period

The Motion Analysis business unit received orders from the Australian and French Armed Forces totaling about MSEK 2.7. The RemaSawco business unit received orders from Renholmen totaling about MSEK 2,5 Mkr.

The major owners of Images Systems have appointed a Nomination Committee consisting of Hans Karlsson, Thomas Wernhoff and Hans Malm. The Company's Annual General Meeting will be held on May 4, 2023 in Linköping.

Personnel

The average number of employees was 73 (83). The number of employees at the end of the period was 67.

Number of shares

The number of shares on September 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 16 and relevant reconciliations on page 15.

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.

Financial Calendar

Year-end report 2022	February 10, 2023
Interim Report January–March 2023	May 4, 2023
Annual General Meeting 2023	May 4, 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, November 11, 2022

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 November 11, 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

AUDITOR'S REPORT

Image Systems AB (publ) reg. no 556319-4041

Introduction

We have reviewed the condensed interim financial information (interim report) for Image Systems AB (publ) as of 30 September 2022 and the nine-month period which ended on this date. The Board of Directors and the CEO are responsible for the preparation and presentation of this interim financial report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of the review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and the generally accepted auditing practice. The procedures performed in a review do not allow us to obtain such assurance that we become aware of all significant matters that could have been identified if an audit was performed. The expressed findings based on a review therefore do not carry the same certainty as expressed findings based on an audit do.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act in the case of the Group and in accordance with the Annual Accounts Act in the case of the parent company.

Stockholm, Sweden, November 11, 2022
PricewaterhouseCoopers AB

Nicklas Kullberg
Authorized Public Accountant

Condensed consolidated income statement

MSEK	July-Sep 2022	July-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Full year 2021
Sales revenue	43.1	34.9	117.1	109.6	152.2
Capitalized development costs	1.8	1.2	7.2	4.9	6.5
Total revenue	44.9	36.1	124.3	114.5	158.7
Raw materials and consumables	-12.5	-9.0	-37.2	-36.2	-49.0
Other external charges	-5.9	-5.1	-18.7	-15.6	-21.5
Personnel costs	-14.4	-14.2	-50.3	-50.8	-68.8
Depreciation/amortization of fixed tangible and intangible assets	-4.6	-4.6	-14.6	-14.0	-18.6
Other operating income	0.6	-	1.0	-	-
Other operating costs	-	0.0	-	0.0	0.0
Operating profit	8.1	3.2	4.5	-2.1	0.8
Net financial items	-0.2	-0.1	-0.8	-0.8	-1.3
Profit before tax	7.9	3.1	3.7	-2.9	-0.5
Tax	0.1	0.1	0.4	0.4	0.6
Profit/loss for the period	8.0	3.2	4.1	-2.5	0.1
Of which attributable to the Parent Company shareholders	8.0	3.2	4.1	-2.5	0.1
Earnings per share ¹⁾	0.09	0.04	0.05	-0.03	0.00
Diluted earnings per share ¹⁾	0.09	0.04	0.05	-0.03	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 after dilution, thousands	89,207.8	89,207.8	89,207.8	89,207.8	89,207.8

1) Calculated on the basis of average number of shares

Condensed consolidated statement of comprehensive income

MSEK	July-Sep 2022	July-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Full year 2021
Profit/loss for the period	8.0	3.2	4.1	-2.5	0.1
Other comprehensive income					
Translation differences	0.1	0.0	0.3	0.0	0.0
Tax relating to attributable items that may be re- classified to the yearly result					
Total other comprehensive income	0.0	0.0	0.0	0.0	0.0
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	8.1	3.2	4.4	-2.5	0.1
Of which attributable to Parent Company shareholders	8.1	3.2	4.4	-2.5	0.1

Condensed consolidated balance sheet

MSEK	Sept 30 2022	Sept 30 2021	Dec 31 2021
Non-current assets			
Goodwill	36.1	36.1	36.1
Customer relations	24.8	30.4	28.5
Trademarks	0.3	1.3	1.0
Capitalized development costs	34.2	30.7	31.8
Tangible fixed assets	19.1	24.2	23.2
Deferred tax assets	19.1	19.1	19.1
Total non-current assets	133.6	141.8	139.7
Current assets			
Inventories	14.4	12.5	11.9
Trade receivables	33.2	17.5	22.1
Other receivables	7.4	11.2	15.5
Cash and cash equivalents	11.2	3.5	7.1
Total current assets	66.2	44.7	56.6
TOTAL ASSETS	199.8	186.5	196.3
Equity (attributable in full to Parent Company shareholders)	118.4	111.3	114.0
Non-current liabilities			
Borrowings from credit institutions	0.9	2.8	2.3
Lease liabilities	9.6	13.7	12.8
Deferred tax liabilities	6.2	6.8	6.6
Total non-current liabilities	16.7	23.3	21.7
Current liabilities			
Borrowings from credit institutions	3.8	6.4	4.6
Trade payables	12.7	12.9	16.1
Lease liabilities	5.0	5.0	5.2
Other current payables	43.2	27.6	34.7
Total current liabilities	64.7	51.9	60.6
TOTAL EQUITY AND LIABILITIES	199.8	186.5	196.3

Condensed consolidated statement of changes in equity

MSEK	Sept 30 2022	Sept 30 2021	Full year 2021
Opening balance equity	114.0	113.8	113.8
Net profit for the year	4.1	-2.5	0.1
Other comprehensive income for the period	0.3	0.0	0.1
Total comprehensive income for the period	4.4	-2.5	0.2
Closing balance equity	118.4	111.3	114.0

Condensed consolidated cash flow statement

MSEK	July-Sep 2022	July-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Full year 2021
Cash flow from operating activities before change in working capital	10.8	3.7	17.3	6.9	12.8
Change in working capital					
Change in inventories	-2.3	0.7	-2.5	-1.0	-0.4
Change in receivables	1.1	13.1	-3.2	3.1	-6.2
Change in current liabilities	-7.3	-8.2	2.1	-0.9	9.5
Total change in working capital	-8.5	5.6	-3.6	1.2	2.9
Cash flow from operating activities	2.3	9.3	13.7	8.1	15.7
Investing activities					
Acquisition of intangible fixed assets	-1.8	-2.2	-7.4	-6.2	-8.1
Acquisition of tangible fixed assets	-	-	-	-0.1	0.0
Cash flow from investing activities	-1.8	-2.2	-7.4	-6.3	-8.1
Operating cash flow	0.5	7.1	6.3	1.8	7.6
Financing activities					
Increase of borrowings	0.2	-	-	-	-
Decrease of borrowings	-	-5.9	-2.2	-2.1	-4.3
Cash flow from financing activities	0.2	-5.9	-2.2	-2.1	-4.3
Cash flow for the period	0.7	1.2	4.1	-0.3	3.3
Cash and cash equivalents at the beginning of the period	10.5	2.3	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	11.2	3.5	11.2	3.5	7.1

Segment reporting

MSEK

	July-Sep 2022	July-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Full year 2021
Revenue					
RemaSawco	34.9	28.7	97.0	91.6	130.3
Motion Analysis	10.0	7.4	27.3	22.9	28.4
Parent Company & consolidated items	-	-	-	-	-
Total revenue	44.9	36.1	124.3	114.5	158.7
EBITDA					
RemaSawco	8.1	5.7	11.1	6.3	14.4
Motion Analysis	5.7	2.9	11.2	8.0	8.3
Admin & consolidated items	-1.1	-0.8	-3.2	-2.4	-3.3
EBITDA total	12.7	7.8	19.1	11.9	19.4
Depreciation/amortization of fixed tangible and intangible assets	-4.6	-4.6	-14.6	-14.0	-18.6
Operating profit	8.1	3.2	4.5	-2.1	0.8
Net financial items	-0.2	-0.1	-0.8	-0.8	-1.3
Profit before tax	7.9	3.1	3.7	-2.9	-0.5
Tax	0.1	0.1	0.4	0.4	0.6
Profit/loss for the period	8.0	3.2	4.1	-2.5	0.1

Indicators for the Group

	July-Sep 2022	July-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Full year 2021
Order intake, MSEK	64.7	32.7	147.2	131.1	182.8
Order backlog, MSEK	96.8	60.3	96.8	60.3	72.0
Gross margin, %	72	74	70	67	68
EBITDA, MSEK	12.7	7.8	19.1	11.9	19.4
EBITDA margin, %	28.3	21.6	15.4	10.4	12.2
Operating margin, %	18.0	8.9	3.6	neg	0.5
Profit margin, %	17.6	8.6	3.0	neg	neg
Return on capital employed, %	4.1	2.0	2.3	neg	0.4
Return on equity, %	6.8	2.9	3.5	neg	0.1
Solidity, %	59	60	59	60	58
Debt/equity ratio	0.1	0.2	0.1	0.2	0.1
Net investments in non-current assets, MSEK	1.8	2.2	7.4	6.2	8.1
Depreciation/amortization of fixed assets, MSEK	4.6	4.6	14.6	14.0	18.6
Average number of employees	73	83	73	83	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 the basis of average number of shares, SEK	0.09	0.04	0.05	-0.03	0.00
Cash flow per share calculated on the basis of average number of shares, SEK	0.01	0.08	0.07	0.02	0.09
Equity per share calculated on the basis of number of shares at the end of the period, SEK	1.33	1.25	1.33	1.25	1.28

Quarterly overview, the Group

	Q3 22	Q2 22	Q1 22	Q4 21	Q3 21	Q2 21	Q1 21	Q4 20	Q3 20	Q2 20	Q1 20	Q4 19
Order intake, MSEK	64.7	39.8	42.7	51.7	32.7	46.7	51.7	37.7	33.4	26.3	38.5	70.3
Order backlog, MSEK	96.8	82.7	83.6	72	60.3	62.4	60.4	39.0	41.0	45.9	58.1	64
Net sales, MSEK	44.9	45.0	34.4	44.2	36.1	44.1	34.3	39.8	39.5	43.8	44.1	54.9
Gross margin, %	72	66	73	70	74	59	72	64	62	56	62	58
EBITDA, MSEK	12.7	4.2	2.2	7.5	7.8	3.6	0.5	-3.9	3.9	2.3	2.2	2.6
EBITDA margin, %	28	9	6	17	22	8	1	-10	10	5	5	5
Operating profit (EBIT), MSEK	8.1	-0.5	-3.1	2.9	3.2	-0.9	-4.4	-8.4	0.1	-2.4	-2.2	-1.9
EBIT margin, %	18.0	neg	neg	6.6	8.9	neg	neg	neg	0	neg	neg	neg
Return on equity, %	6.8	neg	neg	2.5	2.9	neg	neg	neg	neg	neg	neg	neg
Solidity, %	59	55	58	58	60	54	57	59	59	56	57	56
Earnings per share, SEK	0.09	-0.01	-0.04	0.03	0.04	-0.01	-0.05	-0.15	0.00	-0.02	-0.04	-0.03
Cash flow per share, SEK	0.01	0.07	-0.05	0.06	0.08	-0.02	-0.04	-0.02	0.06	0.02	0.03	0.07
Equity per share, SEK	1.33	1.24	1.24	1.28	1.25	1.21	1.23	1.28	1.42	1.43	1.45	1.48
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 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	July-Sep 2022	July-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Full year 2021
Operating profit	8.1	3.2	4.5	-2.1	0.8
Depreciation/amortization of fixed tangible and intangible assets	4.6	4.6	14.6	14.0	18.6
EBITDA	12.7	7.8	19.1	11.9	19.4

Net debt

MSEK	Sept 30 2022	Sept 30 2021	Dec 31 2021
Cash and cash equivalents	11.2	3.5	7.1
Lease liabilities	14.6	18.7	18.0
Interest-bearing liabilities	4.7	9.2	6.9
Net debt	8.1	24.4	17.8

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	July-Sep 2022	July-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Full year 2021
Revenue	0.9	0.9	2.9	2.6	3.4
Other external costs	-1.3	-1.0	-3.8	-2.9	-4.0
Personnel costs	-0.7	-0.6	-2.3	-2.0	-2.7
Other operating costs	-	-	-	-	-
Operating profit	-1.1	-0.7	-3.2	-2.3	-3.3
Net financial items	-50.0	0.2	-49.9	0.4	0.5
Profit before tax	-51.1	-0.5	-53.1	-1.9	-2.8
Appropriations	-	-	-	-	6.6
Tax	-	-	-	-	1.1
Profit/loss for the period	-51.1	-0.5	-53.1	-1.9	4.9

Parent Company's condensed statement of comprehensive income

MSEK	July-Sep 2022	July-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Full year 2021
Profit/loss for the period	-1.1	-0.5	-53.1	-1.9	4.9
Other comprehensive income	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-1.1	-0.5	-53.1	-1.9	4.9

Parent Company's condensed balance sheet

MSEK	Sept 30 2022	Sept 30 2021	Dec 31 2021
Non-current assets			
Shares in subsidiaries	82.8	131.2	131.2
Deferred tax assets	12.0	10.9	12.0
Total non-current assets	94.8	142.1	143.2
Current assets			
Trade receivables	-	-	-
Receivables from Group companies	-	0.9	1.2
Other current receivables	3.9	4.3	4.0
Cash and cash equivalents	0.0	0.2	0.2
Total current assets	3.9	5.4	5.4
TOTAL ASSETS	98.7	147.5	148.6
Equity (attributable in full to Parent Company shareholders)	86.5	132.8	139.6
Current liabilities			
Trade payables	0.2	0.2	0.7
Liabilities to Group companies	10.9	13.6	7.1
Other current payables	1.1	0.9	1.2
Total current liabilities	12.2	14.7	9.0
TOTAL EQUITY AND LIABILITIES	98.7	147.5	148.6

Parent Company's condensed statement of changes in equity

MSEK	Sept 30 2022	Sept 30 2021	Full year 2021
Opening balance equity	139.6	134.7	134.7
Profit/loss for the period	-53.1	-1.9	4.9
Other comprehensive income for the period			
Total comprehensive income for the period	-53.1	-1.9	4.9
Closing balance equity	86.5	132.8	139.6

Parent Company's condensed cash flow statement

MSEK	July-Sep 2022	July-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Full year 2021
Cash flow from operating activities before change in working capital	-1.1	-0.6	-3.1	-2.2	-3.1
Change in working capital					
Change in receivables	0.4	0.6	0.1	0.2	0.6
Change in current liabilities	0.3	0.3	-0.6	-1.7	-1.0
Total change in working capital	0.7	0.9	-0.5	-1.5	-0.4
Cash flow from operating activities	-0.4	0.3	-3.6	-3.7	-3.5
Investing activities					
Change in borrowings to/from subsidiaries	0.4	-0.1	3.4	3.5	3.3
Cash flow from investing activities	0.4	-0.1	3.4	3.5	3.3
Operating cash flow	0.0	0.2	-0.2	-0.2	-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	0.0	0.2	-0.2	-0.2	-0.2
Cash and cash equivalents at the beginning of the period	0.0	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	0.2	0.0	0.2	0.2