

Image Systems AB resolves on a fully guaranteed rights issue of approximately SEK 21 million, subject to approval by an Extraordinary General Meeting

The Board of Directors of Image Systems AB (publ) ("Image Systems" or the "Company") has today resolved, subject to subsequent approval by an Extraordinary General Meeting to be held on 12 August 2026, to carry out a new share issue with preferential rights for the Company's existing shareholders, raising approximately SEK 21.4 million before transaction costs (the "Rights Issue"). The subscription price amounts to SEK 0.60 per share. Certain existing shareholders of the Company have entered into subscription commitments to subscribe for shares in the Rights Issue by exercising their subscription rights, corresponding to approximately 60 per cent of the Rights Issue. In addition, Tibia Konsult AB has undertaken to subscribe for the remaining approximately 40 per cent of the Rights Issue without subscription rights. Accordingly, the Rights Issue is fully secured through subscription commitments and, if fully subscribed, will provide the Company with gross proceeds from the Rights Issue of approximately SEK 21.4 million before deduction of transaction costs.

Summary of the Rights Issue

- The Board of Directors of Image Systems has today resolved, subject to approval by an Extraordinary General Meeting, to carry out the Rights Issue. The Extraordinary General Meeting is scheduled to be held on 12 August 2026, and the notice convening the meeting will be published through a separate press release.
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- Shareholders who are registered in the share register maintained by Euroclear Sweden AB on the record date, 19 August 2026, will receive preferential rights to subscribe for new shares in proportion to their existing shareholdings.
- Each existing share entitles the holder to one (1) subscription right. Five (5) subscription rights entitle the holder to subscribe for two (2) new shares in the Rights Issue.
- The last day of trading in the Company's shares including the right to receive subscription rights is 17 August 2026.
- The subscription price is SEK 0.60 per share. No commission will be charged.
- A maximum of 35,683,127 new shares may be issued in the Rights Issue.
- The subscription period will run from 21 August 2026 up to and including 4 September 2026.
- Upon full subscription, the Company will receive gross proceeds from the Rights Issue of approximately SEK 21.4 million, before deduction of transaction costs.
- The Company has received subscription commitments amounting to approximately SEK 21.4 million, corresponding to 100 per cent of the Rights Issue. Consequently, the Rights Issue is fully secured.

The Company has received subscription commitments amounting to approximately SEK 21.4 million, corresponding to 100 per cent of the Rights Issue. Consequently, the Rights Issue is fully secured. Bolaget har erhållit teckningsförbindelser från befintliga aktieägare uppgående till sammanlagt cirka 21,4 MSEK, vilket motsvarar 100 procent av Företrädesemissionen. Företrädesemissionen är därmed fullt säkerställd.

Background and Reasons for the Rights Issue

Image Systems AB is a Swedish high-technology company developing and marketing software and systems for non-contact measurement technology and advanced image processing. The Company is a global leader within its market niches and operates through two business units: Motion Analysis and RemaSawco.

Business Unit Motion Analysis

Motion Analysis is a world-leading provider of software and integrated measurement systems for high-precision analysis of fast-moving events. Its solutions are primarily used within the defence and aerospace industries, automotive safety, medical technology, as well as industrial testing and research. During 2025, the business unit successfully commercialised a new software solution featuring AI-based object tracking. At the same time, development continued on a common next-generation software platform that will gradually replace the TEMA and TrackEye product families, enabling more frequent software releases, broader integration capabilities and enhanced functionality. The Company's market presence has been strengthened through its establishment in Japan, expansion of its North American operations and a higher proportion of direct sales. Going forward, strategic focus will remain on continued AI integration, application-specific solutions and expansion in selected priority markets. The transition from perpetual software licences to multi-year subscription and support agreements constitutes a key element of the Company's strategy. Although this transition has a short-term negative impact on revenue and earnings, it is expected to increase recurring revenues, improve earnings visibility and strengthen long-term profitability.

The order backlog relating to subscription and support agreements increased from SEK 31.5 million in March 2025 to SEK 43.1 million in June 2026.

To support product development, market expansion and the ongoing transformation of the business model, the Group has secured bank financing totalling SEK 20 million, of which SEK 5 million was drawn during the second quarter.

Despite a somewhat weaker market characterised by longer customer decision-making processes, the Board of Directors considers the business unit's strategy and financial position to be well adapted to support continued growth under the existing financing structure.

Business Unit RemaSawco

RemaSawco develops systems that measure, analyse and optimise production flow throughout the sawmill process, from log sorting and sawing lines to finished board handling. Its solutions combine proprietary software with laser technology, 3D scanning, X-ray technology and industrial automation to improve raw material utilisation, reduce waste and increase productivity.

Between 2024 and 2026, market conditions have been characterised by a weak construction market, historically high timber prices and geopolitical uncertainty. These factors have resulted in prolonged investment decision processes among sawmills, lower order intake and, consequently, a challenging liquidity situation for RemaSawco. At the same time, the growing need for production optimisation within the sawmill industry is expected to strengthen long-term demand for RemaSawco's solutions.

During this period, the business unit has completed a comprehensive transformation from a project-based organisation into a product-oriented business. The product portfolio has been consolidated, operations centralised and the organisation streamlined, resulting in a more scalable and competitive business platform that is well positioned for future growth.

Despite the weak market environment, investments in product development have continued.

Among other initiatives, the Company is developing a new modular log measurement station, including a next-generation X-ray platform, while simultaneously standardising both hardware and software platforms to improve scalability and delivery capabilities.

The Company is also carrying out an extensive investment in artificial intelligence covering improved detection, classification and optimisation within its products, as well as more efficient development processes and engineering tools, resulting in shorter development cycles and more frequent product releases.

In parallel, the Company has prioritised high delivery precision, service level agreement (SLA)-based service contracts and close customer support.

The cost base has been adjusted to reflect prevailing market conditions while the Board of Directors has resolved to retain the expertise, development capabilities, delivery capacity and customer satisfaction required to capitalise on future market recovery and growth opportunities.

Use of Proceeds from the Rights Issue

Following the efficiency measures implemented in recent years, combined with a strong product portfolio and continued investments in product development, RemaSawco is well positioned to meet customer demand when market conditions improve. The Company's main market scenario assumes a gradual and uneven recovery during the second half of 2026, followed by broader and more visible demand growth throughout 2027. However, the recovery is expected to remain moderate and commence from historically low market levels. To enable the Company to continue its strategic investments throughout this period, there is a need to strengthen its short-term liquidity position. Upon full subscription, the Rights Issue is expected to provide the Company with net proceeds of approximately SEK 20.8 million, after estimated transaction costs of approximately SEK 0.6 million. The net proceeds from the Rights Issue are intended to be used to finance ongoing and planned product development projects while strengthening the Company's ability to capitalise on the business opportunities expected to arise as market conditions improve.

The Rights Issue

Today, the Board of Directors of the Company resolved, subject to subsequent approval by the Extraordinary General Meeting to be held on 12 August 2026, to carry out the Rights Issue.

The subscription price in the Rights Issue amounts to SEK 0.60 per new share. Upon full subscription, the Company will receive gross proceeds from the Rights Issue of approximately SEK 21.4 million, before deduction of estimated transaction costs of approximately SEK 0.6 million.

Shareholders who are registered as shareholders in the Company on the record date, 19 August 2026, will receive one (1) subscription right for each existing share held. Five (5) subscription rights entitle the holder to subscribe for two (2) new shares. Investors will also have the opportunity to subscribe for shares without the support of subscription rights.

The Company's shares will be traded including the right to receive subscription rights up to and including 17 August 2026. The first trading day excluding the right to participate in the Rights Issue will be 18 August 2026.

The subscription period will run from 21 August 2026 up to and including 4 September 2026. The Board of Directors is entitled to extend the subscription period and the payment period. Any such extension will be announced by the Company through a press release no later than 8 September 2026. Subscription rights not exercised during the subscription period will expire and become worthless. Trading in subscription rights will take place on Nasdaq Stockholm Small Cap during the period from 21 August 2026 until 1 September 2026. Trading in paid subscribed shares (BTA) will take place from 21 August 2026 until the Rights Issue has been registered with the Swedish Companies Registration Office (Sw. Bolagsverket).

Should all shares not be subscribed for by exercise of subscription rights, the remaining shares shall be allotted within the maximum amount of the Rights Issue:

Firstly, to those who have subscribed for shares by exercising subscription rights, irrespective of whether they were shareholders on the record date or not, and who have applied to subscribe for additional shares without subscription rights. Allocation shall be made pro rata in relation to the number of subscription rights exercised. Secondly, to other investors who have applied to subscribe for shares without subscription rights. Allocation shall be made pro rata in relation to the number of shares applied for. Thirdly, to Tibia Konsult AB, which has entered into a subscription commitment to subscribe for shares without subscription rights amounting to approximately SEK 8.6 million, corresponding to approximately 40 per cent of the Rights Issue. To the extent that allocation in any category cannot be made on a pro rata basis, allocation shall be determined by drawing lots.

Neither a prospectus nor an information document will be prepared in connection with the Rights Issue. The complete terms and conditions of the Rights Issue will be available, prior to the commencement of the subscription period, on the Company's website (www.imagesystemsgroup.com), Västra Hamnen Corporate Finance AB's website (www.vhcorp.se) and Aqurat Fondkommission AB's website (www.aqurat.se).

Subscription Commitments

The Company has received subscription commitments from existing shareholders amounting to approximately SEK 12.8 million, corresponding to approximately 60 per cent of the Rights Issue.

Furthermore, Tibia Konsult AB has entered into a subscription commitment to subscribe for shares without subscription rights amounting to approximately SEK 8.6 million, corresponding to the remaining 40 per cent of the Rights Issue.

Accordingly, the Rights Issue is fully secured through subscription commitments.

The subscription commitments have not been secured through bank guarantees, blocked funds, pledged assets or similar arrangements.

No consideration will be paid for the subscription commitments.

Name	Subscription commitment with subscription rights (SEK)	Subscription commitment without subscription rights (SEK)	Total commitment (SEK)	Share of Rights Issue
Tibia Konsult AB	6 849 163	8 620 391	15 469 555	72,3%
Thomas Wernhoff	3 600 000	-	3 600 000	16,8%
Hans Malm	1 812 322	-	1 812 322	8,5%
Anders Fransson	528 000	-	528 000	2,5%
	12 789 485	8 620 391	21 409 876	100,0%

Exemption from the Mandatory Bid Obligation

Within the framework of the Rights Issue, Tibia Konsult AB has undertaken to subscribe for shares amounting to up to approximately SEK 15.47 million. Tibia Konsult AB applied to the Swedish Securities Council (Aktiemarknadsnämnden) for an exemption from the mandatory bid obligation that could otherwise arise if its subscription commitment is fulfilled. The Swedish Securities Council has granted such exemption.

The exemption is subject to the following conditions:

shareholders must, prior to the Extraordinary General Meeting resolving on the Rights Issue, be informed of the maximum shareholding and voting interest that Tibia Konsult AB may obtain by fulfilling its commitment; and

the resolution approving the Rights Issue must be supported by shareholders representing at least two-thirds of both the votes cast and the shares represented at the meeting, excluding shares held and represented by Tibia Konsult AB. Provided that the Rights Issue is not fully subscribed by other investors, Tibia Konsult AB may, through fulfilment of its commitment, increase its holding to a maximum of approximately 43.49 per cent of the total number of shares and votes in the Company following completion of the Rights Issue.

Extraordinary General Meeting

The Board of Directors' resolution to carry out the Rights Issue is subject to approval by an Extraordinary General Meeting intended to be held on 12 August 2026.

Existing shareholders representing approximately 60 per cent of the total number of shares and votes in the Company have undertaken to vote in favour of approving the Rights Issue and the related resolutions at the Extraordinary General Meeting.

Excluding the votes held by Owner Konsult AB, which has been granted an exemption from the mandatory bid obligation as described above, these undertakings represent approximately 28 per cent of the total number of shares and votes in the Company.

The notice convening the Extraordinary General Meeting will be published through a separate press release.

Change in the Number of Shares and Share Capital and Dilution

The Board of Directors' resolution to carry out the Rights Issue is subject to approval by an Extraordinary General Meeting intended to be held on 12 August 2026.

Existing shareholders representing approximately 60 per cent of the total number of shares and votes in the Company have undertaken to vote in favour of approving the Rights Issue and the related resolutions at the Extraordinary General Meeting.

Excluding the votes held by Tibia Konsult AB, which has been granted an exemption from the mandatory bid obligation as described above, these undertakings represent approximately 28 per cent of the total number of shares and votes in the Company.

Indicative Timetable for the rights issue

12 August 2026	Extraordinary General Meeting
17 August 2026	Last day of trading in the shares including the right to participate in the Rights Issue
18 August 2026	First day of trading in the shares excluding the right to participate in the Rights Issue
19 August 2026	Record date

21 August – 4 September 2026	Subscription period
21 August – 1 September 2026	Trading in subscription rights
21 August 2026 until registration of the Rights Issue with the Swedish Companies Registration Office	Trading in paid subscribed shares (BTA)
7 September 2026	Expected announcement of the outcome of the Rights Issue

Advisers

Västra Hamnen Corporate Finance AB is acting as financial adviser and Advokatfirman Lindahl KB is acting as legal adviser to Image Systems in connection with the Rights Issue.

Aqurat Fondkommission AB is acting as issuing agent.

For further information:

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This information is information that Image Systems AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 08:00 CEST on 17 July 2026.

About Image Systems AB

Image Systems is a Swedish high-technology company and a leading provider of products and services within high-resolution image processing. By continuously challenging established market concepts and offering innovative and more efficient solutions, the Company enables its customers to improve the performance of their operations. The Company serves customers across a broad range of industries worldwide and operates through its two business units, RemaSawco and Motion Analysis. Image Systems has approximately 75 employees in several countries. In 2025, the Group generated revenue of SEK 169 million. The Company's shares are listed on Nasdaq Stockholm Small Cap under the ticker symbol IS. For further information, please visit www.imagesystemsgroup.se.

IMPORTANT INFORMATION

Publication, release or distribution of this press release may be subject to legal restrictions in certain jurisdictions. Persons receiving this press release are required to inform themselves of and comply with all such restrictions. Failure to comply with these restrictions may constitute a violation of applicable securities laws.

This press release does not constitute, or form part of, an offer to sell or a solicitation of an offer to acquire or subscribe for any securities of the Company in any jurisdiction.

This press release is not a prospectus within the meaning of Regulation (EU) 2017/1129 (the "Prospectus Regulation") and no prospectus will be prepared in connection with the Rights Issue.

Nor will any information document pursuant to Annex IX of the Prospectus Regulation be prepared in connection with the Rights Issue.

Investors should make their own assessment as to whether an investment in the Company is appropriate.

The securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended, or under the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold in the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable U.S. securities laws.

No public offering of securities will be made in the United States.

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In the United Kingdom, this press release is directed only at persons who qualify as qualified investors within the meaning of the UK Prospectus Regulation and who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) (the Order), (ii) are persons falling within Article 49(2)(a)–(d) of the Order, or (iii) are otherwise persons to whom it may lawfully be communicated.

Within the European Economic Area (EEA), no offer of shares or other securities is made to the public in any Member State other than Sweden. In other Member States, any such offer may only be made pursuant to an applicable exemption under the Prospectus Regulation.

This press release contains forward-looking statements reflecting the Company's current expectations regarding future events and financial and operational performance. Words such as *"intend"*, *"expect"*, *"estimate"*, *"believe"*, *"may"*, *"plan"* and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are inherently subject to both known and unknown risks and uncertainties because they relate to future events and circumstances. Actual results may differ materially from those expressed or implied by such forward-looking statements. Accordingly, no assurance can be given that the future results described in such statements will be achieved.

This information is information that Image Systems is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 2026-07-17 08:00 CEST.