IMAGE SYSTEMS GROUP

Q2 REPORT
JANUARY 1 – JUNE 30, 2026

Lower Net Sales in a Quarter Characterized by Challenging Market Conditions

The Group's customers continue to show a cautious approach to investments, resulting in longer sales cycles. In this persistently challenging market environment, both business areas reported weak order intake, although RemaSawco's order intake was slightly higher than in the corresponding period of the previous year. The Group's operating profit declined, primarily due to the low net sales in the RemaSawco business area, which has further weakened the Group's liquidity position. Consequently, the Group intends to carry out a rights issue to raise capital in order to retain the expertise, development capacity, delivery capability and customer satisfaction required to capitalize on future market growth.

Motion Analysis, however, reported higher net sales and improved operating profit. The successful transition to a subscription-based business model is now beginning to generate results and has also contributed to an increased order backlog.

The Group's strategy remains to invest in market presence and the product portfolios of both business areas in order to strengthen its position in key markets over the long term. An increasing share of sales within Motion Analysis is generated through the Group's own sales and service companies, which is expected to improve both profitability and growth.

Second quarter April–June

- Order intake amounted to MSEK till 27.4 (26.8)
- Net sales amounted to MSEK 30.0 (49.5)
- Gross margin amounted to 77 (63) percent
- EBITDA amounted to MSEK -1.2 (2.7)
- Earnings per share was SEK -0.10 (-0.04)

Interim period January–June

- Order intake amounted to MSEK 46.0 (57.7)
- Net sales amounted to MSEK 47.7 (88.5)
- Gross margin amounted to 82 (67) percent
- EBITDA amounted to MSEK -7.9 (5.5)
- Earnings per share was SEK -0.25 (-0.07)

Financial overview

	Apr–June 2026	Apr–June 2025	Jan–June 2026	Jan–June 2025	Full year 2025
Order intake, MSEK	27.4	26.8	46.0	57.7	125.1
Order backlog, MSEK	68.1	84.6	68.1	84.6	69.8
Net sales, MSEK	30.0	49.5	47.7	88.5	168.5
Capitalized development expenditure, MSEK	4.2	2.3	8.0	5.6	10.6
Gross margin, %	77	63	82	67	68
EBITDA, MSEK	-1.2	2.7	-7.9	5.5	9.1
EBITDA margin, %	-3.5	5.2	-14.2	5.8	5.1
Operating profit (EBIT), MSEK	-8.4	-3.6	-21.9	-6.1	-14.7
Profit after tax, MSEK	-8.9	-3.5	-22.7	-6.0	-14.6
Cash flow from operating activities, MSEK	-6.5	-9.6	-15.2	6.5	22.3
Solidity, %	44	57	44	57	58
Average number of employees	70	73	71	74	77
Earnings per share	-0.10	-0.04	-0.25	-0.07	-0.16

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CEO's comments

Jan Molin – CEO and President

Challenging Markets Require Long-Term Focus and Discipline

During the second quarter, the Group continued to operate under challenging market conditions. Customers remained cautious in their investment decisions, with prolonged decision-making processes continuing to impact primarily the RemaSawco business area. Group order intake increased slightly to MSEK 27.4 (26.8), while the order backlog declined. Net sales amounted to MSEK 30.0 (49.5), although they improved compared with the first quarter. The gross margin increased to 77% (63), reflecting the revenue mix during the quarter. EBITDA was negatively affected by the lower net sales and amounted to MSEK -1.2 (2.7). It remains clear that the Group's current earnings level is unsatisfactory and requires further measures.

RemaSawco Continues to Face a Challenging Market

Profitability among Swedish sawmills remains under pressure, although demand has shown some improvement. Prices for sawn timber increased gradually during the quarter, giving rise to cautious optimism in the market. However, high raw material prices combined with limited timber availability continue to create a challenging environment for sawmills, reducing their willingness to invest.

During the quarter, our priorities remained product development, delivery performance, service and customer satisfaction, while maintaining a strong focus on liquidity, which has deteriorated further as a result of the weak order intake. We have therefore implemented a controlled efficiency programme and reorganised the business to become more market oriented, reducing the cost base while preserving the expertise and capabilities required to capitalise on the expected market recovery.

Motion Analysis Business Model Progressing According to Plan

Motion Analysis performed broadly in line with the corresponding period of the previous year despite the challenging market conditions. Order intake declined slightly year-on-year, while the order backlog for subscription and support services continued to grow, accompanied by higher net sales and improved profitability.

This clearly demonstrates that the transition towards a business model with a higher proportion of recurring revenue is progressing according to plan. The new software platform, the growing share of subscription revenue and continued innovation in priority markets remain key drivers of our long-term ambition to enhance scalability and profitability. We also continue to launch application-specific software releases, strengthening our position within selected market segments. At the same time, increased direct sales are reinforcing our presence in strategically important geographic markets.

Focus on Liquidity, Cash Flow and a Balanced Response to Market Conditions – Rights Issue Planned

We continue to closely monitor liquidity, which has been adversely affected by the weak order intake. Cash flow and cost control remain key priorities, and we are implementing measures to adapt the business to current market conditions while gradually strengthening the Group's financial resilience. At the same time, our long-term strategic direction remains unchanged. The Board of Directors has resolved that the Group should retain the expertise, development capacity, delivery capability and customer satisfaction required to capitalise on future market growth.

To support product development, market expansion and the ongoing business model transition within Motion Analysis, the Group has secured bank financing totalling MSEK 20 of which MSEK 5 was drawn during the quarter. Despite the weaker market conditions and longer customer decision cycles, the business area's strategy and financing are considered well aligned to support continued growth.

To enable RemaSawco to continue its ongoing strategic initiatives, there is a need to strengthen the business area's short-term liquidity position. Consequently, the Board of Directors has resolved to propose a rights issue to provide additional capital to RemaSawco, subject to approval by an Extraordinary General Meeting. The proceeds are primarily intended to complete ongoing development projects, execute planned product development initiatives and strengthen the Company's ability to capitalise on the business opportunities expected to arise when market conditions improve.

THE GROUP'S DEVELOPMENT IN THE SECOND QUARTER

Order intake, net sales and profit

Order intake amounted to MSEK 27.4 (26.8) Order backlog as of June 30, 2026, amounted to MSEK 68.1 (84.6).

Net sales amounted to MSEK 30.0 (49.5). Capitalized development expenditure amounted to MSEK 4.2 (2.3) and relates to both business units.

Gross margin amounted to 77 (63) percent.

EBITDA amounted to MSEK -1.2 (2.7).

Other external charges decreased compared with the corresponding period last year, mainly due to a decrease in external consultancy costs. Personnel costs decreased compared to last year's period, which is attributed to a decrease in the number of employees.

Depreciation/amortization amounted to MSEK –7.2 (-6.3) During the year, we have begun depreciation/amortization of several development projects in connection with commercial launch.

Net financial items amounted to MSEK -0.7 (-0.1) where the increase is attributable to external financing.

Result after taxes amounted to MSEK -8.9 (-3.5).

Financial position, investments and cash flow

The Group's investments in non-current assets during the quarter amounted to MSEK 5.0 (4.2) of which MSEK 4.2 (2.3) was 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 -11.5 (-13.8). Solidity as of June 30, 2026, amounted to 44 (57) percent. Net indebtedness amounted to 0.4 (0.1) times.

Net debt as of June 30, 2026 amounted to MSEK 32.1 (8.6), primarily as a result of increased borrowings.

Available cash and cash equivalents amounted to MSEK 21.1 (22.2) as of June 30, 2026.

THE GROUP'S DEVELOPMENT DURING THE INTERIM PERIOD

Order intake amounted to MSEK 46.0 (57.7)). Order backlog as of June 30, 2026, amounted to MSEK 68.1 (84.6).

Net sales amounted to MSEK 47.7 (88.5) Capitalized development expenditure amounted to MSEK 8.0 (5.6) and relates to both business units.

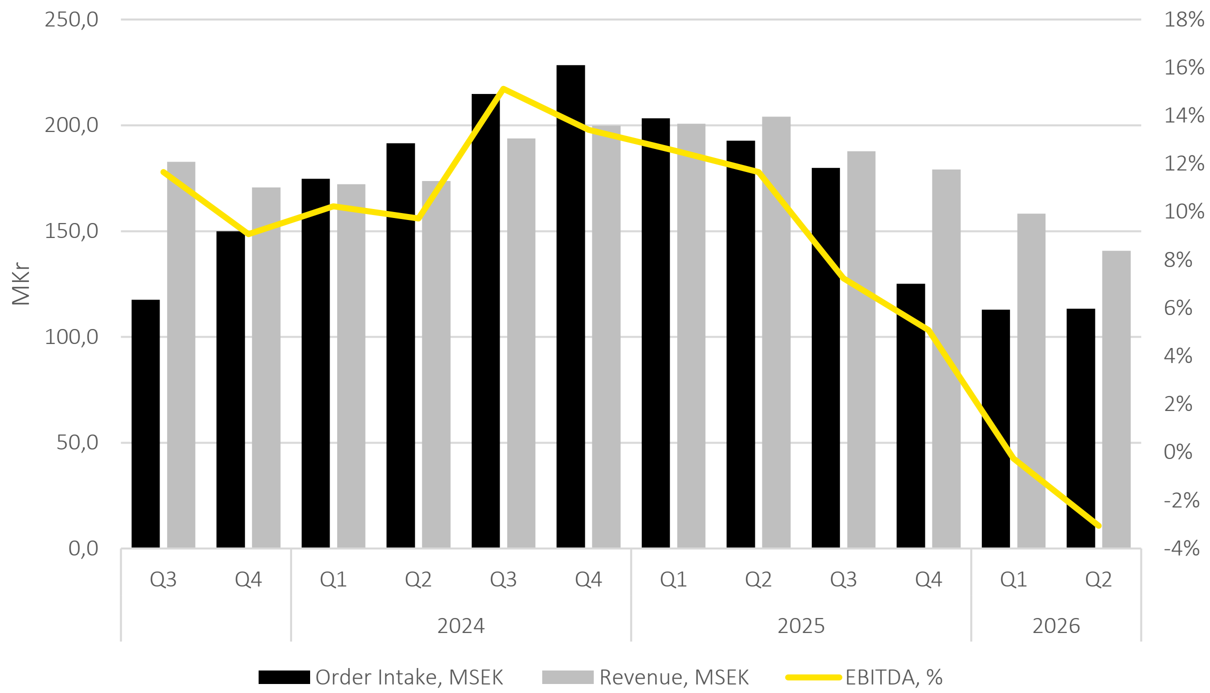
Gross margin amounted to 82 (67) percent.

EBITDA amounted to MSEK -7.9 (5.5), mainly is attributable to the low order intake and net sales within business unit RemaSawco.

Depreciation/amortization amounted to MSEK –14.0 (-11.6). During the year, we have begun depreciation/amortization of several development projects in connection with commercial launch.
Net financial items amounted to MSEK -1.1 (-0.2).

Result after taxes amounted to MSEK -22.7 (-6.0).

ROLLING 12-MONTH ORDER INTAKE, REVENUE AND EBITDA

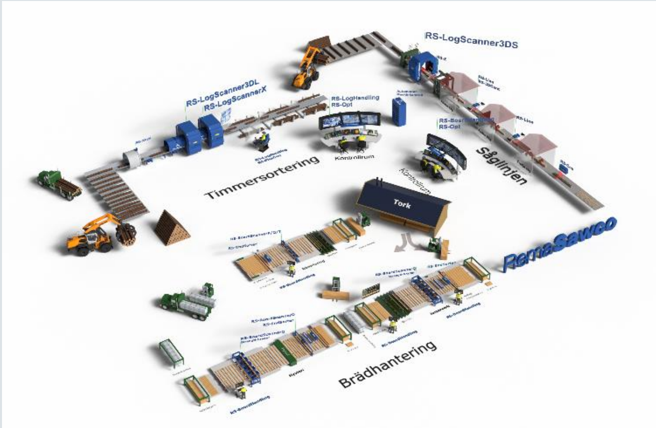


The Group's rolling 12-month EBITDA margin during the second quarter amounted to -3.1 percent. The Group's long-term EBITDA target of delivering a stable 15 percent EBITDA margin requires growth in net sales. The pace of the ongoing change in the Motion Analysis business unit, to a higher proportion of subscription and support agreements, may also affect how quickly the long-term goal is achieved.

IMAGE SYSTEMS GROUP

RemaSawco

BUSINESS UNIT:
REMASAWCO



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 during the period

During the second quarter, there were signs of cautious optimism in the Swedish sawmill market, despite continued pressure on profitability. Demand improved somewhat, primarily due to normal seasonal patterns in Europe, and prices for sawn timber increased gradually. However, these price increases were not sufficient to offset persistently high raw material costs and the limited availability of spruce logs. Market sentiment improved compared with the previous quarter, with sawmill inventories returning to more normal levels, demand strengthening in certain export markets and price trends stabilising. Nevertheless, sawmill profitability remained at historically low levels.

Order intake increased slightly year-on-year to MSEK 18.2 (16.2), although investment appetite among sawmills remained subdued. Net sales declined to MSEK 19.2 (42.4), while EBITDA decreased to MSEK -0.4 (6.8), corresponding to an EBITDA margin of -1.9% (15.7).

As order intake remains weak, the order backlog continues to decline and liquidity has deteriorated further, an efficiency programme, including workforce reductions, has been implemented. The objective is to reduce costs in a controlled manner to manage periods of subdued demand while transforming the organisation to become more market oriented, ensuring the business is well positioned to capitalise on a future market recovery.

	Apr–June 2026	Apr–June 2025	Jan–June 2026	Jan–June 2025	Full year 2025
Order intake, MSEK	18.2	16.2	24.7	38.4	79.2
Net sales, MSEK	19.2	42.4	29.0	70.7	133.7
Capitalized development expenditure, MSEK	1.5	0.8	3.4	2.0	4.1
EBITDA, MSEK	-0.4	6.8	-6.3	11.4	19.8
EBITDA margin, %	-1.9	15.7	-19.4	15.7	14.4

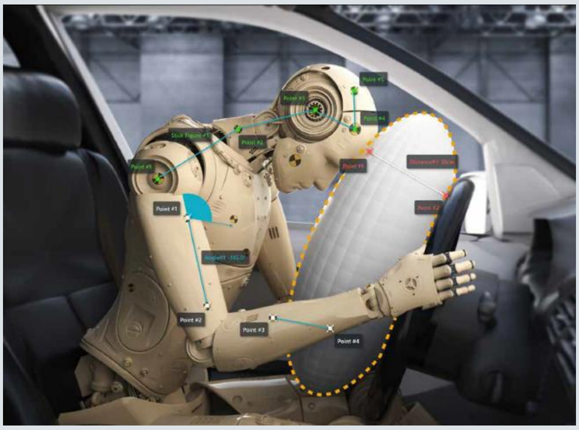
Product development

During the quarter, development of the product portfolio continued with a focus on enhanced performance, scalability and long-term competitiveness. Development efforts included further enhancement of the modular 3D and X-ray scanner platform, as well as solutions for automated log measurement and quality grading. Work also continued on standardising the hardware platform to strengthen digitalisation and optimisation throughout the sawmill process.

At the same time, AI-based models were implemented in both internal processes and products to improve customer value, operational efficiency and delivery quality. By integrating AI into the product development process, the Company is creating the conditions to accelerate the introduction of new functionality and launch new products at a pace previously not possible. This initiative forms part of the Group's long-term strategy to remain at the forefront of technological innovation and to meet customer needs with greater speed and precision.

BUSINESS UNIT:

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®.

Performance during the period

Despite challenging market conditions and longer customer decision-making processes, Motion Analysis delivered a solid performance during the quarter. Order intake declined slightly to MSEK 9.2 (10.6), while net sales increased to MSEK 10.8 (10.1). EBITDA improved to MSEK 0.7 (-1.5), corresponding to an EBITDA margin of 5.2% (-17.4). The order backlog for subscription and support services continued to grow, reaching MSEK 43.1 (33.5). Overall, this demonstrates that the strategy of transitioning to a subscription-based business model is now delivering tangible results. The first half of the year also showed stronger performance than the corresponding period of the previous year in terms of order intake, order backlog, net sales and operating profit.

During the period, the business area continued to invest in sales and marketing resources to increase market visibility, generate additional business opportunities and expand the share of direct sales in key markets.

The new software platform represents a strategically important element of the Company's growth agenda. Combined with the increasing share of subscription revenue and a stronger market presence through direct sales in priority markets, it is expected to be a key driver of future growth and improved profitability.

	Apr–June 2026	Apr–June 2025	Jan–June 2026	Jan–June 2025	Full year 2025
Order intake, MSEK	9.2	10.6	21.3	19.3	45.9
Order backlog subscription and support services, MSEK	43.1	33.5	43.1	33.5	40.7
Net sales, MSEK	10.8	7.1	18.7	17.8	34.8
Capitalized development expenditure, MSEK	2.7	1.5	4.6	3.6	6.5
EBITDA, MSEK	0.7	-1.5	1.1	-2.2	-4.0
EBITDA margin, %	5.2	-17.4	4.7	-10.3	-9.7

Product development

During the quarter, a new software release targeting the automotive safety industry was launched. The release enhances one of the business area's flagship capabilities—rigid body analysis—by addressing key measurement challenges and introducing functionality that has long been requested by customers. At the same time, significant emphasis has been placed on automation and more efficient workflows.

Several additional initiatives are underway to deliver innovative software releases to the business area's target markets. A common denominator across these initiatives is the use of AI, both in the development of new functionality and as an integrated component of the solutions themselves.

OTHER INFORMATION

Parent Company

The Parent Company's revenue for the second quarter amounted to MSEK 0.5 (1.5). Operating profit amounted to MSEK -1.5 (-2.6), while profit after tax amounted to MSEK -1.5 (-2.6).

Investments in non-current assets amounted to MSEK 0.0 (0.0). As of 30 June 2026, the Parent Company's available cash and cash equivalents amounted to M 0.0 (0.2). Shareholders' equity amounted to MSEK 113.4 (116.2), and the equity ratio was 99% (98).

Significant events after the period

Business Unit RemaSawco received an order worth approximately MSEK 5.8 from a global forest products group.

On 13 July 2026, the Board of Directors resolved to propose that an Extraordinary General Meeting approve a rights issue to raise capital for RemaSawco. For further information, please refer to the press release published on 17 July 2026.

Personnel

The average number of employees was 70 (73). The number of employees at the end of the period was 74.

Number of shares

The number of shares on June 30, 2026, 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 2025 Annual Report. No significant new or changed risks or uncertainties have been identified during the quarter.

This interim report has not been reviewed by the Company's auditors.

Financial Calendar

Interim report January–September 2026	October 23, 2026
Year-end report 2026	February 5, 2027

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, July 17, 2026

Anders Fransson Chairman of the Board	Jörgen Hermansson Director	Catharina Lagerstam Director
Matilda Wernhoff Director	Jan Molin Director and CEO	

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 08:00 AM on July 17, 2026.

Financial reports are available on the Company's website http://www.imagesystemsgroup.se

Questions will be answered by:

Jan Molin. CEO and President

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CONDENSED CONSOLIDATED INCOME STATEMENT

MSEK	Apr–June 2026	Apr–June 2025	Jan–June 2026	Jan–June 2025	Full year 2025
Net sales	30.0	49.5	47.7	88.5	168.5
Capitalized development expenditure	4.2	2.3	8.0	5.6	10.6
Total revenue	**34.2**	**51.8**	**55.7**	**94.1**	**179.1**
Raw materials and consumables	-6.9	-18.3	-8.6	-29.2	-53.6
Other external charges	-7.1	-7.6	-13.6	-14.9	-28.4
Personnel costs	-21.4	-23.3	-41.4	-44.2	-87.4
Depreciation/amortization of fixed intangible and tangible assets	-7.2	-6.3	-14.0	-11.6	-23.8
Other operating income	-	-	-	-	-
Other operating costs	0.0	0.1	0.0	-0.3	-0.6
Operating profit	**-8.4**	**-3.6**	**-21.9**	**-6.1**	**-14.7**
Net financial items	-0.7	-0.1	-1.1	-0.2	-0.5
Profit/loss before tax	**-9.1**	**-3.7**	**-23.0**	**-6.3**	**-15.2**
Tax	0.2	0.2	0.3	0.3	0.6
Profit for the period	**-8.9**	**-3.5**	**-22.7**	**-6.0**	**-14.6**
Of which attributable to the Parent Company shareholders	-8.9	-3.5	-22.7	-6.0	-14.6
Earnings per share[1)]	-0.10	-0.04	-0.25	-0.07	-0.16
Diluted earnings per share[1)]	-0.10	-0.04	-0.25	-0.07	-0.16
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	Apr–June 2026	Apr–June 2025	Jan–June 2026	Jan–June 2025	Full year 2025
Profit for the period	-8.9	-3.5	-22.7	-6.0	-14.6
Other comprehensive income					
Translation differences	0.0	-0.2	0.4	-0.2	-0.3
Total other comprehensive income	**0.0**	**-0.2**	**0.4**	**-0.2**	**-0.3**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**-8.9**	**-3.7**	**-22.3**	**-6.2**	**-14.9**
Of which attributable to Parent Company shareholders	-8.9	-3.7	-22.3	-6.2	-14.9

CONDENSED CONSOLIDATED BALANCE SHEETS

MSEK	June 30 2026	June 30 2025	Dec 31 2025
Fixed assets			
Goodwill	36.1	36.1	36.1
Customer relations	8.4	12.8	10.6
Capitalized development expenditure	61.3	60.2	60.5
Tangible fixed assets	2.5	2.0	2.8
Right-of-use assets	15.5	14.0	12.5
Deferred tax assets	19.1	19.1	19.1
Total fixed assets	**142.9**	**144.2**	**141.6**
Current assets			
Inventories	14.8	14.7	12.2
Trade receivables	13.0	35.2	16.9
Other receivables	15.0	8.8	9.9
Cash and cash equivalents	14.0	4.5	8.9
Total current assets	**56.8**	**63.2**	**47.9**
TOTAL ASSETS	**199.7**	**207.4**	**189.5**
Equity (attributable in full to Parent Company shareholders)	**87.4**	**118.4**	**109.7**
Non-current liabilities			
Borrowings from credit institutions	17.5	-	-
Lease liabilities	9.5	8.4	6.6
Deferred tax liabilities	4.0	4.6	4.3
Total non-current liabilities	**31.0**	**13.0**	**10.9**
Current liabilities			
Borrowings from credit institutions	13.3	0.1	-
Trade payables	8.2	20.1	6.1
Lease liabilities	5.8	4.6	5.2
Other current payables	54.0	51.2	57.6
Total current liabilities	**81.3**	**76.0**	**68.9**
TOTAL EQUITY AND LIABILITIES	**199.7**	**207.4**	**189.5**

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

MSEK	June 30 2026	June 30 2025	Dec 31 2025
Opening balance sheet equity	**109.7**	**124.6**	**124.6**
Net profit for the year	-22.7	-6.0	-14.6
Other comprehensive income for the period	0.4	-0.2	-0.3
Total comprehensive income for the period	**-22.3**	**-6.2**	**-14.9**
Closing balance sheet equity	**87.4**	**118.4**	**109.7**

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

MSEK	Apr–June 2026	Apr–June 2025	Jan–June 2026	Jan–June 2025	Full year 2025
Cash flow from operating activities before change in working capital	**-1.7**	**2.7**	**-8.7**	**5.1**	**8.8**
Change in working capital					
Change in inventories	-1.0	2.4	-2.6	-2.6	1.5
Change in receivables	-4.3	-5.9	-2.4	9.6	25.4
Change in current liabilities	0.5	-8.8	-1.5	-5.6	-13.4
Total change in working capital	**-4.8**	**-12.3**	**-6.5**	**1.4**	**13.5**
Cash flow from operating activities	**-6.5**	**-9.6**	**-15.2**	**6.5**	**22.3**
Investing activities					
Acquisition of intangible fixed assets	-5.0	-4.2	-9.3	-9.4	-16.4
Acquisition of tangible fixed assets	0.0	0.0	0.0	-0.3	-1.6
Cash flow from investing activities	**-5.0**	**-4.2**	**-9.3**	**-9.7**	**-18.0**
Operating cash flow	**-11.5**	**-13.8**	**-24.5**	**-3.2**	**4.3**
Financing activities					
Change in borrowings	12.7	-1.9	30.8	-3.0	-3.1
Amortization of lease liabilities	-0.9	-1.8	-1.2	-2.0	-5.0
Cash flow from financing activities	**11.8**	**-3.7**	**29.6**	**-5.0**	**-8.1**
Cash flow for the period	**0.3**	**-17.5**	**5.1**	**-8.2**	**-3.8**
Cash and cash equivalents at the beginning of the year	13.7	22.0	8.9	12.7	12.7
Exchange rate difference on cash and cash equivalents	0.0	0.0	0.0	0.0	0.0
Cash and cash equivalents at end of period	**14.0**	**4.5**	**14.0**	**4.5**	**8.9**

SEGMENT REPORTING

MSEK

Revenue	Apr–June 2026	Apr–June 2025	Jan–June 2026	Jan–June 2025	Full year 2025
RemaSawco	20.7	43.2	32.4	72.7	137.8
Motion Analysis	13.5	8.6	23.3	21.4	41.3
Parent Company & consolidated items	-	-	-	-	-
Total revenue	**34.2**	**51.8**	**55.7**	**94.1**	**179.1**
EBITDA					
RemaSawco	-0.4	6.8	-6.3	11.4	19.8
Motion Analysis	0.7	-1.5	1.1	-2.2	-4.0
Admin & consolidated items	-1.5	-2.6	-2.7	-3.7	-6.7
EBITDA total	**-1.2**	**2.7**	**-7.9**	**5.5**	**9.1**
Depreciation/amortization of fixed intangible and tangible assets	-7.2	-6.3	-14.0	-11.6	-23.8
Operating profit	**-8.4**	**-3.6**	**-21.9**	**-6.1**	**-14.7**
Net financial items	-0.7	-0.1	-1.1	-0.2	-0.5
Profit/loss before tax	**-9.1**	**-3.7**	**-23.0**	**-6.3**	**-15.2**
Tax	0.2	0.2	0.3	0.3	0.6
Profit for the period	**-8.9**	**-3.5**	**-22.7**	**-6.0**	**-14.6**

INDICATORS

	Apr–June 2026	Apr–June 2025	Jan–June 2026	Jan–June 2025	Full year 2025
Order intake, MSEK	27.4	26.8	46.0	57.7	125.1
Order backlog, MSEK	68.1	84.6	68.1	84.6	69.8
Gross margin, %	77	63	82	67	68
EBITDA, MSEK	-1.2	2.7	-7.9	5.5	9.1
EBITDA margin, %	-3.5	5.2	-14.2	5.8	5.1
Operating margin, %	-24.6	-6.9	-39.3	-6.5	-8.2
Profit margin, %	-26.6	-7.1	-41.3	-6.7	-8.5
Return on capital employed, %	neg	neg	neg	neg	neg
Return on equity, %	neg	neg	neg	neg	neg
Solidity, %	44	57	44	57	58
Debt/equity ratio	0.4	0.1	0.4	0.1	0.0
Net investments in non-current assets, MSEK	5.0	4.2	9.3	9.7	18.0
Depreciation/amortization of fixed assets, MSEK	7.2	6.3	14.0	11.6	23.8
Average number of employees	70	73	71	74	77
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	-0.10	-0.04	-0.25	-0.07	-0.16
Cash flow per share calculated on the basis of average number of shares, SEK	-0.13	-0.15	-0.27	-0.04	0.05
Equity per share calculated on the basis of number of shares at the end of the period, SEK	0.98	1.33	0.98	1.33	1.23

QUARTERLY OVERVIEW, THE GROUP

	2023		2024				2025				2026	
Quarterly overview, the Group	**Q3**	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**
Order intake, MSEK	23.8	74.3	56.1	37.3	47.1	88.0	30.9	26.8	34.2	33.2	18.6	27.4
Order backlog, MSEK	38.4	73.3	91.8	83.4	73.0	117.5	107.5	84.6	77.4	69.8	72.2	68.1
Net sales, MSEK	37.6	40.1	38.2	44.3	56.6	45.8	39.0	49.5	41.4	38.6	17.7	30.0
Capitalized development costs, MSEK	2.5	3.7	3.2	4.1	3.6	4.0	3.3	2.3	2.5	2.5	3.8	4.2
Gross margin, %	71	69	70	67	67	69	72	63	71	68	90	77
EBITDA, MSEK	4.9	3.5	4.4	4.1	17.3	1.0	2.8	2.7	7.1	-3.5	-6.7	-1.2
EBITDA margin, %	12.2	8.0	10.6	8.5	28.7	2.0	6.6	5.2	16.2	-8.5	-31.2	-3.5
Operating profit (EBIT), MSEK	0.3	-1.3	0.1	-0.5	12.8	-3.6	-2.5	-3.6	0.9	-9.5	-13.5	-8.4
EBIT margin, %	0.7	-3.0	0.2	-1.0	21.3	-7.2	-5.9	-6.9	2.1	-23.1	-62.8	-24.6
Return on equity, %	0.1	neg	0.0	neg	10.0	neg	neg	neg	0.6	neg	neg	neg
Solidity, %	69	63	61	59	60	55	55	57	58	58	50	44
Earnings per share, SEK	0.00	-0.01	0.00	0.00	0.14	-0.04	-0.03	-0.04	0.01	-0.10	-0.15	-0.10
Cash flow per share, SEK	-0.07	0.10	0.04	0.06	-0.03	0.09	0.12	-0.15	0.08	0.00	-0.15	-0.13
Equity per share, SEK	1.31	1.30	1.30	1.30	1.44	1.40	1.37	1.33	1.33	1.23	1.08	0.98
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 performance measure for investors as it provides an understanding of the Group's indebtedness after deducting cash and cash equivalents.

EBITDA

MSEK	Apr–June 2026	Apr–June 2025	Jan–June 2026	Jan–June 2025	Full year 2025
Operating profit	-8.4	-3.6	-21.9	-6.1	-14.7
Depreciation/amortization of fixed tangible and intangible assets	7.2	6.3	14.0	11.6	23.8
EBITDA	**-1.2**	**2.7**	**-7.9**	**5.5**	**9.1**

Net debt

MSEK	June 30 2026	June 30 2025	Dec 31 2025
Cash and cash equivalents	15.3	13.0	11.8
Lease liability	30.8	0.1	-
Interest-bearing liabilities	-14.0	-4.5	-8.9
Net debt	**32.1**	**8.6**	**2.9**

DEFINITIONS

Income measures

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

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

Return

Return on capital employed, %	Operating profit plus interest income in relation to capital employed. Capital employed comprises the balance sheet total less non-interest-bearing liabilities.
Return on equity, %	Profit/loss for the period in relation to 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 fixed assets as well as financial assets during the period, net of any disposals of such assets.
Average number of employees	Average number of employees during the period, calculated per month.

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 2026	Apr–June 2025	Jan–June 2026	Jan–June 2025	Full year 2025
Net sales	0.5	1.5	1.1	2.5	5.2
Other external charges	-1.6	-1.5	-2.9	-2.6	-5.1
Personnel costs	-0.4	-2.6	-0.9	-3.6	-6.8
Other operating costs	-	-	-	-	-
Operating profit	**-1.5**	**-2.6**	**-2.7**	**-3.7**	**-6.7**
Net financial items	0.0	0.0	0.0	0.0	0.0
Profit/loss before tax	**-1.5**	**-2.6**	**-2.7**	**-3.7**	**-6.7**
Appropriations	-	-	-	-	5.5
Tax	-	-	-	-	-
Profit for the period	**-1.5**	**-2.6**	**-2.7**	**-3.7**	**-1.2**

PARENT COMPANY'S CONDENSED STATEMENT OF COMPREHENSIVE INCOME

MSEK	Apr–June 2026	Apr–June 2025	Jan–June 2026	Jan–June 2025	Full year 2025
Profit for the period	-1.5	-2.6	-2.7	-3.7	-1.2
Other comprehensive income					
Total other comprehensive income	**-**	**-**	**-**	**-**	**-**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**-1.5**	**-2.6**	**-2.7**	**-3.7**	**-1.2**

PARENT COMPANY'S CONDENSED BALANCE SHEETS

MSEK	June 30 2026	June 30 2025	Dec 31 2025
Fixed assets			
Shares in subsidiaries	82.8	82.8	82.8
Deferred tax assets	12.0	12.0	12.0
Total fixed assets	**94.8**	**94.8**	**94.8**
Current assets			
Trade receivables	-	-	-
Receivables from Group companies	18.4	20.4	23.0
Other current receivables	1.2	0.9	0.6
Cash and cash equivalents	0.0	0.2	0.2
Total current assets	**19.6**	**21.5**	**23.8**
TOTAL ASSETS	**114.4**	**116.3**	**118.6**
Equity (attributable in full to Parent Company shareholders)	**113.4**	**113.6**	**116.1**
Current liabilities			
Trade payables	0.2	0.3	0.2
Liabilities to Group companies	-	-	-
Other current payables	0.8	2.4	2.3
Total current liabilities	**1.0**	**2.7**	**2.5**
TOTAL EQUITY AND LIABILITIES	**114.4**	**116.3**	**118.6**

PARENT COMPANY'S CONDENSED STATEMENT OF CHANGES IN EQUITY

MSEK	June 30 2026	June 30 2025	Dec 31 2025
Opening balance equity	116.1	117.3	117.3
Profit for the period	**-2.7**	**-3.7**	**-1.2**
Other comprehensive income for the period			
Total comprehensive income for the period	**-2.7**	**-3.7**	**-1.2**
Closing balance equity	**113.4**	**113.6**	**116.1**

PARENT COMPANY’S CONDENSED CASH FLOW STATEMENTS

MSEK	Apr–June 2026	Apr–June 2025	Jan–June 2026	Jan–June 2025	Full year 2025
Cash flow from operating activities before change in working capital	**-1.5**	**-2.6**	**-2.7**	**-3.7**	**-1.2**
Change in working capital					
Change in receivables	-0.2	-0.1	-0.6	-0.4	-0.1
Change in current liabilities	-0.5	0.4	-1.5	-0.1	-0.2
Total change in working capital	**-0.7**	**0.3**	**-2.1**	**-0.5**	**-0.3**
Cash flow from operating activities	**-2.2**	**-2.3**	**-4.8**	**-4.2**	**-1.5**
Investing activities					
Change in borrowings to/from subsidiaries	2.2	2.5	4.6	4.2	1.5
Cash flow from investing activities	**2.2**	**2.5**	**4.6**	**4.2**	**1.5**
Operating cash flow	**0.0**	**0.2**	**-0.2**	**0.0**	**0.0**
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**	**0.0**	**0.0**
Cash and cash equivalents at the beginning of the period	0.0	0.0	0.2	0.2	0.2
Exchange rate difference on cash and cash equivalents	0.0	0.0	0.0	0.0	0.0
Cash and cash equivalents at end of period	**0.0**	**0.2**	**0.0**	**0.2**	**0.2**