



**IMAGE
SYSTEMS
GROUP**

ANNUAL REPORT

2024

<https://imagesystemsgroup.se>

About Image Systems

Image Systems is a Swedish high-technology company that develops and markets software and systems in non-contact measurement technology and advanced image processing. We are a world-leading supplier in non-contact measurement technology and advanced image processing.

Today, our two business units – RemaSawco and Motion Analysis – operate in a number of different market segments where non-contact measurement technologies are required, the most prominent being the forestry, defense, and automotive industries.

Our world-leading products are used to optimize production flows and to develop and test new products. Image Systems has just over 70 employees with operations in Sweden, Finland, and Norway, and sales offices in China, France, Israel, and the US.



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FINANCIAL CALENDAR

Interim report January 1 – March 31, 2025April 25, 2025
Annual General Meeting 2025.....May 8, 2025
Interim report April 1 – June 30, 2025.....July 17, 2025
Interim report July 1 – September 30, 2025October 24, 2025
Year-end Report 2025February 6, 2026

FINANCIAL INFORMATION

Financial and other relevant company information is published on
<https://imagesystemsgroup.se>

DISCLAIMER

This document is an unofficial translation. In the event of any conflict in interpretation between the English and the original Swedish version, the Swedish version shall take precedence and be considered the authoritative text.

2024 IN BRIEF



The EBITDA, which amounted to MSEK 26.8 (15.5), corresponds to an EBITDA margin of 13.4 percent (9.1).

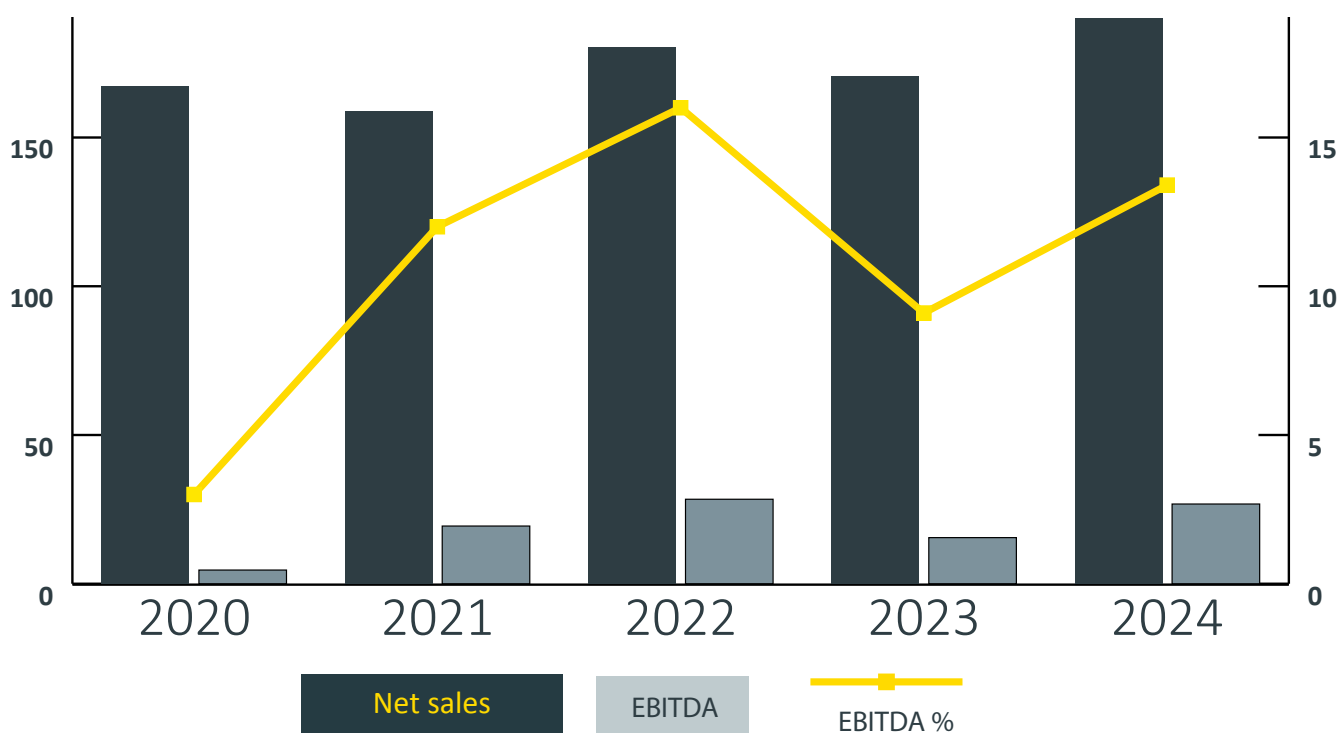
The sawmill market recovered to some extent during the year, resulting in improved order intake for RemaSawco to MSEK 165.9 (110.6), an increase of 50 percent.

The Group's revenue increased compared to the previous year to MSEK 199.8 (170.7), an increase of 17 percent. Order intake amounted to MSEK 228.5 (150.0), an increase of just over 50 percent.

The Motion Analysis business unit has seen a sharp increase in demand for its products during the year. At the same time, the business unit has transitioned to selling subscriptions. Order intake grew to MSEK 62.6 (39.4), an increase of 59 percent.

FINANCIAL INDICATORS	2024	2023
Order intake, MSEK	228.5	150.0
Order backlog, MSEK	117.5	73.3
Cash flow from operating activities, MSEK	39.2	1.7
Gross margin, %	68	70
EBIDTA margin, %	13.4	9.1
Solidity, %	55	63
Average number of employees	72	67

THE GROUP'S 5-YEAR PERFORMANCE



A YEAR OF GROWTH



” Our conviction that we are focusing on the right things strengthens as order intake, net sales and profitability increase. We will prioritize continued investments in line with our high ambitions to provide customers with efficient solutions while building shareholder value. ”

Johan Friberg, Group President

2024 ended as the previous year – with a strong order intake and a historically high order backlog of MSEK 117 at the end of the year. Overall, the Group experienced significant growth in terms of order intake, net sales and operating profit. We see it as confirmation that our investments have been well-targeted and carried out at the right time. The transition we are making to streamline our organization and business models, as well as sharpen our product offering, has been well received by the market, which also creates value for us and for our shareholders.

Motion Analysis continues its expansion in niche market

We have seen a rapid and successful movement of the Motion Analysis business unit, which has enhanced our market position. By addressing more segments, we gain market share. With our new subscription business model, we will have a higher share of recurring revenue, providing financial predictability and increased profitability in the long term. The positive impact on EBITDA comes with a lag as revenues are spread over the entire contract period. At the end of the year, the order backlog for subscription services was MSEK 37, corresponding to the entire 2024 net sales for the business unit.

The business unit had an order intake growth of around 60 percent. I believe that this positive development is a result of both general market growth and that our investments in market presence and product development have been effective. We have increased the share of direct sales, in part by establishing a sales office in the US.

At the end of the year, a milestone was reached when a beta version of the new product platform was launched to a number of customers. The commercialization of the product is planned for 2025, creating further growth opportunities.

Increased efficiency brings profitable growth to RemaSawco

RemaSawco has made strides forward in several areas. Perhaps the most crucial success factor has been a marked increase in customer satisfaction. The entire organization, from management to field employees, has delivered at the highest level.

The market situation for the sawmills naturally impact RemaSawco's business opportunities. Some uncertainty remains, such as limited access to raw materials, high raw material prices and low demand for sawn

timber, but we see an increasingly bright future with greater willingness to invest. We believe that sawmills will continue to modernize their facilities in 2025, and more and more will choose RemaSawco as their supplier. Our business unit has strengthened its position in the Nordic market, and I am convinced this development will continue. Customers are also increasingly interested in longer-term relationships with service agreements that provide them with a safer operation over time. This shift means a higher share of recurring revenue for us.

Image Systems – a well-equipped group with a continued high investment rate

A central part of our strategy is to create a more robust business through a higher share of recurring revenue in both of our business units. A stable and predictable business model provides a clearer understanding of our operations while creating better conditions for long-term investments.

The ongoing revolution in artificial intelligence is creating new opportunities. By incorporating AI technology into our products, we can both enhance our existing offerings and develop new innovations. Image Systems has a clear ambition to be at the forefront of capitalizing on rapid technology development and creating additional value for our customers.

Consequently, we continue to maintain a high investment rate both in terms of product development and increased market presence. This is a strategic investment to create long-term growth, both in sales and earnings, thereby generating shareholder value.

I will now hand over the baton to Emilien Saindon, who will take over as CEO on April 14. I am filled with excitement and confidence as I look forward to how Emilien and his team will develop the Group into the future to create customer and shareholder value. I would also like to take this opportunity to express my gratitude to employees, customers, and owners for the long time I have had the privilege of leading and working in this fantastic Group.

Linköping in April 2025
Johan Friberg

A GROUP WITH GLOBAL PRESENCE



Image Systems is a global Group. We currently have customers in a total of 47 countries and we run our own operations in seven countries. The sun never sets on Image Systems.



HIGH-LEVEL MEASUREMENT TECHNOLOGY

Image Systems is a Group offering products and solutions in non-contact measurement technology. The Group currently consists of two business units – RemaSawco and Motion Analysis. The Group’s overall focus is to promote and create conditions for profitable growth for its holdings.

STRATEGY

The Group’s intention is for its holdings to maximize their individual success in the markets in which they operate. What distinguishes companies in the Group should be that:

- We work in measurement technology, mainly in non-contact measurement technology, which means that our measurement systems do not affect the object they analyze.
- We operate in a well-defined niche.
- We are market leaders, either globally or within a geographic market.

We expect these three components to provide the conditions for long-term profitability and growth.

It is our belief that measurement technology will grow in the future. Digitalization, automation, and sustainability are underlying driving forces that affect growth in the markets where Image Systems operates. To achieve this, more accurate data needs to be created that can be analyzed, presented, and used to support decision-making. Our products do just that: They manage and analyze data so that our customers can optimize their operations.

OPERATIONS

Image Systems operates in widely different market niches where the common denominator is world-leading measurement technology solutions. **RemaSawco** is mainly active in the sawmill market in the Nordic and Baltic countries. **Motion Analysis** has a high market share globally and is active in high-speed analysis worldwide.

Each business unit has separate and well-defined targets to ensure the robustness of each business unit and its market offering. This is reflected in practice by the investments made towards recurring revenues, increased focus on the services offered, and scalability of the operations. To complement these investments, both business units are investing heavily in their product portfolios.

ORGANIZATION

The Image Systems Group seeks to maximize the success of its respective subsidiaries. The Group has a joint function for Finance and Administration. Otherwise, the business units operate separately in their respective market niches.



RemaSawco's vision is to enable the most progressive sawmills to optimize their production and, thus, sustainably manage our forests. RemaSawco contributes to this by offering high-end technology and future-proof measurement systems with smart data analysis for more efficient production and increased value exchange.

RemaSawco offers turnkey solutions that optimize the production flow in a sawmill. Using non-contact measurement technologies, such as 3D scanning and X-ray systems, we have developed a portfolio of different measurement systems that allow us to optimize the entire process, from timber sorting to board handling. Our deliveries also include proprietary software based on advanced algorithms and smart data analysis, which helps our customers increase raw material yields. Combined with a high level of service, we thereby increase our customers' production availability. We have a philosophy of always simplifying the difficult at all levels. We make it easy for our customers by taking responsibility for complex upgrades and integrations so they can focus on their core business.

Our systems generate vast amounts of data that can furthermore be used to provide real-time decision support. Therefore, RemaSawco also develops digital platforms to enable this.

RemaSawco mainly targets Scandinavian and European customers who operate modern sawmills for coniferous forests and have a strong innovation capacity focusing on productivity and efficiency. Our most popular product, the BoardScanner-Q, is considered as world-leading by the market. RemaSawco's customers include most major Groups in the Nordic region, such as Stora Enso, Holmen, Södra, SCA, UPM, Norra Timber, Vida Skog, and Moelven.

RemaSawco's head office is located in Linköping and the Company has several local offices in Scandinavia. The central research and development teams are located in Skellefteå (X-ray technology) and Linköping (scanner technology). The development teams are deliberately established close to universities to secure competence and ensure that RemaSawco is at the forefront of technology development.

“ In 2024, we have seen a greater willingness to invest among sawmills, despite the continued challenging market situation with high raw material prices and shortages of the same. During the year, RemaSawco has worked hard on improvements in several areas, which has generated increased trust from several major groups, and we have thus strengthened our position in the market. ”

Emilien Saindon, CEO and Business Unit Manager RemaSawco

SCALABLE OFFERING AND PARTNERSHIPS

In 2024, the business unit focused on upgrading existing products, continuing the development of the new measuring station and continuing to develop and strengthen our service offering. This is work that will be ongoing in the coming years.

We have also put a lot of resources into helping our customers meet the requirements linked to VIOL 3. The latter is a system change and a requirement of the impartial industry association Biometria on all sawmills with timber measurement. In 2024, RemaSawco has worked to develop and implement customized solutions that help our customers meet these requirements. The solution will continue to be implemented with our customers until the summer of 2025. Progress has also been made in the development of our new measuring station, where we have, among other things, delivered and commissioned the new measuring frame at the customers’ premises. Work is proceeding on the complete measuring station solution, which also includes a new X-ray apparatus. Additionally, we have made advancements in the area of digital solutions.

At RemaSawco, we have a long-term ambition to offer our solutions in several countries and become the market leader there as well. We consider the scalability of both our offering and our business models to be important cornerstones of our strategy to achieve this goal. The concept of scalability is central to all our activities, from the design of our products to our marketing strategy.

For RemaSawco, a scalable offering allows us to implement our systems in new geographic markets quickly while maintaining quality and service levels. This has clearly influenced how we develop our products, as we now aim for a higher degree of parameter-based standard solutions. We also have the ambition to develop products with open interfaces (API) to facilitate integration with customers’ existing systems and simplify our service commitment to ensure accessibility.

MARKET

The sawmill market still suffers from uncertainties but has shown an increased willingness to invest in 2024. Several major sawmill groups have chosen RemaSawco as their supplier, and we see an increased willingness to establish long-term relationships through service agree-



ments, which will give customers safer operations over time. The investments we make in product development, together with the efficiency initiatives that the business unit has implemented in recent years, yield results, and the market is now increasingly choosing RemaSawco to modernize its sawmills.

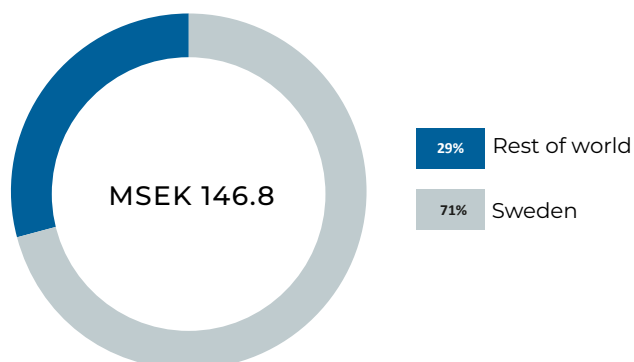
The shortage and the continued high prices of raw materials are creating new market requirements and an increased need for optimization in the manufacturing process. RemaSawco has a relatively large installed base that is very much approaching the end of its life cycle and sawmills need to modernize their equipment with new products from RemaSawco to remain competitive in the coming years.

The outlook for sawmills remains positive. Wood consumption is estimated to continue growing, not least due to the climate policy-supported wooden construction. Furthermore, it is reasonable to assume that production in Russia, which before the Ukraine war was the world’s second-largest producer of wood products, will continue to be reduced due to sanctions.

SERVICE & SUPPORT

In previous years, RemaSawco has traditionally offered our customers maintenance and service on an ongoing needs basis. But as the market evolves, the demands and needs of our customers change with it. Availability has become a central concept to ensure delivery and efficient and profitable production. Therefore, in 2024, RemaSawco has continued to develop, market and sell a new type of service and maintenance to meet these requirements and needs. The result is a safer everyday life for our customers with increased and secured availability in production at a known cost.

REMASAWCO SALES REVENUE 2024*



*Includes net sales excluding capitalized development costs

REMASAWCO TOTAL INCOME AND RESULTS* 2020-2024



*Includes net sales and capitalized development costs

CASE

ATA TIMBER – RÖRVIK

INCREASED PROFITABILITY AND EFFICIENCY WITH REMASAWCO'S MEASURING STATION

ATA Timber in Rörvik has invested in a new measuring station from RemaSawco to modernize its timber measurement and optimize production. The system consists of the RS-LogScanner3D measuring frame, the RS-FlexCon operator chair and the RS-715 control and timber measurement system. We met Lars-Johan Svensson, CEO of ATA Timber Rörvik, and Mikael Svensson, Project Manager, to hear more about their experiences from collaborating with RemaSawco.



SUPPLIER SELECTION

Lars-Johan Svensson says that they previously used RemaSawco's older 9015 system and that they evaluated several suppliers when it was time to upgrade. The RS-715 was chosen because it was an affordable, user-friendly and Swedish-made system. He also highlights that a Swedish supplier means smoother support and service, which was an important factor in the decision.

MAXIMIZING THE VALUE OF EVERY LOG

So, what is the solution for the sawmill industry in these times? Well, it is about maximizing the value of each processed log through optimization and efficiency, and this is exactly RemaSawco's area of expertise. By using large amounts of data and smart algorithms, we can optimize the machining process to achieve maximum value from each and every log.

CHALLENGES IN THE MEASURING STATION

Mikael Svensson explains that the biggest challenge was to get a more accurate log measurement without having to make extensive changes to the facility. RemaSawco's solution could be easily integrated into the existing structure, making the transition smooth.

At the same time, Lars-Johan Svensson emphasizes that one of the biggest challenges in the sawmill industry right now is the shortage of raw materials and the sharp price increases. He feels that since the raw material has become so much more expensive, they have to be extremely careful about how they use their timber, and the new measuring station has really played a crucial role in this.

INCREASED EFFICIENCY AND PROFITABILITY

Mikael Svensson sees clear improvements since the system was installed. He explains that they now have a much more accurate measurement, which enables them to optimize each log. With precise sorting, they can minimize waste and increase profitability.

Lars-Johan Svensson agrees and highlights how the precision allows them to adapt the sawing log by log in a way that was not previously possible. He believes this allows them to maximize the value from each log and plan production more efficiently.





AN INTUITIVE AND EFFICIENT WORKPLACE

One of the biggest improvements, according to Mikael Svensson, is the intuitive operator environment. He says they can easily see any error messages directly on the screen, allowing them to quickly fix problems and avoid unnecessary and lengthy downtime.

Lars-Johan Svensson specifically highlights the new RS-FlexCon operator chair, which has significantly improved the work environment. He describes how Biometria now has an excellent workplace with improved ergonomics and clear screens, making it easier to manage the facility.

THE COLLABORATION WITH REMASAWCO

Lars-Johan Svensson says that when the decision to choose RemaSawco was made, both companies appointed a dedicated project manager who followed the process from start to finish. He believes that this approach made the entire project smooth and efficient, and they were able to complete the refurbishment in just one week.

Mikael Svensson thinks that RemaSawco has been responsive to their requests and that they have had great opportunities to influence the solution. He specifically mentions the design of the operator's chair, where ATA Timber was able to adapt the functions to meet their needs.

FAST AND SMOOTH SERVICE & SUPPORT FROM SWEDEN

The support has worked very well, according to Mikael Svensson. On the few occasions they required assistance, they received quick responses and seamless help, which he finds very reassuring.

Lars-Johan Svensson adds that a major advantage is that the products are Swedish, as it makes it easier to get in touch with the right people when needed. He considers this to be an important factor when investing in new technologies.

SUMMARY

Lars-Johan Svensson does not hesitate when he sums up his experience: *"We are very pleased with our choice. The system is user-friendly, accurate and reliable."*

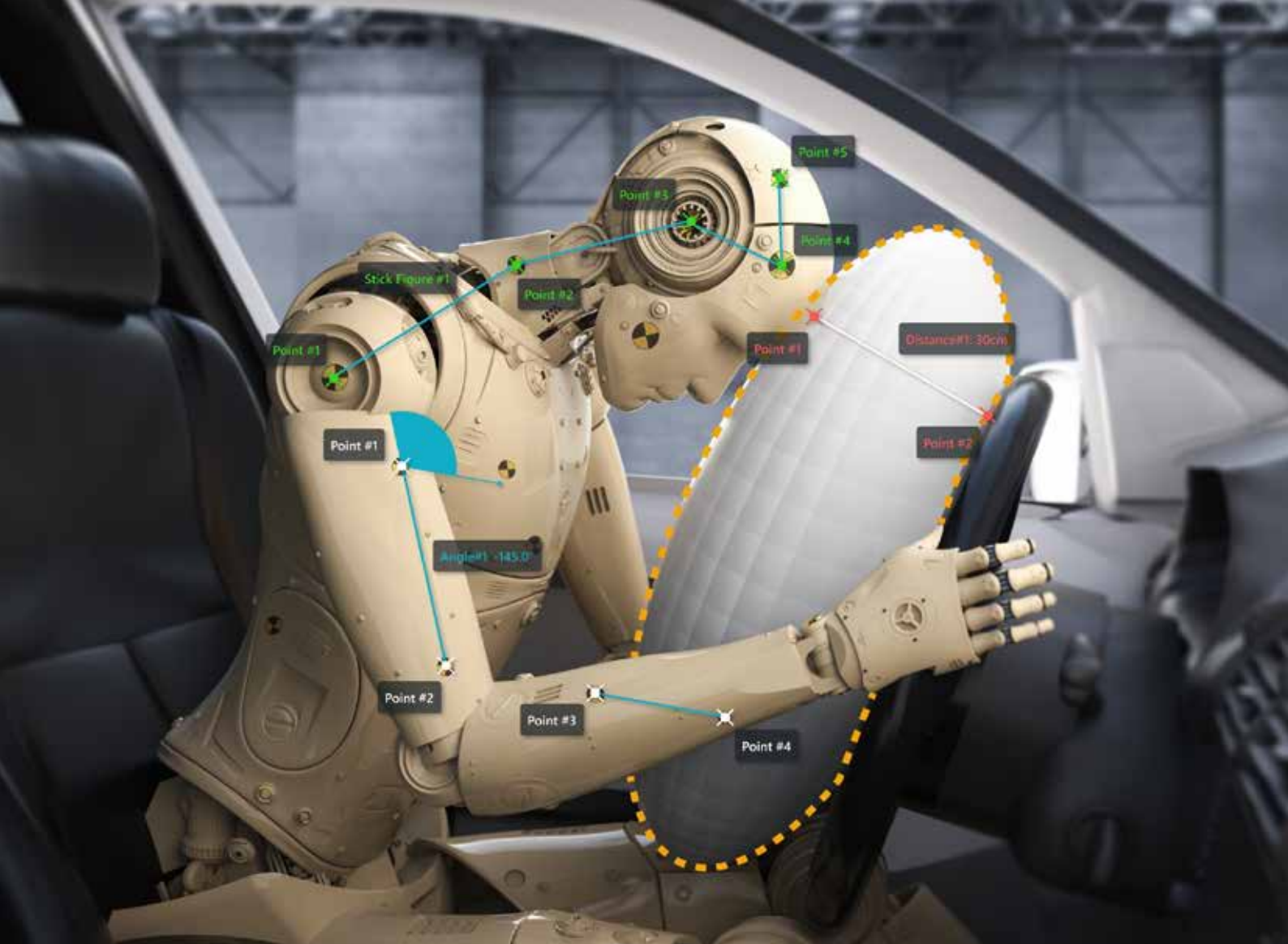
Mikael Svensson agrees and concludes with a piece of advice for other sawmills: *"If you are looking for a reliable and flexible supplier of measurement systems, who really listens to the customer's needs, then RemaSawco is an excellent choice."*



Mikael Svensson, Project Manager (left) and Lars-Johan Svensson, CEO (right)

“We are very pleased with our choice. The system is user-friendly, accurate and reliable.”





MOTION ANALYSIS – HIGH MEASUREMENT PRECISION



Motion Analysis is the world leader in measuring movements in high-speed film. The software developed and sold today is used in hundreds of different applications where our customers demand the world's best accuracy.

We specialize in measuring events that happen at high speed. Our customers use special cameras to film these events in slow motion. These special cameras can film at more than one million frames per second. Our customers then use our software to study how different things move in these films. For example, our software can automatically calculate how fast or how much an object is moving in a film. This is used in various fields, such as military equipment testing, car crash tests, and university research.

OFFERING

Motion Analysis provides its customers with specialized software for the analysis of high-speed film. The software is sold under the trademarks TEMA and TrackEye. Historically, the software has been sold as lifetime licenses, with the option for customers to upgrade to the latest version annually through service agreements. The company is now undergoing a business transformation to transition to a subscription-based sales model.

In addition to software licenses, the company also offers comprehensive measurement systems for specific purposes. These packages include not only software but also sensors such as industrial and high-speed cameras, as well as computers.

SALES CHANNELS

Motion Analysis sells directly to end customers in markets where it has its own sales and service offices. In other geographical markets, the company collaborates with distributors. With the transition to subscription offers, an increasing share of sales is expected to be made via web platforms. The company currently has its own sales offices in Sweden, France, Israel, China and the US.

MOTION ANALYSIS



TECHNOLOGY

Motion Analysis positions itself as a leading player in motion analysis in the high-speed segment by focusing on its core competence in software development and implementation of advanced mathematical algorithms in image streams. The company's success is based on its unique ability to convert pixel data in images into automated results with high accuracy. This enables not only advanced analysis of high-speed film but also the ability to analyze details and create crucial insights for our customers.

COMMENTS ON THE PAST YEAR

Throughout the year, we have experienced a sharp increase in order intake compared to previous years. We recognize that an increasing part of our success comes as a consequence of structured sales work close to our customers. Consequently, we will initiate additional local offices in markets where we see promising opportunities for further market growth.

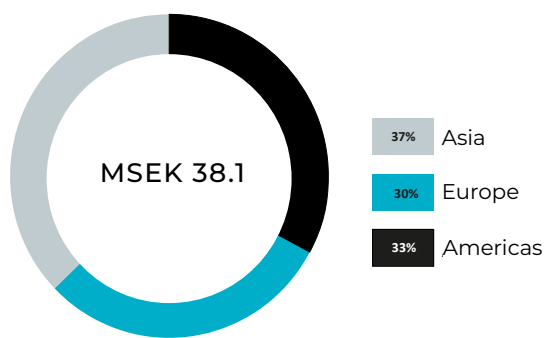
We have during the year implemented a change in the business model and switched from selling lifetime licenses to selling subscriptions of our software. In the last quarter of the year, just over 90 percent of the order intake is linked to subscriptions or support.

In parallel with our sales efforts, the Company has continued developing a new software platform. This platform will replace the existing products TEMA and TrackEye, and at the same time provide increased opportunities for the development of new functions. A beta version of the new platform was made available to a selection of customers at the end of the year. The project is proceeding according to plan.

RESEARCH AND DEVELOPMENT

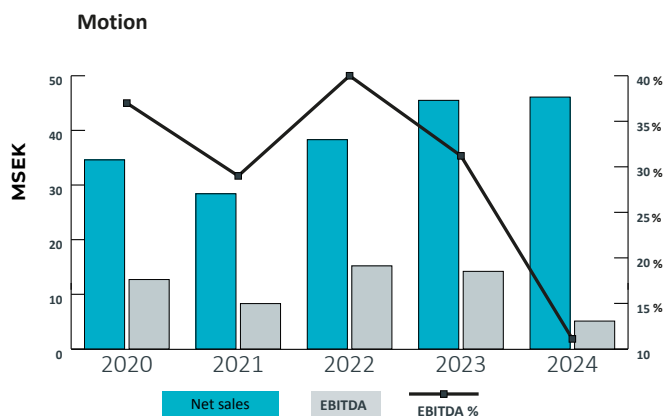
Motion Analysis has invested significant amounts in research and development to create a new and improved product platform. It not only aims to modernize the user experience, but also to enable the integration of TEMA and TrackEye with other measurement technology products and third-party software. The overall goal is to create a more coherent and comprehensive product experience for users, while keeping a strong focus on facilitating the online functionality of the software in the future. This strategic direction reflects the company's commitment to continuous innovation and to providing customers with tools that are not only advanced but also flexible enough to meet the future demands and challenges of high-speed film analysis.

MOTION ANALYSIS SALES REVENUE 2024*



*Includes net sales excluding capitalized development costs

MOTION ANALYSIS TOTAL INCOME AND RESULTS* 2020-2024



*Includes net sales and capitalized development costs

MOTION ANALYSIS

CASE MEDTRONIC, USA

TEMA PRO

TEMA Pro is a market-leading software suite for advanced motion analysis in research and industry. The software has many different fields of application in a variety of industries. In this case, we describe an example from the medtech area.

Matthew Ziebol is Senior Engineering Manager at the medtech company Medtronic in the US. Here he explains how he and his colleagues use **TEMA Pro** software from Motion Analysis in their work.



Matthew Ziebol

WHAT IS YOUR AREA OF RESPONSIBILITY?

My team is responsible for designing, developing and rigorously testing cardiovascular devices. We specifically focus on transcatheter heart valves and aortic stent grafts. Our work ensures that these devices meet strict safety standards and deliver optimal results for patients undergoing cardiac procedures. We test the performance of the devices under simulated conditions, analyze their mechanical properties, and validate the design against real clinical scenarios.

HOW DOES THE TEMA PRO SOFTWARE ASSIST YOU WITH THESE TASKS?

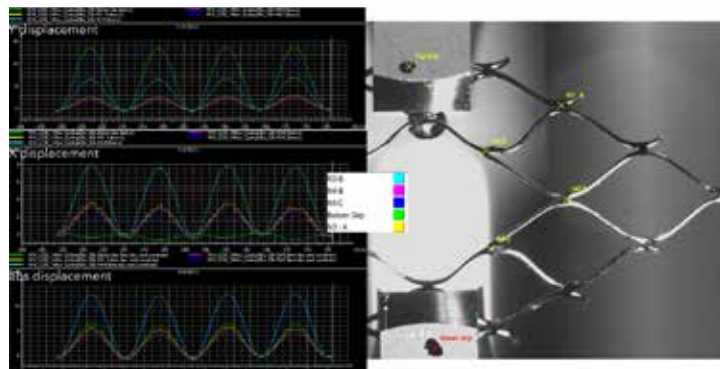
We use TEMA Pro to analyze high-resolution video data from bench testing of new valve and frame designs. The software helps us transform qualitative data into quantitative results, allowing a more accurate evaluation of the devices' performance. By utilizing TEMA Pro, we can accurately measure the critical dynamic motion properties of our devices. This capability provides valuable insights into how the devices will work in the human body, helping us to optimize their design and functionality.

HOW DO ANALYSES WITH TEMA PRO IMPACT THE COMPANY/PRODUCTS/CUSTOMERS?

Utilizing TEMA Pro significantly speeds up our testing process, which allows us to develop and refine our devices faster. This increased efficiency leads to faster product development cycles, which ultimately means more patients can benefit from our advanced treatments earlier. By enabling better device design through more accurate, data-driven insights, TEMA Pro plays a crucial role in improving the safety and effectiveness of our heart valve and stent graft products. This ensures that patients receive the highest quality medical solutions to relieve pain, restore health and prolong life.



Medtronic's development department and operational headquarters are located in Minneapolis, Minnesota, USA.



Screenshot of TEMA Pro being used by Medtronic to evaluate movement patterns of an aortic stent graft.

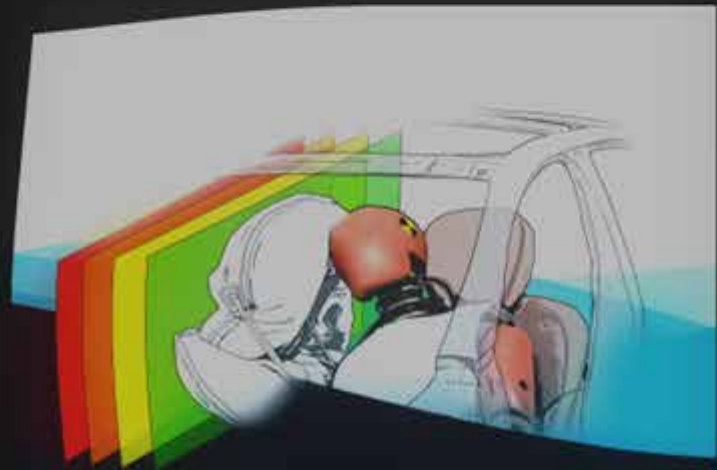
tema

MOTION ANALYSIS

INSIGHTS ON IMPACT TESTING

Car testing facilities worldwide rely on advanced optical tracking systems to capture the dynamic behavior of vehicles during crash tests. By employing high-speed cameras and digital image processing, these tests document every collision detail and enable accurate 2D, 3D, and even 6DoF analysis of vehicle movements, deformations and deflections. With TEMA and TrackEye, engineers can reconstruct the vehicle's crash trajectory and accurately quantify critical parameters – such as speed, acceleration, and structural deformation – by analyzing sequential images from multiple camera angles. In 2024, TEMA emerged as the preferred solution for measuring compliance within the far-side testing standard.

To achieve and maintain such precision, TEMA and TrackEye integrate robust optical tracking modules that automatically identify and follow key features throughout the image sequence. The software decodes embedded image information and employs advanced tracking algorithms, including correlation, contour tracking and center-of-gravity detection, to continuously update the vehicle's position and orientation during the collision. Real-time calibrations and coordinate transformations then convert pixel movements into measurable real-world data, resulting in detailed crash analysis reports that drive the development of next-generation vehicle safety.





OUR EMPLOYEES



A company is nothing more than its employees. To strengthen the future competitiveness of Image Systems, we must remain at the forefront of technology. Our employees, through their skills, drive, and commitment, create the conditions for our Group to continue its growth and profitability in the future.

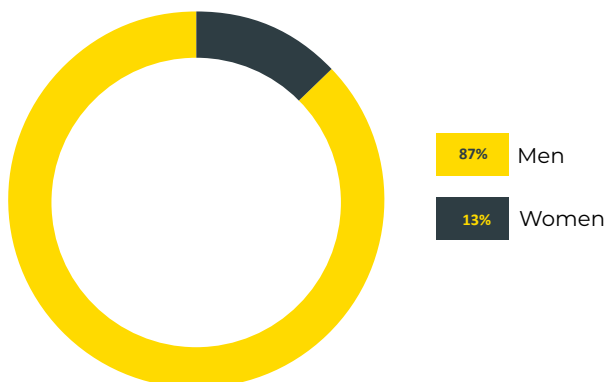
Image Systems currently has a total of about 75 employees, almost 50 in RemaSawco and just over 25 in Motion Analysis. Our business units are strongly engineer-driven and operate in markets requiring a high level of technical knowledge and an understanding of our customers' challenges.

We work to ensure that every employee can have a career within the Group that strengthens both the individual and the competitiveness of the Company. One way we do this is by continuously developing our employees individually and in groups. An equally important part of creating competitiveness, now and in the future, is that we offer a sustainable working environment. Each employee should also have clear expectations about the targets to be met. We believe that responsibility in what is small leads to success in what is big.

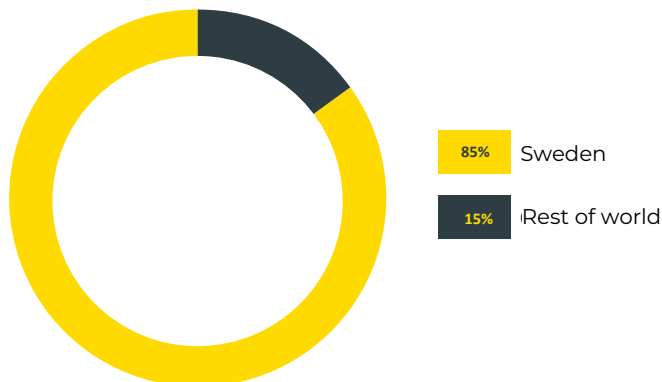
At Image Systems, we believe that a diverse workplace increases creativity and fosters innovation, which leads to development and a successful company. We believe this, together with an inclusive culture where everyone feels welcome, results in increased employee engagement, well-being, and performance.

EMPLOYEES

PROPORTION OF WOMEN AND MEN



EMPLOYEES BY COUNTRY





**IMAGE
SYSTEMS**
GROUP



SUSTAINABILITY WORK



In order to provide security for customers, shareholders, employees, and other stakeholders, it is important for Image Systems to weave sustainability aspects into our operations. With our offering of products and services in high-resolution image processing and non-contact measurement technology, we are positively impacting society by optimizing the use of our natural resources and improving safety in a number of areas such as crash safety in the automotive industry.

THE UN GLOBAL SUSTAINABLE DEVELOPMENT GOALS ARE THE WORLD'S COMMON 2030 AGENDA

The Company supports the UN Global Sustainable Development Goals. We have selected three areas where we think we can make the most impact. These are linked to Equality, Sustainable Industry, and Decent Working Conditions. Several topics, such as gender equality and the fight against corruption, are common to all companies. Besides these basic responsibilities, we focus on the goals where our business activities have the greatest potential for impact. Collaboration is the key to new knowledge, capacity-building, and a broader understanding for the realization of sustainable business.

The Global Goals, introduced in 2015, reinforce this direction. Initiatives such as the Global Goals contribute to new knowledge, and regulatory and technological developments, which ultimately lead to changes in market demand. Below we present how we develop our business and operations to make a difference.

RESPONSIBILITY FOR EMPLOYEES AND CUSTOMERS

The most important resource of Image Systems is our employees, and we want to create a corporate culture that promotes innovation, participation, and cohesion. We strive to be an interesting and attractive employer so that our employees are happy and want to stay and grow with us, while we also want to attract the best talent. We continuously monitor the well-being and work situation of our employees.

The Image Systems Group's business offering is innovative non-contact measurement systems for various applications. Our two business units target completely different customer segments. However, all our customers are looking for more accurate and precise measurement results, whether to optimize the utilization of a log to the maximum number of boards or to maximize the safety of new vehicles through crash test measurements. We strive to be at the forefront of technology, offering our customers the most cost-effective and reliable measurement system on the market and providing long-term and future-proof solutions.

Image Systems' non-contact measurement technology strengthens our customers' sustainability efforts and allows them to ensure quality and certification of their products in a resource-efficient way. RemaSawco offers its customers optimization and strength certifications that reduce wood product waste. Motion Analysis offers tools for non-contact testing of the properties of different materials without affecting the test material. We can offer plenty of new optimization opportunities through data from different measurement points analyzed and processed in our softwares.

Customer satisfaction is also a central issue in Image Systems' operations. We want to build strong and long-term relations with our customers where all employees of our Company are involved, such as sellers, technicians, and developers, as well as aftermarket and service. By acting responsibly in all relations and assignments, we see ourselves as a responsible business partner. The Group companies conduct regular customer satisfaction surveys annually.

FINANCIAL AND ENVIRONMENTAL RESPONSIBILITY

In order for the Company to develop properly, Image Systems has several profitability goals. To achieve these, we need to make optimal use of our resources. Image Systems has a well-developed financial follow-up and planning to be able to monitor goal fulfillment.

The direct environmental impact of the Company is relatively small and mainly includes business travel, company cars, heating and cooling of the Company's office premises, and the purchase of office equipment. Telephone and video conferences are widely used to reduce traveling. For product development, Image Systems mainly uses computers and various measuring instruments, which have a relatively short lifespan. End-of-life products are returned for recycling.

THREE SELECTED SUSTAINABILITY AREAS



Image Systems strives to be environmentally responsible, and the UN Sustainable Development Goals guide us as a basis for setting environmental targets in our operations. In 2020, the Company identified several measurable targets to be able to monitor its environmental impact in the future continuously. In 2021, a Group-wide Code of Conduct was implemented to further strengthen the work on legal and regulatory compliance.



ACHIEVING GENDER EQUALITY AND EMPOWERING WOMEN AND GIRLS

Image Systems is actively working to attract and recruit more employees. We promote the UN's gender equality goals in recruitment. As an employer, we should promote equal opportunities and equal treatment for our employees. Discrimination on the basis of gender and other discrimination is never acceptable, and Image Systems places great emphasis on ensuring that there is no discrimination in employment, setting wages, career development, dismissal, or retirement. A long-term goal for Image Systems is an even gender distribution in the Company.



PROMOTING LONG-TERM, INCLUSIVE AND SUSTAINABLE ECONOMIC GROWTH, FULL AND PRODUCTIVE EMPLOYMENT WITH DECENT WORKING CONDITIONS FOR ALL

Image Systems works with a large number of customers around the world to meet their needs and strengthen their position to become more competitive. In this way, we seek to contribute to sustained economic growth as set out in UN Goal 8. With our technical solutions, we want to promote a safe and secure working environment for our customers and our own employees. We should be a stable and responsible employer offering good working conditions and development opportunities.



BUILDING RESILIENT INFRASTRUCTURE, PROMOTING INCLUSIVE AND SUSTAINABLE INDUSTRIALIZATION, AND FOSTERING INNOVATION

Image Systems aims to be an organization at the forefront of technology and act partly as a benchmark for the digitalization of the sawmill industry and partly to remain the de facto standard for measurement and analysis of rapid events such as car crash, missile, and aircraft tests. For us, the precise non-contact measurement systems and our digital solutions are a step toward more resource-efficient and sustainable industries. One area where we think we have an important sustainability role is the sawmill industry. Wood products are a sustainable building material, and demand in the construction industry is growing. Through the measurement technology of Image Systems and the optimization of timber use, wood materials are produced with less waste and higher quality. Motion Analysis contributes to this goal in various ways, including playing an important role in testing roadworthy and crashworthy vehicles.



SHARE AND OWNERSHIP STRUCTURE



Image Systems is listed on Nasdaq Stockholm, Small Cap, since 1999 under the ticker IS.

OWNERSHIP STRUCTURE

Ownership in Image Systems, according to Euroclear's register as of December 30, 2024, is shown in the table below. The ten largest shareholders held 76 percent of the shares. The total number of shareholders amounts to 4,443.

Shareholder	Number of shares	Percentage of votes and capital, %
Tibia Konsult	28,538,181	32.0
Thomas Wernhoff	14,600,000	16.4
Hans Malm	7,551,340	8.5
Avanza Pension Insurance Company	6,918,789	7.8
LMK Forward	5,544,610	6.2
Anders Fransson	1,750,000	2.0
Gunvald Berger	1,637,230	1.8
Per Thorsell	1,199,043	1.3
Hans Olsson	1,010,000	1.1
Magnus Konrad	931,000	1.0
Others	19,527,625	21.9
Total	89,207,818	100.0

As far as the Board of Directors of Image Systems is aware, there are no shareholder or other agreements and equivalent agreements between any of the Company's shareholders aimed at joint influence over the Company, or that may lead to a change of control over the Company.

SUBSCRIPTION WARRANTS

The 2023 Annual General Meeting resolved on an incentive program consisting of 2,020,000 warrants expiring on August 31, 2026, with an exercise price of SEK 2.835. Upon full utilization, the Company's share capital will increase by SEK 52,520.00 and equity by MSEK 5.7.

DIVIDEND POLICY

According to the dividend policy formulated by the Board of Directors, the size of future dividends should take into account Image System's long-term growth and profit performance, as well as capital requirements with regard to financial targets. The Board's long-term objective is to propose to the Annual General Meeting to distribute approximately 20 percent of Image Systems' profit after tax. The Company has so far not paid any dividends to its shareholders.

TRADING IN THE IMAGE SYSTEMS SHARE

The Image Systems share has been traded on the stock market since April 28, 1999. The share is listed on NASDAQ Stockholm in the Small Cap segment and the Technology sector. The Company's ticker is IS. The closing price on December 30, 2024 was SEK 2.83, corresponding to a market capitalization of approximately MSEK 252.5. In total, approximately 34.5 million shares were traded during the twelve-month period January 1 – December 31, 2024, corresponding to an average turnover per trading day of approximately 240,000 shares. The lowest price paid during the 12-month period was SEK 1.14 on January 8, 2024, and the highest price paid was SEK 2.99 on December 30, 2024.

SHARE PRICE PERFORMANCE

The graph below shows the share price performance until December 30, 2024. The curve shows the share price and the bars the number of shares traded per day.

SHARE PERFORMANCE AND TRADING VOLUME 2022–2024



SHARE CAPITAL

The share capital as of 2024-12-31 in Image Systems amounts to SEK 8,920,781.80, divided into 89,207,818 shares with a quota value of SEK 0.10 per share. According to Image Systems' Articles of Association, the share capital shall amount to a minimum of SEK 8,500,000 and a maximum of SEK 34,000,000. The number of shares shall be not less than 85.0 million and not more than 340.0 million.

All issued shares are fully paid up and carry equal rights to the Company's assets and profits, and entitle the holder to one vote. In the case of a liquidation of the Company, shareholders are entitled to a share of the surplus in proportion to the number of shares they hold.

The shares in Image Systems have been issued under Swedish law and are denominated in Swedish kronor (SEK). The shares are registered in electronic form and are accounted for by Euroclear Sweden AB according to the reconciliation provision in the Articles of Association. Share certificates are not issued. There are no restrictions on the transferability of the shares. The Company's share is neither subject to an offering made as a result of a mandatory bid, redemption right, or redemption obligation.

SHARE CAPITAL PERFORMANCE

The share capital and the number of shares have changed since 2009 as shown below:

Year	Transaction	Change in shares	Total number of shares	Quota value, SEK	Change in share capital, SEK	Total share capital, SEK
2009	New share issue	220,553,208	261,308,263	0.10	22,053,320.80	26,130,826.00
2009	Conversion of convertibles	1,885,092	263,193,355	0.10	185,509.20	26,319,335.50
2009	Exercise of subscription warrant	2,618,201	265,811,556	0.10	261,820.10	26,581,155.60
2010	New share issue	354,415,408	620,226,964	0.10	35,441,540.80	62,022,694.40
2010	Directed issue	27,495,640	647,722,604	0.10	2,749,564.00	64,772,260.40
2011	Offset	396	647,723,000	0.10	39.60	64,772,300.00
2011	Reverse share split 1:100	-641,245,770	6,477,230	10.00	0.00	64,772,300.00
2011	Reduction in share capital	0	6,477,230	2.50	-48,579,225.00	16,193,075.00
2011	New share issue	21,590,766	28,067,996	2.50	53,976,915.00	70,169,990.00
2011	Set-off issue	4,856,386	32,924,382	2.50	12,140,965.00	82,310,955.00
2011	Issue in kind	6,519,566	39,443,948	2.50	16,298,915.00	98,609,870.00
2011	Reduction in share capital	0	39,443,948	0.25	88,748,883.00	9,860,987.00
2012	New share issue	118,331,844	157,775,792	0.25	29,582,961.00	39,443,948.00
2012	Issue in kind	18,679,245	176,455,037	0.25	4,669,811.25	44,113,759.25
2013	Reduction in share capital	0	176,455,037	0.10	-26,468,255.55	17,645,503.70
2013	Reduction in share capital	0	176,455,037	0.08	-3,529,100.74	14,116,402.96
2013	New share issue	705,820,148	882,275,185	0.05	28,232,805.92	42,349,208.88
2013	Reduction in share capital	0	882,275,185	0.04	-7,058,201.48	35,291,007.40
2014	New share issue	15	882,275,200	0.04	0.60	35,291,008.00
2014	Reverse share split 1:100	-873,452,448	8,822,752	4.00	0.00	35,291,008.00
2015	Reduction in share capital	0	8,822,752	0.10	-34,408,732.80	882,275.20
2015	New share issue	29,409,170	38,231,922	0.10	2,940,917.00	3,823,192.20
2018	New share issue	50,975,896	89,207,818	0.10	5,097,586.60	8,920,781.80

CORPORATE GOVERNANCE REPORT



CORPORATE GOVERNANCE

Image Systems AB is a public limited liability company and is governed by Swedish law, primarily the Swedish Companies Act and the NASDAQ Stockholm AB's Rulebook for Issuers. In addition, account is taken of the self-regulation by the Swedish business community, where the Swedish Corporate Governance Board has drawn up the Swedish Code of Corporate Governance (the Code). Apart from legislation and self-regulatory recommendations and rules, the basis for the governance of the Company's operations are the Articles of Association. The Articles of Association state where the Board of Directors is headquartered, the Company's business direction, rules regarding the general meeting, information on the class of shares and share capital, etc. Image Systems' Articles of Association are available on the Company website, www.imagesystemsgroup.se. Image Systems applies the Code and reports no deviations from the Code in 2024. The Corporate Governance Report has been reviewed by the Company's auditors.

SHARE HOLDERS

Image Systems has been listed on Nasdaq Stockholm since 1999. At the end of 2024, the number of shareholders in Image Systems amounted to 4,443. The ten largest shareholders accounted for around 78 percent of the votes and capital. A table of the ten largest owners of the share capital and further information on the share performance in 2024 can be found on pages 22 and 23 of the Annual Report.

GENERAL MEETING

The general meeting is the highest governing body of Image Systems and is convened in Linköping or Stockholm once a year before the end of June. Notice of an Annual General Meeting shall be published not earlier than six weeks and not later than four weeks before the meeting, and of an Extraordinary General Meeting not earlier than six weeks and not later than three weeks before the meeting. Notice shall always be published in "Post- och Inrikes Tidningar" and on the Company's website. An announcement that notice has been provided shall be made in "Dagens Industri." All necessary documents for the meeting are available on the website.

Shareholders who wish to have a matter addressed at an Annual General Meeting must submit a written request to the Board of Directors in sufficient time for the matter to be included in the notice of the

meeting. The Company's Articles of Association do not contain any restrictions on how many votes each shareholder can cast at the general meeting. All shareholders registered in Euroclear Sweden's shareholder register who have notified the Company of their participation in time are entitled to participate in the meeting and vote for their total holding of shares. A shareholder's assistant may attend the meeting if the shareholder so requests.

ANNUAL GENERAL MEETING 2024

The 2024 Annual General Meeting for the financial year 2023 took place on May 8, 2024. The AGM was attended by shareholders representing a total of 58.8% of the votes and capital. Minutes were available on the website on May 9, 2024. The 2024 AGM decided, among other things, on the following:

- Profit and loss accounts and balance sheets of the Company and the Group were adopted.
- No dividend was paid for the past financial year. The retained earnings of MSEK 99.7 were carried forward.
- The Board of Directors and the Chief Executive Officer were discharged from liability.
- The AGM resolved in accordance with the Nomination Committee's proposal that the Board shall consist of five (5) Directors without deputies for the period until the end of the next AGM.
- The AGM decided that remuneration of SEK 210,000 shall be paid to the Chairman of the Board and SEK 140,000 to each of the other Directors elected by the meeting. The Chairman of the Audit and Remuneration Committee also receives a special remuneration of SEK 65,000. The meeting decided that the auditor's remuneration shall be paid in accordance with the approved invoice.
- The AGM decided to re-elect the Directors Anders Fransson (Chairman), Catharina Lagerstam, Jan Molin, Matilda Wernhoff, and Jörgen Hermansson.
- The AGM decided to appoint the accounting firm PricewaterhouseCoopers as auditor, with authorized auditor Andreas Skogh as auditor-in-charge.

- The AGM decided to approve the remuneration report.
- The AGM decided to approve the principles for appointing the Nomination Committee.
- The AGM decided to approve guidelines for remuneration of senior executives.
- The AGM resolved on an issue authorization in accordance with the Board's proposal.

NOMINATION COMMITTEE

The 2024 Annual General Meeting decided that the Chairman of the Board is tasked with appointing a Nomination Committee in consultation with the Company's larger shareholders for the 2025 AGM. The Nomination Committee shall consist of three members appointed by each of the three largest shareholders in terms of votes, as shown in the share register maintained by Euroclear Sweden AB as of September 30, 2024. The Nomination Committee appoints a Chairman from among its members.

If any of the shareholders waive the right to appoint a representative, the next largest shareholder in terms of votes shall appoint a representative. The majority of the Nomination Committee Directors shall be independent of the Company and its management.

The Nomination Committee shall appoint a Chairman from among its members. The Chairman of the Board may not chair the Nomination Committee. The Nomination Committee's term of office extends until a new Nomination Committee has been appointed. Where an already appointed Director resigns from the Nomination Committee, the shareholder who appointed the resigning Director shall appoint a replacement. The Nomination Committee receives no remuneration from the Company but is entitled to receive reasonable compensation from the Company for expenses incurred in relation to evaluation and recruitment.

The composition of the Nomination Committee was announced on Image Systems' website and published on October 29, 2024. The Nomination Committee consists of Hans Karlsson (Chairman) representing Tibia Konsult AB, Thomas Wernhoff (own holding), and Hans Malm (own holding).

THE WORK OF THE NOMINATION COMMITTEE

The Nomination Committee's tasks include:

- Evaluating the composition and work of the Board.
- Preparing proposals to the Annual General Meeting for election of the Board of Directors and Chairman of the Board.
- In collaboration with the Company's Audit Committee, preparing proposals for the AGM regarding the election of auditor.
- Preparing proposals for the AGM regarding the remuneration of the Board of Directors, divided between the Chairman and the other Directors, and any remuneration for committee work and the fees of the auditors.
- Preparing proposals to the AGM regarding the Chairman of the AGM.
- Preparing proposals for policies on appointing the next Nomination Committee.
- Performing the assignments that from time to time are incumbent on the Nomination Committee in accordance with the Swedish Code of Corporate Governance.

The Nomination Committee's proposal, report on the Nomination Committee's work for the AGM 2025, and additional information on the proposed Directors shall be presented in the notice to the AGM 2025 and on the Company's website www.imagesystemsgroup.se.

BOARD OF DIRECTORS

Role of the Board

According to the Swedish Companies Act, the Board of Directors is responsible for the organization of the Company and the management of its affairs. The Board's duties include assessing the Company's financial situation, monitoring its work on an ongoing basis, establish-

ing rules of procedure, appointing a CEO, and specifying the division of tasks.

In addition to what is stated in the Swedish Companies Act, the Board shall develop the Company's strategy and business plan in such a way that the longterm interests of the shareholders are met in the best possible way. The Board should also provide positive support and guidance to management.

The Board of Directors is appointed by the shareholders at the Annual General Meeting with a term of office from the AGM until the end of the next AGM. According to the Articles of Association, the Board of Image Systems shall consist of a minimum of four and a maximum of eight Directors and a maximum of four deputies. All Directors are elected by the shareholders at the AGM for the period until the end of the next AGM. Board decisions are only valid if more than half of the elected Directors agree. The 2024 AGM re-elected Anders Fransson, Catharina Lagerstam, Jan Molin, Matilda Wernhoff and Jörgen Hermansson. Anders Fransson was elected Chairman of the Board. No deputies were elected.

RULES OF PROCEDURE

The rules of procedure and instructions on the division of tasks between the Board and the CEO are evaluated, updated, and adopted annually. If the Board sets up committees from among its Directors, the Board's rules of procedure shall specify which tasks and decision-making powers the Board has delegated to the committees and how the committees shall report to the Board. The Board shall annually evaluate its own procedures and efficiency. Relevant results have been reported to the Nomination Committee. At least once a year, the Board shall specifically evaluate the performance of the Chief Executive Officer. No member of the Company's management may be present when this matter is discussed.

COMPOSITION OF THE BOARD OF DIRECTORS

Director	Elected	Nationality	Number of meetings attended	Remuneration, KSEK	Relation to Company	Relation to owners
Anders Fransson, Chairman	2020	Swedish	9/9	210	independent	dependent
Jörgen Hermansson	2022	Swedish	9/9	140	independent	independent
Catharina Lagerstam	2018	Swedish	9/9	205	independent	independent
Jan Molin	2022	Swedish	9/9	140	independent	independent
Matilda Wernhoff	2022	Swedish	9/9	140	independent	independent

The Board has six ordinary meetings and one statutory meeting per year. The ordinary meetings are held in connection with the submission of quarterly or annual financial statements, as well as a meeting on strategic issues and a meeting in connection with budget work. Furthermore, additional Board meetings are held when necessary. Prior to each meeting, the proposed agenda, including documentation, is sent to all Directors.

In 2024, six ordinary meetings were held and one statutory meeting in conjunction with the Annual General Meeting. A further special Board meeting was held prior to the convening of the AGM and a second special meeting was held prior to the strategy meeting. All ordinary meetings dealt with strategic matters, the Company's and the Group's financial position and performance, financial reporting and control, personnel and organizational matters, legal matters, and financial market developments. The Company's auditor has attended three of the meetings and presented audit reports. In 2024, all decisions have been unanimous.

CHIEF EXECUTIVE OFFICER

The Group President and CEO is responsible for the day-to-day management and control of the Group's operations. This includes executing the Group's overall strategy and business management, controlling and compiling financial reporting, allocating financial resources, and being responsible for financing and risk management. The Board's rules of procedure regulate the division of tasks between the Board and the CEO. The Board evaluates the performance of the CEO once a year at a meeting not attended by any members of the Company's management.

AUDIT COMMITTEE

The Board of Directors has decided that the Board as a whole constitutes the Audit Committee, chaired by Catharina Lagerstam. The Audit Committee shall, without prejudice to the Board's responsibilities and tasks in general,

1. monitor the financial reporting of the Company, with regard to financial reporting,
2. monitor the effectiveness of the Company's internal control, internal audit, and risk management,
3. stay informed about the audit of the Annual Report and Consolidated Financial Statements,
4. review and monitor the impartiality and independence of the auditor, paying particular attention to whether the auditor provides non-audit services to the Company, and
5. assist in the preparation of proposals for the general meeting's decision on the election of auditors.

At least once a year, the Audit Committee meets with the Company's auditor without the presence of the CEO or any other member of management. The Audit Committee met with the Company's auditor three times in 2024. Two of these meetings were attended by the Group's CEO, CFO, and the Chairman of the Audit Committee. One meeting was attended only by the Chairman. The auditor has also presented audit reports to the entire Board on two occasions, once without senior executives present.

REMUNERATION

The policies for remuneration of the CEO and other senior executives are proposed by the Board of Directors and regulate fixed annual salary, variable remuneration, pension, and other benefits. The Annual General Meeting shall then adopt these policies. The Board of Directors of Image Systems has chosen not to appoint a special Remuner-

ation Committee but considers it appropriate that the entire Board fulfills the tasks of the Remuneration Committee, chaired by Catharina Lagerstam. The Remuneration Committee's assessment of the application of the guidelines for remuneration to senior executives adopted by the AGM is available on the Company's website at least two weeks before the AGM. For a more detailed account of the policies applied for 2024, see the statutory administration report and note 8.

Decisions on remuneration and other terms of employment for the Chief Executive Officer are made by the Board of Directors. Remuneration and other terms of employment for other senior executives are negotiated and agreed upon with the Chief Executive Officer in consultation with the Chairman of the Board.

OPTIONS PROGRAM**Warrant program 2023/2026**

The 2023 AGM decided to introduce an incentive program consisting of 2,020,000 warrants, where each warrant gives the right to subscribe for one (1) newly issued share at a price of SEK 2.835 no later than August 31, 2026. The subscription price has been set at SEK 0.026 per warrant through an independent valuation using the Black & Scholes valuation model for warrants and accepted assumptions concerning, among other things, volatility and risk-free interest during the period June 22, 2023 – July 6, 2023. A total of 1,780,000 warrants have been subscribed by senior executives. Upon full subscription, Image Systems' share capital will increase by SEK 52,520.00, resulting in a dilution of approximately 2.2 percent of shares and votes in relation to the total number of existing shares and votes in the Company. The subscription price and the number of shares each warrant entitles the holder to subscribe for may be subject to recalculation due to a bonus issue, split, rights issue, and similar measures, whereby standard recalculation terms shall apply. There are no warrants, convertibles, or corresponding securities that can lead to additional shares in Image Systems other than what is described above.

AUDITOR

The Annual General Meeting appoints the auditor with the task, on behalf of the shareholders, of auditing the Company's Annual Report and Consolidated Financial Statements and the administration of the Board of Directors and the Chief Executive Officer. The 2024 Annual General Meeting elected PricewaterhouseCoopers AB as the auditor for the period until the 2025 AGM. Andreas Skogh is the auditor in charge. In addition to his assignment at Image Systems, he is an auditor at NOTE and CTT Systems.

ASSESSING THE NEED FOR INTERNAL AUDIT

Image Systems is a small Group with about 80 employees. Image Systems lacks complex features that are hard to analyze. The need to introduce an internal audit function in Image Systems is therefore to be considered minor. Against this background, the Board has resolved not to establish an internal audit function.

INTERNAL CONTROL

According to the Swedish Companies Act, the Board of Directors is responsible for the Company's internal control. This work is mainly done through effective and structured Board work and by delegating responsibility to the Chief Executive Officer. The internal control regarding the financial reporting is based on how the business is conducted and how the organization is structured. Powers and responsibilities are documented and have been communicated in documents such as internal guidelines and manuals. This applies, for example, to the division of tasks between the Board of Directors, the Chief Executive Officer, and the other bodies set up by the Board, instructions

for the right of attestation, and accounting and reporting instructions. The aim of this is also to reduce the risk of impropriety and undue favoritism to another party at the expense of the Company. In the internal control regarding financial reporting, each individual company is assessed separately.

THE BOARD'S REPORT ON INTERNAL CONTROL

Image Systems AB applies and complies with the requirements for internal governance and control according to Swedish legislation (ABL and ÅRL) and the Swedish Code of Corporate Governance (the Code). This report has been prepared in accordance with the regulations, the Code, and the guidance produced jointly by FAR and the Confederation of Swedish Enterprises. The report is limited to a description of how internal control regarding financial reporting is organized.

INTERNAL CONTROL OVER FINANCIAL REPORTING

The internal governance and control process involves the Board, the Chief Executive Officer, the management team, and other personnel. The process aims to ensure the Group's objective of having effective and efficient processes, to provide reasonable assurance on the reliability of the external financial reporting and that it is prepared in accordance with applicable laws and regulations. The following description of the internal control regarding financial reporting is broken down according to the above-mentioned internal control framework.

RISK ASSESSMENT

Image Systems conducts an annual financial reporting risk assessment to identify and evaluate processes and income statement and balance sheet items with higher risk. The risk assessment is based on a number of criteria, such as materiality, complexity, and risk of fraud. For more information on the Group's risks, see note 3 on pages 49–52.

CONTROL ENVIRONMENT

Image Systems' control environment is based on and governed by the strategy, business plans, and operational objectives approved by the Board of Directors. It also includes Group policies and guidelines in several areas, such as delegating authority from management to personnel.

CONTROL ACTIVITIES

Control activities are performed at different levels in Image Systems. Group management is ultimately responsible for the implementation and execution of controls at both the overall and detailed levels of operations. This is done through ongoing management and control of accounting and financial reporting, which is carried out by the finance functions in the local companies and centrally upon consolidation. Analyses of indicators, capital tied up, forecasts, and budgets are conducted on an ongoing basis. The finance function is organized and staffed based on the need to ensure that the Group maintains high accounting standards and complies with IFRS and other accounting standards.

INFORMATION AND COMMUNICATION

Image Systems' external and internal information and communication in the form of financial reporting and information to the Board and employees is carried out in accordance with external requirements and Image Systems' internal documents and policies. This implies, among other things, that all external and internal information and communication shall be effective, timely, accurate and available to target groups in due time.

INTERNAL INFORMATION

Internal policies and guidelines on financial reporting are available to the personnel concerned. The documents contain policies and instructions regarding financial reporting, internal control, financial statements, budgets and forecasts. The Board receives regular feedback on financial reports and profit development, analyses, and comments on outcomes, plans and forecasts. It also receives feedback from the external auditors when they report on the results of their audits.

EXTERNAL INFORMATION

Ongoing information is communicated to external stakeholders on the Image Systems' website, which contains publications, quarterly reports, and other financial information, press releases, and information about the organization and products.

MONITORING

Image Systems' monitoring of the Group companies includes monthly and quarterly monitoring of performance against budget and forecast. Regular monitoring and reporting of operations are carried out at various levels by the Board of Directors, CEO, and Group management. The reports and opinions of the external auditors are also monitored to improve internal control and minimize the risk of errors in the financial reporting.

Linköping in April 2025

The Board of Directors of Image Systems AB (publ)

AUDITOR'S OPINION ON THE CORPORATE GOVERNANCE REPORT



To the Annual General Meeting of Image Systems AB (publ), reg. no. 556319-4041

ASSIGNMENT AND RESPONSIBILITIES

The Board of Directors is responsible for the Corporate Governance Report for 2024 and for preparing it according to the Swedish Annual Accounts Act.

SCOPE AND ORIENTATION OF THE REVIEW

Our examination was conducted in accordance with FAR's auditing standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement has a different focus and is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and the generally accepted auditing practice in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

OPINION

A Corporate Governance Report has been prepared. Information in accordance with chapter 6, section 6, second paragraph, items 2–6 of the Swedish Annual Accounts Act, and chapter 7, section 31, second paragraph of the same Act is compatible with the Annual Report and the Consolidated Financial Statements, and are in accordance with the Swedish Annual Accounts Act.

Stockholm, April 4, 2025
PricewaterhouseCoopers AB

Andreas Skogh
Authorized Public Accountant



2023-04-01	51,894	273,114	2,100	3.4
2023-04-01	51,894	273,114	2,100	3.4
2023-04-01	51,894	273,114	2,100	3.4

Date	2023-04-01
Case Number	
Full Name	

BOARD OF DIRECTORS



ANDERS FRANSSON
Chairman of the Board

Born: 1967
Director since 2020
Education: MSc in Engineering from Lund University of Technology
Other assignments: Senior Investment Manager, Tibia Konsult AB, Board assignments in, among others, CR Competence AB, Invoice Finance AB, Infrasight Labs AB, and ProRenata AB
Previous experience: Chairman of the Board and Director of Invoice Finance AB, Billmate AB, Lime Technologies AB, Grade, Mashie, and Nordic Family Group. Previously active as CEO and business unit manager in growth-oriented software companies such as Bisnode and Lime Technologies.
Independent of Company and management: Yes
Holdings in Image Systems: 1,750,000 shares



CATHARINA LAGERSTAM
Director

Born: 1962
Director since 2018
Education: MBA, MSc in Engineering, and PhD from Stockholm School of Economics
Other assignments: Chairman of the Board of Glycolink AB, Quaestus AB. Director of Fortinova Fastigheter, ICA Försäkring.
Previous experience: Professional Director in various banking and insurance companies and start-ups. Independent advisor and private investor. Held several leading roles within national and international companies.
Independent of Company and management: Yes
Holdings in Image Systems: 65,000 shares



JAN MOLIN
Director

Born: 1966
Director since 2022
Education: MSc in Engineering and BSc in Business Administration
Other assignments: Self-employed in Business Development
Previous experience: Leading roles such as CEO of Eton Systems, CEO of Puregas solutions and VP of Supply Sandvik Mining exploration
Independent of Company and management: Yes
Holdings in Image Systems: 100,000 shares



MATILDA WERNHOFF
Director

Born: 1990
Director since 2022
Education: BSc from Stockholm School of Economics
Other assignments: Chief Strategy Officer at Alimak Group
Previous experience: Associate at McKinsey & Company
Independent of Company and management: Yes
Holdings in Image Systems: -



JÖRGEN HERMANSSON
Director

Born: 1968
Director since 2022
Education: Civilingenjör Master of Science in Engineering from Luleå University of Technology and Executive Education from IMD, Lausanne and Insead, Fontainebleu
Other assignments: Board chair and Director, Europe East, Axflow Holding
Previous experience: Senior Vice President in Meyr Melnhof Holz, Stora Enso, Södra and Inwido, among others
Independent of Company and management: Yes
Holdings in Image Systems: 300,000 shares

AUDITOR
 The 2024 Annual General Meeting elected PricewaterhouseCoopers AB as the auditor for the period until the 2025 AGM. Andreas Skogh is the auditor in charge.

MANAGEMENT



JOHAN FRIBERG
Chief Executive Officer and Group President
Business Unit Manager Motion Analysis

Born: 1974

Employed since: 2011

Education: MSc in Materials Engineering from the Institut National Polytechnique de Lorraine, France

Other assignments: Director of Centagon and Group subsidiaries

Previous experience: CEO of RemaSawco and Motion Analysis, several senior positions within Saab

Holdings in Image Systems:

65,316 shares and 250,000 warrants 2023/2026



EMILIEN SAINDON
Deputy CEO of Image Systems
Business Unit Manager RemaSawco

Born: 1976

Employed since: 2021

Education: Civil engineer in Mechanical Engineering at Linköping University

Other assignments: -

Previous experience: CEO of Flexlink Sweden and UK, several leading positions within Saab and Alstom

Holdings in Image Systems:

200,000 warrants 2023/2026



OHAD ZANGI
Managing Director of Motion Analysis

Born: 1977

Employed since: 2014

Education: MSc in Electronics at the Holon Institute of Technology, Israel

Other assignments: Chairman of ZangiTech, Director of MotionTech Ltd

Previous experience: Sales Manager for ATS in high-speed film

Holdings in Image Systems:

200,000 warrants 2023/2026



LOTTA ÖFVERSTRÖM
Finance Manager

Born: 1974

Employed since: 2011

Education: Economist

Other assignments: -

Previous experience: Group Controller at Nexus Technology AB, Finance Manager at Metrima Energi AB

Holdings in Image Systems:

10,333 shares and 200,000 warrants 2023/2026

FIVE-YEAR OVERVIEW, GROUP



[MSEK]	2024	2023	2022	2021	2020
EXTRACTS FROM CONSOLIDATED INCOME STATEMENT					
Sales revenue	184.9	160.7	171.1	152.2	162.7
Capitalized development costs	14.9	10.0	9.1	6.5	4.5
Total revenue	199.8	170.7	180.2	158.7	167.2
Gross profit	141.1	122.8	123.8	109.7	102.7
EBITDA	26.8	15.5	28.4	19.4	4.6
Operating profit	8.8	-5.3	9.1	0.8	-12.9
Net profit for the year	8.6	-6.8	8.6	0.1	-18.3
EXTRACTS FROM CONSOLIDATED BALANCE SHEETS					
Assets					
Fixed assets	146.1	124.2	131.5	139.7	145.5
Inventories	12.1	13.1	13.6	11.9	11.5
Trade receivables	47.7	33.2	20.1	22.1	17.3
Other current assets	7.3	5.9	7.0	15.5	15.2
Cash and cash equivalents	12.7	6.6	22.5	7.1	3.8
TOTAL ASSETS	225.9	183.0	194.7	196.3	193.3
Equity and liabilities					
Equity	124.6	116.0	122.9	114	113.8
Non-current liabilities and provisions	15.4	9.7	14.9	21.7	23.1
Current interest-bearing liabilities	9.0	10.4	9.9	9.8	15.2
Accounts payable	14.9	12.2	12.6	16.1	16.3
Other current liabilities	62.0	34.7	34.4	34.7	24.9
TOTAL EQUITY AND LIABILITIES	225.9	183.0	194.7	196.3	193.3



FINANCIAL INDICATORS	2024	2023	2022	2021	2020
Order intake, MSEK	228.5	150.0	189.0	182.8	135.9
Order backlog, MSEK	117.5	73.3	81.9	72.0	39.0
Cash flow from operating activities, MSEK	39.2	1.7	32.3	15.7	26.1
Gross margin, %	68	70	67	68	60
EBIDTA margin, %	13.4	9.1	15.8	12.2	2.8
Operating margin, %	4.4	neg	5.0	0.5	neg
Profit margin, %	4.0	neg	4.4	neg	neg
Return on average capital employed, %	6.1	neg	3.2	0.4	-8.9
Return on average equity, %	6.9	neg	7.0	0.1	neg
Solidity, %	55	63	63	58	59
Debt/equity ratio, times	0.1	0.1	0.0	0.1	0.2
Net debt, MSEK	6.8	8.0	-3.7	17.8	27.3
Net investments in fixed assets, MSEK	25.4	11.4	9.8	8.1	17.7
Depreciation/amortization of fixed assets, MSEK	18.0	20.8	19.4	18.6	17.5
Average number of employees	72	67	72	82	90
Number of shares at the end of the period	89,207,818	89,207,818	89,207,818	89,207,818	89,207,818
Average number of shares	89,207,818	89,207,818	89,207,818	89,207,818	89,207,818
Earnings per share ¹ , SEK	0.10	-0.08	0.10	0.00	-0.21
Cash flow per share ¹ , SEK	0.15	-0.11	0.22	0.09	0.09
Equity per share ² , SEK	1.40	1.30	1.38	1.28	1.28
Share price at year-end, SEK	2.83	1.45	1.72	1.58	1.42
Dividend per share	-	-	-	-	-

¹Calculated on the basis of average number of shares

²Based on number of shares at end of period

STATUTORY ADMINISTRATION REPORT

The Board of Directors and the Chief Executive Officer of Image Systems AB (publ) reg. no. 556319-4041 hereby submit the Annual Report for the financial year 2024 for the Parent Company and the Group. The profit/loss of the year for the Parent Company and the Group is shown in the following financial statements to be adopted by the Annual General Meeting on May 8, 2025.

THE OPERATIONS

Image Systems is a Swedish high-technology company and a leading supplier of products and services based on its core technology in high-resolution image processing. The Company's offerings are aimed at several different markets and operations are conducted in the two business units RemaSawco and Motion Analysis. The Group consists of the Swedish Parent Company and five wholly-owned subsidiaries.

By the end of 2024, Image Systems had 75 employees at offices in Linköping, Nyköping, Västerås, and Skellefteå, and also in Finland, Norway, France and USA.

The share is listed on NASDAQ Stockholm (Small Cap) under the ticker IS. For further information, visit our website at www.imagesystemsgroup.se.

SIGNIFICANT EVENTS DURING THE YEAR

Market development

RemaSawco

Market conditions in the Nordic region have gradually improved throughout the year, which is reflected in an improved order intake for the full year for RemaSawco. Additionally, the business unit implemented a number of efficiency improvement measures during the year, which contributed to enhanced profitability for the full year. Market conditions remain volatile in the industry but we anticipate a stabilization for the better.

Motion Analysis

The business unit operated in a strong market during the year, with most customer segments increasing their investments in its products. The business unit's markets can be divided equally regarding turnover between Europe, Asia, and North America, and growth was evenly spread across the geographies. During the year, the business unit introduced subscription as the main business model for its software. Order intake has been very good.

RESEARCH AND DEVELOPMENT

RemaSawco

RemaSawco has made several new releases and upgrades of existing software during the year. In addition, further improvements have been made to the design and functionality of existing products. During the year, a new timber sorting product was also sold to the first customers.

Motion Analysis

Basic development in Motion Analysis during the year focused on a new software platform that will form the basis of the Company's business in the future. This platform will be further developed over a long period of time and can be supplemented with new functionalities. Alongside this development, several new releases of existing software have also been made to customers in the market.

PERFORMANCE AND FINANCIAL POSITION

Group

Revenue

Sales revenues in 2024 amounted to MSEK 184.9 (160.7). The revenue breakdown by geographical area is shown in the table below.

Net revenue by geographical area (MSEK)

	2024	2023
North and South America	17.6	14.7
Europe	153.3	133.1
Asia, Oceania and Africa	14.0	12.9
TOTAL	184.9	160.7

Gross margin

For 2024, gross profit amounted to MSEK 141.1 (122.8), corresponding to a gross margin of 68 (70) percent. Production is mainly outsourced to subcontractors, which provides significant flexibility and the ability to scale operations according to changing sales volumes.

Indirect costs

Other external costs for 2024 amounted to MSEK 32.3 compared to MSEK 36.7 for 2023. This decrease is mainly attributable to consultancy costs balanced within the RemaSawco business unit. Personnel costs amounted to MSEK 81.7, compared to MSEK 70.0 for 2023. Depreciation/amortization, according to plan, was charged to profit or loss in the amount of MSEK 18.0 (20.8) and mainly relates to the depreciation/amortization of consolidated excess value arising from the acquisition of RemaSawco OY. The previous year was charged with impairment of improvement costs on third-party property in RemaSawco OY. Other operating income refers to currency differences.

Operating profit

The operating profit for 2024 amounted to MSEK 8.8 (-5.3), an improvement of MSEK 14.1.

Net financial items

Net financial items for 2024 amounted to MSEK -0.8 (-2.1).

Net profit for the year

Profit after tax for the year amounted to MSEK 8.6 (-6.8), which was an improvement of MSEK 15.4 compared with the previous year. This improvement is mainly attributable to the positive performance in the RemaSawco business unit. The tax expense in 2024 amounted to MSEK 0.6, which arises from the reversal of tax on customer relationships in RemaSawco Oy.

Investments in intangible assets

The Group's investments in fixed assets in 2024 amounted to MSEK 23.9 (10.8). The investments relate to capitalized development costs for projects in the Group's subsidiaries.

Cash flow, liquidity, and financial position

Available cash and cash equivalents including the undrawn part of the overdraft facilities amounted to MSEK 28.2 (20.1) as of December 31, 2024. The solidity at the turn of the year was 55 (63) percent and equity amounted to MSEK 124.6 (116.0). Operating cash flow amounted to MSEK 13.8 (-9.7). Net indebtedness amounted to 0.1 (0.1) times.

Currency exposure

Image Systems has foreign currency exposure. Sales are made in SEK, USD, and EUR.

The costs are mainly incurred in SEK, EUR and USD, resulting in economic exposure to the Swedish krona (SEK). Hence, the Group has a significant currency exposure. See also note 3.

Risks and uncertainties

The Group operates in a global market with a significant competitive situation, which requires the Company to continue developing competitive products. To achieve this, the Company must be able to recruit and retain key personnel. The Group's significant risks and uncertainties include business risks associated with contracts with customers and suppliers and other external factors such as risks in changing exchange rates or in connection with external uncertainties such as the war in Ukraine. Access to liquidity can also represent a risk factor; insufficient cash flow would quickly deteriorate the financial position, see further note 3.

Parent Company

The Parent Company's net sales amounted to MSEK 3.1 (4.0), and profit after tax amounted to MSEK 8.7 (3.5). Investments in fixed assets amounted to MSEK 0.0 (0.0). The Parent Company's available liquid funds as of December 31, 2024, amounted to MSEK 0.2 (0.0). The Parent Company's equity as of December 31, 2024, amounted to MSEK 117.3 (108.6) and the solidity was 98 (99) percent.

FUTURE DEVELOPMENT

The Group's future development is largely based on the ability to maintain rapid product development, add new functionality, and adapt the companies' business models to prevailing market conditions. During the year, the Group's subsidiaries launched several new product upgrades and business models in their respective markets. There is an ongoing review of the companies' organization to meet the market's needs. The Group does not make future projections of turnover or profit.

FINANCIAL TARGETS

Image Systems aims to create long-term value growth for its shareholders. To achieve this, the Board has determined that the Group shall achieve a long-term operating margin, EBITDA, of 15 percent. The solidity shall not fall below 50 percent in the long term. See also note 4.

RISK MANAGEMENT

Image Systems is exposed through its operations to financial risks such as market risk (including currency risk, interest rate risk, and price risk), credit risk, and liquidity risk. The overall risk management policy, established by the Board of Directors, seeks to avoid impacts on financial performance and position. The Group's management of financial risks is described in note 3.

SHARES

The total number of shares as of December 31, 2024, was 89,207,818 and consists of only one class of shares. One share carries one vote, and all shares have equal rights to dividends. There are no restrictions on the number of votes each shareholder can cast at each general meeting and there are no agreements between shareholders known to Image Systems that could entail restrictions on the right to transfer shares. For more information on the Image Systems share, see pages 22–23.

ENVIRONMENT

Image Systems' operations do not result in any significant negative environmental impact in terms of emissions to soil, water, and air. The Company continuously identifies, together with its subcontractors, the environmental impacts arising in its own activities. The environmental impact of products and services during operation is an important component of our development model. The production is outsourced to subcontractors who, in cooperation with Image Systems, shall ensure that all handling around production and deliveries is environmentally friendly in the best possible way.

EMPLOYEES

Image Systems wants to create an environment with stimulating and exciting tasks where employees feel involved. The Company wants to create conditions for employees to thrive and have the opportunity to develop. Working at Image Systems means working at a fast pace in an innovative environment of rapid development where the employee is constantly faced with problem-solving and new ideas. Employees are able to take plenty of initiative and develop with their tasks. For the Company to maintain its excellence and innovation capacity, it is important to retain talented employees with long experience, knowledge, and skills. An important component of this is providing employees with stimulation and development opportunities. The ability to recruit new qualified employees is also of great importance for the Company's continued success. The availability of workers with specific skills in the Company's core technological area is limited.

THE BOARD AND ITS WORK IN 2024

In 2024, the Board of Directors consisted of five (5) Directors with no deputies. Nine (9) minuted meetings were held during the year, including the statutory meeting. No Director has worked in the day-to-day business.

The Board of Directors has adopted written rules of procedure and issued written instructions regarding, in part, the division of tasks between the Board of Directors and the Chief Executive Officer and, in part, the information to be received by the Board regularly. The Board has, at its meetings, reviewed the regular items presented at each meeting in accordance with the Board's rules of procedure, such as the business situation, liquidity, financing, budget, annual accounts, and interim reports. Furthermore, the Board has dealt with issues concerning long-term strategies, structural and organizational changes, and product development.

During the year, the Board worked on matters relating to the Company's organization and strategy.

GUIDELINES FOR REMUNERATION OF SENIOR EXECUTIVES

Fees are paid to the Chairman and Directors in accordance with the decision of the Annual General Meeting. The 2024 AGM resolved that the guidelines for remuneration to senior executives shall mainly entail that the total remuneration shall be market-based and competitive, and that outstanding performance shall be reflected in the total remuneration. The benefits shall consist of a fixed salary, any variable remuneration, other customary benefits, and a pension. The variable remuneration shall be based on the outcome in relation to set targets and coincide with the interests of the shareholders. The variable remuneration can amount to a maximum of 50 percent of the fixed remuneration. Pension benefits shall be fee-based and typically entitle the recipient to a pension at the age of 65. The variable remuneration shall principally not be pension qualifying. The Board of Directors shall be entitled to depart from the above guidelines if it considers that there are special reasons for doing so in an individual case.

For the 2025 AGM, the Board proposes that the above guidelines for remuneration to senior executives shall apply until the 2026 AGM.

These guidelines (Image Systems' remuneration policy) relate to remuneration and other terms of employment for the management of the Image Systems Group (senior executives). The guidelines are forward-looking, meaning that they will apply to remuneration agreed, and changes made to already agreed remuneration, after these proposed guidelines have been adopted by the AGM in 2025. The guidelines do not cover remunerations decided by the general meeting. New share-based incentive programs are decided, where appropriate, by the general meeting. The guidelines shall promote the business strategy, long-term interests, and sustainability of the Image Systems Group. Successful implementation of the Image Systems Group's business strategy and the safeguarding of the Group's long-term interests, including its sustainability, require the Group to be able to recruit, retain, and develop senior executives. These guidelines enable Image Systems to offer senior executives a competitive total remuneration.

Types of remuneration

The remuneration of the Image Systems Group to senior executives shall consist of the following components: basic salary, variable remuneration, pension benefits, and other benefits. Variable remuneration may, as far as the Chief Executive Officer and other senior executives are concerned, amount to a maximum of fifty (50) percent of the basic salary. Additional cash compensation may be paid in extraordinary circumstances provided that such special arrangements are limited in time and are only made at the individual level to recruit or retain senior executives or as compensation for extraordinary efforts outside the individual's regular duties. Such remuneration may not exceed an amount equivalent to fifty (50) percent of the annual basic salary. The Board of Directors shall decide on such remuneration on a proposal from the Remuneration Committee. Pension benefits to the CEO shall be based on a premium defined pension plan, except where a defined benefit pension is required by law or collective agreements. The pensionable salary shall include basic salary and other benefits. The pension provisions for the CEO attributable to the annual basic salary shall not exceed 35 percent of the basic salary. Other benefits may include, for example, health insurance and company cars. Premiums and other costs related to such benefits may not exceed ten (10) percent of

the CEO’s annual base salary. For other senior executives, payment of pension benefits shall be based on a defined contribution pension plan, except in cases where the law or collective agreements require a defined benefit pension.

Remuneration of senior executives resident outside Sweden or resident in Sweden but with a material connection to or having resided in a country other than Sweden may be duly adjusted to comply with mandatory rules or local practice, whereby the overall purpose of these guidelines shall be met as far as possible. In addition to the remuneration described above, senior executives who relocate for or with a position or who work in several countries may also receive remuneration and benefits that are reasonable given the special circumstances arising from such arrangements, whereby consideration shall be given to the overall purpose of these guidelines and general guidelines and procedures for cross-border work within the Image Systems Group.

Termination of employment

Upon termination of a senior executive’s employment, the notice period may not exceed 12 months. The combined amount of basic salary during the notice period and severance pay may not exceed an amount equivalent to two years’ basic salary. Senior executives who reside outside Sweden or who are resident in Sweden but with a material connection to or who have been resident in a country other than Sweden may be offered a period of notice and severance pay that is reasonable in light of the particular circumstances, taking into account the overall purpose of these guidelines and general guidelines and procedures within the Image Systems Group.

Criteria for the distribution of variable cash remuneration, etc.

Variable remuneration shall be linked to predetermined and measurable criteria. The criteria – which may, for example, be linked to EBITDA, cash flow, ROI, or similar indicators or sustainability targets – shall be designed to promote Image System Group’s strategy and long-term value creation, and strengthen the link between achieved performance targets and outcomes. The criteria for short-term and long-term variable remuneration shall be determined annually by the Board of Directors, and the extent to which the criteria are met shall be assessed over annual measurement periods. The extent to which the criteria for awarding variable remuneration have been met shall be determined at the end of the relevant measurement period. The Board is responsible for determining the variable remuneration of all senior executives.

Repayment and adjustments

Senior executives participating in the Image Systems Group’s current incentive program are obliged, under certain circumstances and for a certain period of time, to repay all or part of the variable remuneration already paid if payment has been made by mistake or based on deliberately false information or in the event of a material change in the Image Systems Group’s established financial results or position. Furthermore, the Board of Directors may decide to postpone payments under incentive programs (before payment has been made) in extraordinary circumstances or to take into account unforeseen one-off events.

Salary and employment conditions for employees

In preparing the Board’s proposal for these remuneration guidelines, the Board has considered that the benefits offered to senior executives must align with the general structures applied to Image Systems’ employees at competitive levels in the market. The salary and terms of employment for other employees within Image Systems have thus been taken into account by including information about this in the Remuneration Committee’s and the Board’s basis of decision when assessing the reasonableness of these guidelines and the limitations resulting from them.

The decision-making process for establishing, reviewing and implementing the guidelines

The Board has established a Remuneration Committee. The Committee’s tasks include preparing the Board’s decision on proposed guidelines for remuneration to senior executives. The Board shall establish a proposal for new guidelines, at least every four years, and submit

the proposal for resolution at the Annual General Meeting. The guidelines shall apply until new guidelines have been adopted by the Annual General Meeting. The Remuneration Committee shall also monitor and evaluate programs for variable remuneration to senior executives, the application of guidelines for remuneration to senior executives, as well as the current remuneration structures and remuneration levels in the Group. The members of the Remuneration Committee are independent of Image Systems and its management. The CEO and other persons in the Company management do not attend the Board’s consideration of and decisions on remuneration-related issues, insofar as they are affected by the matters.

Deviations from guidelines

The Board of Directors may decide to deviate temporarily from the guidelines, in whole or in part, if there are special reasons for doing so in an individual case and a deviation is necessary to serve the long-term interests of the Image Systems Group, including its sustainability, or to ensure the Group’s financial viability. As stated above, the Remuneration Committee’s tasks include preparing the Board’s decisions on remuneration issues, including any decisions to deviate from the guidelines.

Options program

The 2023 Annual General Meeting resolved on an incentive program consisting of 2,020,000 warrants expiring on August 31, 2026, with an exercise price of SEK 2.835. The subscription price has been set by an independent valuation at SEK 0.026 per warrant. 1,780,000 warrants have been subscribed by senior executives.

DIVIDENDS

The size of future dividends shall be based on Image Systems’ long-term growth and performance, as well as capital requirements, taking into account financial targets. The Board has a long-term objective to distribute approximately twenty (20) percent of Image Systems’ profit after tax. The Board proposes that no dividend be paid for the financial year 2024.

PROPOSAL ON ALLOCATION OF PROFITS

Parent Company

At the disposal of the AGM is (MSEK):	MSEK
Retained earnings	99.7
Net profit for the year	8.7
TOTAL	108.4
The Board proposes:	MSEK
to carry forward	108.4
TOTAL	108.4

Regarding the Company’s and the Group’s performance and position in general, please refer to the following income statements and balance sheets, changes in equity, cash flow statements, and notes.

CONSOLIDATED INCOME STATEMENT

MSEK	Note	2024	2023
Net sales	5,6,7	184.9	160.7
Capitalized development costs	5,17	14.9	10.0
TOTAL		199.8	170.7
OPERATING COSTS			
Raw materials and consumables	7	-58.7	-47.9
Other external costs	9,19	-32.3	-36.7
Personnel costs	8	-81.7	-70.0
Depreciation and amortization of intangible and tangible fixed assets	14,15,16,17,18,19	-18.0	-20.8
Other operating income	10	-	-
Other operating costs	10	-0.3	-0.6
OPERATING PROFIT		8.8	-5.3
PROFIT FROM FINANCIAL ITEMS			
Financial revenue		0.1	0.0
Financial costs		-0.9	-2.1
Total net financial items		-0.8	-2.1
PROFIT AFTER FINANCIAL ITEMS			
Tax on profit for the year	12	0.6	0.6
PROFIT FOR THE YEAR		8.6	-6.8
Of which attributable to Parent Company shareholders		8.6	-6.8
Earnings per share before dilution	32	0.10	-0.08
Earnings per share after dilution	32	0.10	-0.08

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

MSEK	Note	2024	2023
PROFIT FOR THE YEAR		8.6	-6.8
OTHER COMPREHENSIVE INCOME			
Items that may be reclassified to net income for the year:			
Translation differences		0.0	-0.1
Tax attributable to items that may be reclassified to net income for the year		-	-
Total other comprehensive income		0.0	-0.1
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		8.6	-6.9
Of which attributable to Parent Company shareholders		8.6	-6.9

CONSOLIDATED STATEMENT OF FINANCIAL POSITION



MSEK, as of December 31

ASSETS	Note	2024	2023
Fixed assets			
Goodwill	14	36.1	36.1
Trademarks	15	-	-
Customer relations	16	15.0	19.3
Capitalized development costs	17	56.2	38.6
Right-of-use assets	19	17.4	10.0
Equipment, tools, and installations	18	2.3	1.1
Deferred tax assets	12	19.1	19.1
Total fixed assets		146.1	124.2
Current assets			
Inventories	21	12.1	13.1
Trade receivables	3	47.7	33.2
Other receivables	22	0.9	2.1
Prepaid expenses and accrued income	23	6.4	3.8
Cash and cash equivalents		12.7	6.6
Total current assets		79.8	58.8
TOTAL ASSETS		225.9	183.0
EQUITY AND LIABILITIES			
Equity			
Share capital		8.9	8.9
Other contributed capital		374.8	374.8
Translation reserve		-0.7	-0.7
Retained earnings including net result for the year		-258.4	-267.0
Total equity attributable to Parent Company owners		124.6	116.0
Non-current liabilities			
Lease liabilities	19	10.5	4.2
Loans from credit institutions		-	-
Deferred tax liabilities	12	4.9	5.5
Total non-current liabilities		15.4	9.7
Current liabilities			
Loans from credit institutions	24	3.1	5.4
Accounts payable		14.9	12.2
Lease liabilities	19	5.9	5.0
Other liabilities		18.8	14.9
Accruals and deferred income	28	43.2	19.8
Total current liabilities		85.9	57.3
TOTAL EQUITY AND LIABILITIES		225.9	183.0

STATEMENT OF CHANGES IN GROUP EQUITY



GROUP (MSEK)	Share capital	Other contributed capital	Translation differences	Capitalized loss including net result for the year	Total equity attributable to Parent Company owners
Opening balance as of January 1, 2023	8.9	374.8	-0.6	-260.2	122.9
Net profit for the year	-	-	-	-6.8	-6.8
Other comprehensive income for the year	-	-	-0.1	-	-0.1
Comprehensive income for the year	-	-	-0.1	-6.8	-6.9
Closing balance as of December 31, 2023	8.9	374.8	-0.7	-267.0	116.0
Opening balance as of January 1, 2024	8.9	374.8	-0.7	-267.0	116.0
Net profit for the year	-	-	-	8.6	8.6
Other comprehensive income for the year	-	-	-	-	0.0
Comprehensive income for the year	-	-	-	8.6	8.6
Closing balance as of December 31, 2024	8.9	374.8	-0.7	-258.4	124.6



CONSOLIDATED STATEMENT OF CASH FLOWS

MSEK	Note	2024	2023
THE OPERATING ACTIVITIES			
Operating profit		8.8	-5.3
Adjustments for items not included in cash flow:	30	16.7	19.1
Interest received		-	-
Interest paid		-0.6	-0.6
Cash flow from operating activities before changes in working capital		24.9	13.2
CHANGES IN WORKING CAPITAL			
Inventories		1.0	0.5
Current receivables		-16.0	-11.8
Current liabilities		29.3	-0.2
Total change in working capital		14.3	-11.5
Cash flow from operating activities		39.2	1.7
INVESTING ACTIVITIES			
Acquisition of intangible fixed assets		-23.9	-10.8
Acquisition of tangible fixed assets		-1.5	-0.6
Cash flow from investing activities		-25.4	-11.4
Operating cash flow		13.8	-9.7
FINANCING ACTIVITIES			
Raised loans		-	-
Amortization of loans		-2.2	-
Amortization of lease liabilities		-5.5	-6.2
Cash flow from financing activities		-7.7	-6.2
Change in cash and cash equivalents		6.1	-15.9
Cash and cash equivalents at the beginning of the year		6.6	22.5
Exchange rate difference on cash and cash equivalents		0.0	0.0
Cash and cash equivalents at the end of the year		12.7	6.6

PARENT COMPANY INCOME STATEMENTS

MSEK	Note	2024	2023
Revenue	5,6	3.1	4.0
OPERATING COSTS			
Other external costs	8,9,19	-4.7	-5.6
Personnel costs	8	-4.7	-4.1
OPERATING PROFIT		-6.3	-5.7
PROFIT FROM FINANCIAL ITEMS			
Other financial costs		0.0	-0.8
Interest expense		0.0	0.0
Total net financial items		0.0	-0.8
PROFIT AFTER FINANCIAL ITEMS		-6.3	-6.5
Appropriations			
Group contribution received	11	15.0	10.0
Tax on profit for the year	12	0.0	0.0
PROFIT FOR THE YEAR		8.7	3.5

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

MSEK	Note	2024	2023
PROFIT FOR THE YEAR		8.7	3.5
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		8.7	3.5

PARENT COMPANY BALANCE SHEETS



MSEK, as of December 31

ASSETS	Note	2024	2023
FIXED ASSETS			
Shares in subsidiaries	20	82.8	82.8
Deferred tax assets	12	12.0	12.0
Total fixed assets		94.8	94.8
CURRENT ASSETS			
Trade receivables		-	-
Receivables from Group companies		24.6	14.2
Other receivables	22	0.2	0.6
Prepaid expenses and accrued income	23	0.3	0.4
Cash and bank		0.2	0.0
Total current assets		25.3	15.2
TOTAL ASSETS		120.1	110.0
EQUITY AND LIABILITIES			
Restricted equity			
Share capital		8.9	8.9
Non-restricted equity			
Share premium reserve		171.5	171.5
Retained earnings		-71.8	-75.3
Net profit for the year		8.7	3.5
Total equity		117.3	108.6
Current liabilities			
Accounts payable		0.2	0.3
Liabilities to Group companies		-	-
Other current liabilities		0.3	0.2
Accruals and deferred income	28	2.3	0.9
Total current liabilities		2.8	1.4
TOTAL EQUITY AND LIABILITIES		120.1	110.0

CHANGES IN PARENT COMPANY EQUITY



MSEK	RESTRICTED EQUITY		NON-RESTRICTED EQUITY	
	Share capital	Share premium reserve	Capitalized loss including net result for the period	Total equity
Opening balance as of January 1, 2023	8.9	171.5	-75.3	105.1
Net profit for the year	–	–	3.5	3.5
Comprehensive income for the year	–	–	3.5	3.5
Shareholder transactions				
Closing balance as of December 31, 2023	8.9	171.5	-71.8	108.6
Opening balance as of January 1, 2024	8.9	171.5	-71.8	108.6
Net profit for the year	–	–	8.7	8.7
Comprehensive income for the year	–	–	8.7	8.7
CLOSING BALANCE AS OF DECEMBER 31, 2024	8.9	171.5	-63.1	117.3

PARENT COMPANY CASH FLOW STATEMENTS



MSEK	Note	2024	2023
THE OPERATING ACTIVITIES			
Operating profit		-6.3	-5.7
Adjustments for items not included in cash flow	30	15.0	9.2
Interest paid		0.0	0.0
Cash flow from operating activities before changes in working capital		8.7	3.5
CHANGES IN WORKING CAPITAL			
Current receivables		0.5	2.0
Current liabilities		1.4	-0.4
Total change in working capital		1.9	1.6
Cash flow from operating activities		10.6	5.1
INVESTING ACTIVITIES			
Acquisition of subsidiaries		-	-
Loans from (+) / to (-) subsidiaries		-10.4	-5.4
Cash flow from investing activities		-10.4	-5.4
Operating cash flow		0.2	-0.3
FINANCING ACTIVITIES			
Raised loans		-	-
Amortization of loans		-	-
Cash flow from financing activities		0.0	0.0
Change in cash and cash equivalents		0.2	-0.3
Cash and cash equivalents at the beginning of the year		0.0	0.3
Cash and cash equivalents at the end of the year		0.2	0.0

NOTES



Amounts in MSEK unless otherwise stated

NOTE 1 GENERAL INFORMATION

The Annual Report and Consolidated Financial Statements of Image Systems AB (publ.) with subsidiaries for the financial year beginning January 1, 2024, and ending December 31, 2024, have been approved by the Board of Directors and the Chief Executive Officer for publication on April 4, 2025, and to be submitted to the Annual General Meeting on May 8, 2025, for adoption. The Parent Company is based in Linköping, Sweden. The address of the head office is Snickaregatan 40, 582 26 Linköping, Sweden. The Company is listed on Nasdaq Stockholm, Small Cap.

Image Systems AB is the Parent Company of a Group comprising the wholly owned subsidiaries RemaSawco Oy, RemaSawco AB with the subsidiaries RemaSawco A/S, RemaSawco International AB (dormant), and Image Systems Nordic AB with the subsidiary Image Systems Trackeye Inc.

All amounts are presented in millions of Swedish kronor (MSEK) unless otherwise stated. The Board of Directors and/or CEO approve financial statements before publication.

NOTE 2 ACCOUNTING POLICIES

COMPLIANCE WITH STANDARDS AND LAW

The Consolidated Financial Statements are prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretations issued by the IFRS Interpretations Committee, as the European Commission has approved them for application in the EU. The Swedish Financial Reporting Board's recommendation RFR 1 Supplementary Accounting Rules for Groups has also been applied.

The Parent Company applies the same accounting policies as the Group except in the cases specified in the section "Parent Company accounting policies."

CHANGES IN ACCOUNTING POLICIES DUE TO NEW OR AMENDED IFRS

No standards, amendments, or interpretations effective for the financial year beginning January 1, 2024, have had a material impact on the Group's financial statements. When the IFRS 18 reporting framework becomes effective, the Group intends to report in accordance with it.

ASSESSMENTS AND ESTIMATES

Preparing the financial statements in accordance with IFRS requires assessments, estimates, and assumptions that affect the application of the accounting policies and the reported amounts of assets, liabilities, revenue, and expenses. Actual outcomes may differ from these estimates and assessments. The estimates and assumptions are regularly reviewed. Changes in estimates are reported in the period in which a change is made if it affects only that period, or in the period in which the change is made and in future periods if the change affects both the current and future periods. Deferred tax assets relating to unused loss carryforwards are recognized when the Company considers it probable that taxable profits will be available in the foreseeable future (IAS 12). Assessments in the application of IFRS that have a significant impact on the future financial statements and estimates made that may result in material adjustments to the following year's financial statements are described in more detail:

- note 3 Risks: Financial risk
- note 12 Deferred tax assets
- note 13 Intangible fixed assets

SIGNIFICANT APPLIED ACCOUNTING POLICIES

The accounting policies set out below have been applied, with the exceptions described in more detail, to the periods presented in the Consolidated Financial Statements. The Group's accounting policies have also been consistently applied by the Group's Companies.

CONSOLIDATION AND BUSINESS COMBINATIONS

Consolidation

The Consolidated Financial Statements include the Parent Company Image Systems AB, and the Companies over which the Parent Company directly or indirectly has a controlling influence (subsidiaries). Control is achieved when the Group is exposed to, or has rights to, variable returns from its holding in the Company and has the ability to use its influence over the Company to affect its returns. When determining whether a controlling influence exists, shareholder agreements and potential voting shares that can be exercised or converted without delay shall be taken into account. Control usually exists when the Parent Company directly or indirectly holds shares representing more than 50% of the votes.

Subsidiaries

Subsidiaries are included in the Consolidated Financial Statements from the date that control is obtained and are excluded from the Consolidated Financial Statements from the date that control ceases.

The Group's profit or loss and components of other comprehensive income or expense are attributable to the owners of the Parent Company and to non-controlling interests, even if this results in a negative value for non-controlling interests.

NOTES

The accounting policies of subsidiaries have been adjusted as necessary to comply with the Group's accounting policies. All intra-group transactions, balances, and unrealized profits and losses arising from intra-group transactions have been eliminated in preparing the Consolidated Financial Statements.

FOREIGN SUBSIDIARIES

Assets and liabilities in foreign operations, including goodwill and other consolidated surplus and deficit values, are translated into Swedish kronor (SEK) at the exchange rate prevailing on the balance sheet date. Revenue and costs in foreign operations are translated into Swedish kronor at an average rate that approximates the rates prevailing at the time of each transaction. Translation differences arising from exchange rate conversions of foreign operations are recognized in other comprehensive income and accumulated in the translation reserve in equity.

OPERATING SEGMENT

Operating segments are recognized in a manner that complies with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is the function responsible for allocating resources and assessing the performance of the operating segments. In the Group, it is the President and CEO of Image Systems AB who makes strategic decisions.

The Group has two business units/operating segments: RemaSawco and Motion Analysis. The RemaSawco segment offers measurement technology systems that improve the efficiency and profitability of sawmills. The Motion Analysis business unit offers software tools for motion analysis of high-speed film for a wide range of application areas.

REVENUE FROM CONTRACTS WITH CUSTOMERS

The basic principle is that revenue is recognized in the manner that best reflects the transfer of the promised good or service to the customer.

The Group recognizes revenue from licenses, project revenue, product sales, and services.

License revenue

Licenses are recognized as revenue when the license key is delivered to the customer.

Project revenue

Revenue from project contracts with customers is recognized using a five-step model:

- Step 1: identify the contract with the customer
- Step 2: identify the performance obligations in the contract
- Step 3: determine the transaction price
- Step 4: allocate the transaction price to the performance obligations
- Step 5: recognize revenue when a performance obligation is fulfilled.

If the transaction price includes variable remuneration (e.g., discounts, royalties, etc.), these shall be estimated and included in the transaction price to the extent that it is highly unlikely they will need to be reversed. Particularly in RemaSawco, a significant part of the sales is done on a project basis.

The Group offers products and services at both fixed and variable prices. For contracts at a fixed price, revenue is recognized based on how much of the total project is transferred to the customer. Estimates regarding revenue, costs, or the stage of completion of projects are revised if circumstances change. Increases or decreases in estimated revenues or expenses arising from a changed estimation are recognized in the income statement in the period in which the circumstances giving rise to the revision become known to management.

In fixed-price projects, the customer pays the agreed price at agreed times of payment. If the services the Group has delivered exceed the payment, a contract asset is recognized. If payments exceed the services delivered, a contract liability is recognized.

Product sales

Product sales are recognized as revenue upon delivery of hardware and software to the customer.

Services

Services are reported in both business units. These services may consist of software upgrades, service agreements, support, training, and even software subscription revenue. Service agreements, subscriptions, and upgrades are recognized as revenue monthly at a value of the contract amount divided by the term of the contract in months. Support and training is recognized as revenue after the performance obligation has been fulfilled.

CLASSIFICATIONS, ASSETS, AND LIABILITIES

Fixed assets and non-current liabilities consist, in all material respects, of amounts expected to be recovered or paid more than twelve months from the balance sheet date. Current assets and liabilities consist, in all material respects, of amounts expected to be recovered or paid within twelve months from the balance sheet date. The Group's operating cycle is estimated to be less than one year.

FINANCIAL INSTRUMENTS

Financial instruments include cash and cash equivalents, securities holdings, receivables, operating liabilities, borrowings, and any derivative instruments. Purchases and sales of securities and derivative instruments are recognized on the trading day, i.e., when a binding contract for the purchase and sale has been concluded. The fair value of marketable securities is based on bid prices at the balance sheet date.

Securities intended for long-term holding and any short-term investments are assigned either to the measurement category "financial assets at fair value through other comprehensive income", "financial assets at fair value through profit or loss" or alternatively "financial assets at amortized cost." The measurement category is decided separately for each security holding based on the characteristics of the contractual cash flows and the Company's business model for management, i.e., the nature of the holding and the purpose of the holding.

For financial assets at fair value through profit or loss, changes in fair value are recognized as financial income or financial expenses, respectively, in the income statement. Changes in the value of any forward foreign exchange contracts are, however, recognized in the operating profit.

Changes in the fair value of financial assets at fair value through other comprehensive income are recognized in the consolidated statement of comprehensive income during the holding period. Upon disposal of the instrument, there is no reclassification of accumulated changes in value to financial income or financial expenses, respectively, in the profit and loss account. For the category of financial liabilities measured at fair value through profit or loss, changes in value are recognized as financial items in the income statement. Other financial liabilities are recognized at amortized cost.

For all financial assets and liabilities, the carrying amount is considered to be a good approximation of its fair value, unless otherwise stated in the following notes.

Interest income is recognized as revenue over the term using the effective interest method. All interest income and interest expenditure relates to financial assets and financial liabilities, respectively, that are not recognized at fair value through profit or loss.

Offsetting of financial assets and liabilities

Financial assets and liabilities are offset and netted in the balance sheet when there is a legal right to offset and there is an intention to settle the items at a net amount or simultaneously realize the asset and settle the liability.

Cash and cash equivalents

Cash and cash equivalents include cash and bank balances.

Receivables

Trade receivables and other operating receivables are measured at amortized cost. The expected maturity of trade receivables is short, however, so they are recognized at nominal amount without discounting. The new model for calculating the customer loss reserve is based on expected credit losses instead of actual documented losses, which means an earlier reporting of credit losses. The impact has been minor, however, as the Group has historically had insignificant customer losses. Impairments of trade receivables are recognized in operating costs.

Accounts payable

Accounts payable are measured at amortized cost. The expected maturity of the accounts payable is short, however, so the liability is recognized at the nominal amount without discounting.

Bank and other loan liabilities

Interest-bearing bank loans, overdraft facilities, and other loans are measured at amortized cost using the effective interest method. Any difference between the amount of the loan received (net of transaction costs) and the repayment or amortization of the loan is recognized as part of the interest over the life of the loan.

INVENTORIES

Inventories are measured at the lower of cost, i.e., at the lower of acquisition value and net realizable value. The acquisition value, including a fair share of fixed and variable indirect costs, is calculated using the FIFO (first-in, first-out) method. Net realizable value is the calculated selling price less the estimated costs of completing the goods and selling costs. Inventory valuation is done for each individual item. The assessment has taken into account warehouse size, turnover rate, and any technological change. The Company's finished goods inventory consists of complete systems and system-ready products.

INTANGIBLE ASSETS

Intangible assets with finite useful lives are recognized at cost less accumulated depreciation/amortization and any impairment losses. Intangible assets without finite useful lives, such as goodwill, are recognized at cost less any impairment losses.

Goodwill

Goodwill arising in connection with business combinations consists of the amount by which the acquisition value exceeds the fair value of the Group's share of the acquired subsidiary's net assets at the acquisition time. Goodwill related to the acquisition of subsidiaries is recognized in the balance sheet as an intangible asset and is considered to have an indefinite useful life. Goodwill is allocated to the smallest possible cash-generating unit and is tested annually, or as soon as there is an indication of impairment, to identify any impairment loss. Goodwill is recognized at cost less any accumulated impairment losses. The gain or loss on the disposal of an entity includes the residual carrying amount of the goodwill relating to the operation disposed of.

Trademarks and Customer relationships

When Image Systems acquired Image Systems Nordic and RemaSawco, the acquisition analysis identified the value of Trademarks and Customer relationships. These are linearly written off over the useful life. After analysis, the useful life has been assessed to be 10 years for trademarks and 10 years for customer relationships.

Capitalized development costs

Expenditure on ongoing product improvements is expensed as incurred, while expenditure on specific development projects is capitalized as follows: Capitalization of the Group's development costs is only done for new products if the expenses are significant, the products have a likely profit potential expected to accrue to the Company, and the expenses are clearly separable from the ongoing product development costs. Depreciation/amortization is calculated on a straight-line basis over sixty (60) months. Any need for impairment is evaluated on an ongoing basis.

TANGIBLE FIXED ASSETS

Tangible fixed assets are reported at acquisition value less accumulated depreciation and any impairment losses. Expenditure on repairs and maintenance is expensed as incurred.

Depreciation/amortization is calculated on a straight-line basis over the estimated useful life of the asset. For equipment, tools, and installations the depreciation/amortization period is between 3–7 years.

IMPAIRMENT

Goodwill and capitalized development costs for which depreciation has not yet begun are tested annually for impairment or as soon as there is an indication that an asset may be impaired. Other assets are tested as soon as there is an indication that the carrying amount may be too high. If the recoverable amount is lower than the carrying amount, it is written down to the lower of the two. The recoverable amount is the higher of net realizable value and value-in-use. In assessing value-in-use, future cash flows are discounted to present value using a pre-tax discount rate. The discount rate shall reflect market assessments of the time value of money (real interest rate) and the risks specific to the asset or cash-generating unit to which the asset is attributable.

NOTES

PROVISIONS

Legal or constructive obligations relating to the financial year or previous financial years that are certain or probable at the balance sheet date but uncertain as to their amount or when they will be settled are recognized as provisions.

EMPLOYEE BENEFITS

Employee benefits such as salaries and pensions are recognized as an expense during the period in which the employees performed the services to which the benefits relate. The Group's post-employment benefit plans only include defined contribution pension plans, fulfilled through ongoing payments to independent legal entities. Once the fee is paid, the Company has no further obligations.

INCENTIVE PROGRAM

The Annual General Meeting 2023 has decided on a warrant program for key employees within the Group. Image Systems AB has sold the warrants at market value to senior executives in the Group. An external party has done the measurement; therefore, these are not recognized under IFRS 2.

CASH FLOW STATEMENT

The cash flow statement has been prepared using the indirect method, adjusting for transactions that have not resulted in cash inflows or outflows during the period. Cash and bank balances are classified as cash and cash equivalents.

LEASES

Leases are recognized as right-of-use assets and interest-bearing lease liabilities in the balance sheet. Lease liabilities are recognized as other loans and are measured at the present value of future lease expenses. The lease fees are discounted using an interest rate that reflects what the Image Systems Group would have to pay for financing by borrowing to acquire a corresponding asset with a corresponding security and a corresponding period. Right-of-use assets are presented as tangible fixed assets and are measured at cost less accumulated depreciation and any impairment losses. Depreciation/amortization of the asset is recognized on a straight-line basis over the contract period. The lease cost is recognized as depreciation/amortization of the asset in operating profit and interest expenditure in net financial items. Payments are allocated between interest paid and amortization of the lease liability.

Existing leases are mainly for real estate (such as offices and warehouses) and company cars. For leasing of real estate and company cars, the service components usually form a significant part of the contracts, whereby the leased asset and service are separated. The service components are thus recognized as operating costs and are not included in the right-of-use asset and lease liability. If the lease is of low value or has a lease term shorter than twelve months, the lease payments are recognized as operating costs when incurred.

FOREIGN CURRENCY

Transactions in foreign currency are translated into Swedish kronor at the exchange rate of the transaction date. Receivables and liabilities in foreign currency are valued at the exchange rate on the balance sheet date. Exchange rate differences on operating receivables and liabilities are included in operating profit, while differences on financial claims and liabilities are recognized among financial items.

ISSUE COSTS

Transaction costs directly attributable to the issue of new shares, convertibles, or options are recognized, net of tax, in equity as a deduction from the issue proceeds.

TAX

Income taxes consist of current tax and deferred tax. Income taxes are recognized in profit or loss except when the underlying transaction is recognized in other comprehensive income or equity, whereby the related tax effect is recognized in other comprehensive income or equity. Current tax is tax that is payable or receivable for the current year and adjustments to the current tax of previous years. Deferred tax is calculated using the balance sheet method on all material temporary differences. A temporary difference exists when the carrying amount of an asset or liability differs from the tax base. Such a difference may arise, for example, when an asset is written up or down or when the accounting policies applied differ between the accounts of an individual Group Company and the Consolidated Financial Statements. Deferred tax liabilities are recognized in principle for all temporary taxable differences, while deferred tax assets are recognized to the extent that they are likely to be utilized against future taxable profits.

Loss carryforwards that are deemed to be used for future offsets exist in the Swedish Parent Company and in the subsidiaries in Sweden. For further information, see note 12. The loss carryforwards in Sweden do not currently have a time limit, but if there are changes in ownership that result in changes in control of the Company, the right of disposal may be limited.

The carrying amount of deferred tax assets, MSEK 19.1 (19.1), is tested at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable losses will be available for use, in whole or in part, against the deferred tax asset. The Company is expected to have taxable profits in the next few years. Deferred tax is calculated at the tax rates expected to apply in the period in which the asset is recovered, or the liability is settled. Deferred tax assets and liabilities are offset when they relate to income tax charged by the same taxation authority and when the Group intends to settle the tax in a net amount. The deferred tax liability that is recognized relates to temporary differences in customer relationships.

PARENT COMPANY ACCOUNTING POLICIES

The Parent Company has prepared its Annual Report according to the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2, Accounting for Legal Entities. The Swedish Financial Reporting Board's published statements for listed companies are also applied. RFR 2 means that the Parent Company, in the Annual Report for the legal entity, shall apply all EU approved IFRS and interpretations from IFRIC as far as possible within the framework of the Swedish Annual Accounts Act and the Swedish Pension Obligations Vesting Act with regard to the connection between accounting and taxation. The recommendation specifies the exceptions and additions to be made compared to IFRS. The differences between the accounting policies of the Group and the Parent Company are set out below. The accounting policies stated for the Parent Company are applied consistently to all periods presented in the Parent Company's financial statements.

Participations in subsidiaries

Participations in subsidiaries are reported using the cost method, and the value of subsidiaries is tested when there is an indication of impairment.

Acquisition-related costs for subsidiaries

Acquisition-related costs for subsidiaries, which are expensed in the Consolidated Financial Statements, are included as part of the cost of participations in subsidiaries.

Group contributions

Group contributions are accounted for as an appropriation according to the alternative rule.

Leases

In the Parent Company, all leases are accounted for in accordance with the rules for operating leases.

NOTE 3 RISKS

RISK FACTORS

Image Systems' operations are affected by a number of external factors whose potentially negative effects on the Group's performance and financial position can be counteracted and mitigated to varying degrees. It is important to consider these risk factors alongside potential opportunities when assessing Image Systems' future development.

FUTURE CAPITAL NEEDS

The Company needs capital to develop the products necessary to attract the market. In the event that the Company does not generate a sufficient surplus, there are no guarantees that it will be possible to raise external capital to develop new products or run the Company further.

COMPETITORS

The Company operates in highly competitive markets. There are several competitors in both business units with high-quality products. It is therefore important to continuously develop new innovative products in order to maintain and consolidate their leading positions in their respective lines of business.

ECONOMIC DEVELOPMENT

Fluctuations in economic development affect the willingness to invest in the products and services offered by Image Systems. This may result in orders being withheld, withdrawn, or delayed. A weakened economy and business cycle thus have a negative impact on the Group's operations.

RELIANCE ON QUALIFIED PERSONNEL AND KEY INDIVIDUALS

Image Systems aims to create a working environment where employees develop and feel engaged. The Company seeks to provide competitive conditions and a stimulating work environment for its employees, but there are no guarantees that the Company's efforts will yield results. If Image Systems cannot retain key personnel and other personnel critical to its operations, the Company's earning capacity and profitability may be adversely affected.

INTELLECTUAL PROPERTY RIGHTS

The Group strives to protect its intangible assets through, among other things, patents, and confidentiality commitments. If Image Systems' measures to protect its intangible assets are insufficient or if they are misused, this could adversely affect the Company's operations and performance. Image Systems may also be required to initiate legal proceedings to protect its intellectual property and trade secrets. Such processes can lead to significant costs and take up the time of senior management within the Group.

PRODUCT DEPENDENCE AND PRODUCT DEVELOPMENT

Image Systems is dependent on subcontractors for the manufacture of certain products. The conditions are now in place for stable deliveries from Image Systems' subcontractors. However, if subcontractors and other actors on which Image Systems are dependent for the delivery of products cannot deliver on time or with the required quality and volume, this may adversely affect the Group's operations and performance.

TECHNOLOGICAL PROGRESS AND CHANGE

The markets in which Image Systems operate are greatly affected by the rapid technological development in the IT field. Delays in development work or the inability to keep pace with technological progress may lead to reduced or lost competitiveness. Overall, it is therefore of great importance that development projects can be conducted within established deadlines and budgets for Image Systems to maintain and develop its position in these markets.

FINANCIAL RISKS

Image Systems is exposed to various types of financial risks through its operations, such as market, financing, liquidity, and credit risks. Market risks mainly consist of interest rate risk and currency risk. The Company's Board of Directors is ultimately responsible for the exposure, management, and monitoring of Image Systems' financial risks.

FINANCING RISK

Financing risk refers to the risk that the cost of taking out new loans will be higher and that refinancing maturing loans will be more difficult or impossible. As of December 31, 2024, the Group's interest-bearing liabilities amounted to MSEK 3.1 (5.4), excluding a lease liability of MSEK 16.4 (9.2). The total undrawn credit facility amounted to MSEK 15.5 (13.4).

The Company estimates that with current credit facilities and financing, the business will be able to operate for the next 12 months.

The Group's policy for managing financing risk is to regularly conduct twelve-month liquidity simulations and, if necessary, to secure liquidity through overdraft facilities, bank loans, or other loans.

CURRENCY RISK

The Consolidated Financial Statements are prepared in Swedish kronor (SEK). The Group's foreign subsidiaries are, in all material respects, not affected by currency flow exposure as revenue and expenses are denominated in local currency. In the Swedish ones, however, the situation is different. Revenue in this business are distributed between Swedish kronor, US dollars, and euros, while expenses are mainly affected by Swedish kronor and euros, resulting in a currency flow exposure to the Swedish krona. As a result, the Group has a significant currency exposure, which, in the event of unfavorable developments between the dollar, euro, and the Swedish krona, could have negative effects on its performance and financial position.

Image Systems' currency policy entails that the Group's sales can be hedged for up to six months. However, the Company did not use this option in 2024. In addition to the above currency exposure, Image Systems is exposed to translation exposure when translating the monetary items in the foreign subsidiaries. This translation exposure is not hedged.

NOTES

The table below shows the Group's assets and liabilities in foreign currencies translated into Swedish kronor at the balance sheet date:

	USD	EUR	NOK	Total
Assets	10.6	14.3	0.7	25.6
Liabilities	5.4	12.4	0.8	18.6
Net exposure	5.2	1.9	-0.1	7.0

A change in the relevant exchange rates in relation to the Swedish krona of +/-5% would, at the balance sheet date, result in a profit effect of +/-0.3 for USD, +/-0.1 for EUR, and +/-0.0 for NOK. Overall, this gives a total weighted profit effect of MSEK +/-0.4.

INTEREST RATE RISK

Interest rate risk is the risk of a negative impact on the Group's income statement and cash flows due to changes in market interest rates. As the Group has no financial assets or financial liabilities measured at fair value, changed market interest rates do not have an immediate effect on its profit and loss account. The Group's credits currently refer to overdraft facilities, the interest rates of which may change partly in response to changes in the general interest rate environment and partly to Company-specific events. Given full utilization of the Group's overdraft facilities and other loan facilities, an interest rate increase of one percentage point would lead to increased interest expenses for the Group of approximately MSEK 0.2 annually.

CREDIT AND COUNTERPARTY RISK

Credit risk is the risk that the counterparty will not be able to meet its contractual obligations toward the Group, resulting in a financial loss. Image Systems' exposure to credit risk is mainly attributable to trade receivables.

To limit credit risk, the Group only works with counterparties that are deemed capable of fulfilling their obligations toward the Group. In cases where the Company perceives the customer to be a counterparty risk, the Company requires advance payments. The markets in which Image Systems operates are not currently considered to pose any political risks. However, the Company always strives to eliminate or minimize possible risks by securing payment flows. As of 2024-12-31, there were no concentrations of credit risk.

The Group's and the Parent Company's maximum exposure to credit risk corresponds to the carrying amounts of all financial assets and is shown in the table below. The carrying amount is consistent with the fair value.

	GROUP	
	2024	2023
Trade receivables	47.7	33.2
Receivables from subsidiaries	-	-
Other receivables	0.9	2.1
Prepaid expenses and accrued income	6.4	3.8
Cash and cash equivalents	12.7	6.6
MAXIMUM EXPOSURE TO CREDIT RISK	67.7	45.7

	PARENT COMPANY	
	2024	2023
Trade receivables	-	-
Receivables from Group companies	24.6	14.2
Other receivables	0.2	0.6
Prepaid expenses and accrued income	0.3	0.4
Cash and cash equivalents	0.2	0.0
MAXIMUM EXPOSURE TO CREDIT RISK	25.3	15.2

TRADE RECEIVABLES

The Company assesses that the credit quality of trade receivables that are neither past due nor impaired is good, given that the customers' payment history is good.

At each balance sheet date, the Company assesses whether there is objective evidence that a trade receivable is impaired as a result of past events. Examples of such events are significant deterioration in the financial position of the counterparty or non-payment of amounts due.

	GROUP	
	24-12-31	23-12-31
Trade receivables	49.6	34.7
Opening accumulated provisions for bad debts	-1.5	-1.7
Provisions for bad debts for the period	-0.4	
Reversal of provisions for the period	-	0.2
Confirmed customer losses	-	-
Closing accumulated provisions for bad debts	-1.9	-1.5
TOTAL TRADE RECEIVABLES	47.7	33.2

	PARENT COMPANY	
	24-12-31	23-12-31
Trade receivables	0.0	0.0
Opening accumulated provisions for bad debts	0.0	0.0
Provisions for bad debts for the period	-	-
Reversal of provisions for the period	-	-
Confirmed customer losses	-	-
Closing accumulated provisions for bad debts	-	-
TOTAL TRADE RECEIVABLES	0.0	0.0

Historically, the Group has had low customer losses. The risk spread across companies, and geographic markets is favorable. No individual customer has a significant impairment requirement. During the year, a provision of MSEK 0.0 (0.0) has been made for bad customer debts. The assessment is that the reserve for bad debts well covers any future impairment needs. The reserved trade receivables relate partly to provisions in accordance with the steps introduced in accordance with IFRS 9 and partly to old trade receivables that are more than two years overdue where the customers' willingness to pay is deemed to be low. The Group's bad debts have been non-material and remain so after transitioning to the new standard.

Each subsidiary applies its impairment model for trade receivables based on assumptions and historical information and has chosen to apply a simplified impairment model.

OVERDUE TRADE RECEIVABLES NOT CONSIDERED DOUBTFUL

	GROUP	
	24-12-31	23-12-31
Expired:		
1–30 days	2.5	4.9
31–60 days	1.2	0.8
61–90 days	0.8	0.8
91–180 days	1.1	0.1
> 180 days	3.6	3.8
TOTAL	9.2	10.4

	PARENT COMPANY	
	24-12-31	23-12-31
Expired:		
1–30 days	-	-
31–60 days	-	-
61–90 days	-	-
91–180 days	-	-
> 180 days	-	-
TOTAL	-	-

NOTES

The trade receivables that are more than 90 days overdue but are not considered impaired MSEK 4.7 (3.9) mainly relate to agreed performance guarantees. These are expected to be received after final approval has been granted.

LIQUIDITY RISK

Liquidity risk refers to the risk of the Group being adversely affected by inadequate management and control of cash and cash equivalents and payment flows. Image Systems monitors the Parent Company's and the Group's liquidity by continuously compiling liquidity forecasts that form the basis for decisions on possible borrowing or investment.

The maturity breakdown of contractual payment obligations related to the Group's financial liabilities is shown in the table below

MATURITY OF CONTRACTUAL PAYMENT OBLIGATIONS RELATED TO THE FINANCIAL LIABILITIES OF THE GROUP/PARENT COMPANY

2024 GROUP	<1 month	1-3 months	3 months- 1 year	1-5 years	>5 years	Total
Loan liabilities and loans from credit institutions	-	-	3.1			3.1
Accounts payable	14.3	0.6	-	-		14.9
Other liabilities	6.5	0.5	11.8			18.8
Lease liabilities	0.5	1.5	3.9	10.5	-	16.4
Accruals and deferred income	2.6	3.8	9.4			15.8
TOTAL FINANCIAL LIABILITIES	23.9	6.4	28.2	10.5	0.0	69.0

2023 GROUP	<1 month	1-3 months	3 months- 1 year	1-5 years	>5 years	Total
Loan liabilities and loans from credit institutions	0.4	-	5.0			5.4
Accounts payable	11.9	0.3	-	-		12.2
Other liabilities	5.0	0.0	9.9			14.9
Lease liabilities	0.4	1.3	3.6	3.9	-	9.2
Accruals and deferred income	3.6	0.3	7.6			11.5
TOTAL FINANCIAL LIABILITIES	21.3	1.9	26.1	3.9	0	53.2

2024 PARENT COMPANY	<1 month	1-3 months	3 months- 1 year	1-5 years	>5 years	Total
Loan liabilities and loans from credit institutions	-	-	-	-	-	-
Accounts payable	0.2	-	-	-	-	0.2
Other liabilities	0.2	0.1	-	-	-	0.3
Accruals and deferred income	0.2	0.8	1.3	-	-	2.3
TOTAL FINANCIAL LIABILITIES	0.6	0.9	1.3	0	0	2.8

2023 PARENT COMPANY	<1 month	1-3 months	3 months- 1 year	1-5 years	>5 years	Total
Loan liabilities and loans from credit institutions	-	-	-	-	-	-
Accounts payable	0.3	-	-	-	-	0.3
Other liabilities	0.2	-	-	-	-	0.2
Accruals and deferred income	0.2	0.3	0.4	-	-	0.9
TOTAL FINANCIAL LIABILITIES	0.7	0.3	0.4	0	0	1.4

NOTE 4 FINANCIAL TARGETS AND CAPITAL MANAGEMENT

The Board of Image Systems has established a financial objective which means that the Company shall ensure that financial obligations are fulfilled and that the expansion takes place at the pace stipulated in the business plan.

Image Systems' capital structure objectives are to ensure the Group's ability to continue as a going concern, to create long-term value growth for its shareholders and other stakeholders, and to maintain an optimal capital structure to keep the cost of capital low. In order to adjust the capital structure, the Group may issue new shares to increase the net debt.

To achieve this, the Board of Directors has determined that the Group aims to achieve a long-term operating margin (EBITDA) of 15 percent, a solidity of not less than 50 percent, and a net debt/equity ratio of less than 1. In 2024, the operating margin target was achieved as the EBITDA operating margin amounted to 14.5 percent (9.1), the solidity amounts to 55 percent (63), and the net debt/equity ratio to 0.1 (0.1).

The Group, like other companies in the industry, assesses its capital on the basis of the debt/equity ratio, which is calculated as follows:

Net debt, according to note 25,
divided by
Total equity

In 2024, the Group's strategy, unchanged from 2023, was to maintain a debt-to-equity ratio of between 10 percent and 25 percent as the Group had not yet reached the long-term EBITDA margin of 15 percent at the beginning of the year. The debt/equity ratio excluding the lease liability according to IFRS 16 amounted to 5 percent, i.e., better than the set framework.

The debt-to-equity ratio as of December 31, 2024 and 2023, was as follows:

The Group's main borrowing facilities are overdraft facilities, which are secured by chattel mortgages. There are no other loan terms for these overdraft facilities.

	2024	2023
Net debt	6.8	8.0
Total equity	124.6	116.0
Debt-to-equity ratio, %	5	7

The Group's main borrowing facilities are overdraft facilities, which are secured by chattel mortgages. There are no other loan terms for these overdraft facilities.

NOTE 5 BREAKDOWN OF REVENUE

REVENUE RELATED TO NET SALES IN DIFFERENT MARKETS

GROUP	Motion Analysis				RemaSawco				Group			
	2024		2023		2024		2023		2024		2023	
	MSEK	%	MSEK	%	MSEK	%	MSEK	%	MSEK	%	MSEK	%
Americas	12.7	33	14.3	36	4.9	3	0.4	1	17.6	9	14.7	9
Europe ¹⁾	11.4	30	12.3	31	141.9	97	120.8	99	153.3	83	133.1	83
Asia including Oceania	14.0	37	12.9	33	-	0	-	0	14.0	8	12.9	8
TOTAL	38.1	100	39.5	100	146.8	100	121.2	100	184.9	100	160.7	100

¹⁾ The Group's Parent Company is located in Sweden. The Group's revenue from external customers in Sweden amounted to MSEK 104.7 (88.6).

NOTES

REVENUE FROM CONTRACTS WITH CUSTOMERS

The Group's net sales consist of the following main types of revenue by operating segment:

	RemaSawco		Motion Analysis		Group	
	2024	2023	2024	2023	2024	2023
Licenses	-	-	14.8	19.4	14.8	19.4
Project revenue	111.6	83.7	-	-	111.6	83.7
Product sales	13.4	9.5	4.3	5.9	17.7	15.4
Services	21.8	28.0	19.0	14.2	40.8	42.2
TOTAL REVENUE	146.8	121.2	38.1	39.5	184.9	160.7

DESCRIPTION OF THE GROUP'S REVENUE

Below is a description of the business units' revenue in terms of nature, invoicing, the timing of satisfaction of performance obligations and revenue recognition, and significant payment terms.

RemaSawco

Project revenue

Revenue is recognized based on how much of the total project is transferred to the customer. These projects include both Company products and project components. In fixed-price projects, the customer pays the agreed price at agreed times of payment. If the services the Group has delivered exceed the payment, a contract asset is recognized. If payments exceed the services delivered, a contract liability is recognized.

Product sales

Refers mainly to spare and replacement parts. Customers are invoiced upon delivery, and payment terms are normally 30 days.

Services

Refers mainly to service and support and are carried out on an ongoing basis, and are recognized as the services are rendered. Customers are invoiced and usually pay in arrears for services rendered.

Motion Analysis

Licenses

Revenue for the permanent usufruct of software is recognized immediately at the time of delivery when the customer obtains control of the software. Customers are invoiced upon contract signing/delivery, and payment terms are normally 30 days.

Product sales

Refers mainly to hardware for DIC systems and hardware associated with calibration or 3D model generation. Customers are invoiced upon delivery, and payment terms are normally 30 days.

Services

Relates mainly to subscriptions, support and training. Revenue is either on an ongoing basis and recognized as the services are rendered or as an annual support or subscription agreement that is recognized as revenue linearly over the contract period. Customers are invoiced and usually pay in arrears for training. Support and subscription contracts are normally invoiced annually in advance.

Contract assets and contract liabilities

The Group recognizes trade receivables when there is an unconditional right to payment for services rendered. Accrued income is recognized related to fees and other remuneration for services rendered that have not yet been invoiced at the balance sheet date. Contracts invoiced in advance are recognized as deferred income in the balance sheet. Invoiced fees in fixed-price contracts for services not yet rendered are recognized as customer advances.

Accrued revenue

Of the year's opening balance of MSEK 0.5, MSEK 0.5 has been reclassified to trade receivables in 2024. For revenue recognized in 2024, accrued revenue at the end of the year is included by MSEK 0.7.

Deferred revenue

Of the year's opening balance of MSEK 8.3, MSEK 8.3 was recognized as revenue in 2024. Contracts invoiced in advance during 2024 are included in deferred revenue at the end of the year with MSEK 24.8.

Non-invoiced project revenue

Of the year's opening balance of MSEK 2.0, MSEK 2.0 was recognized as revenue in 2024. Invoiced fees in fixed-price assignments for services not yet rendered amount to MSEK 1.8 in the year's closing balance.

Trade receivables and expected credit losses

The Group has historically had very low credit loss costs. The reserve for bad customer debts amounted to MSEK 1.9 (1.5) on the balance sheet date of 2024-12-31 and mainly relates to expected credit losses relating to customers in the RemaSawco business unit. The expected level of credit losses is very low in relation to outstanding trade receivables and net sales. The effects of the model for calculating the reserve for expected credit losses under IFRS 9 amount to MSEK 0.8.

Contract expenditure

The Group has not reported any assets due to expenditure on obtaining or fulfilling agreements with customers.

Transaction price allocated to remaining performance obligations

The following table shows revenue expected to be recognized for performance obligations that are unfulfilled or partially unfulfilled at the balance sheet date and when the revenue is expected to be recognized.

Within one year from the balance sheet date	99.9
Later than one but within five years of the balance sheet date	16.5
Later than five years after the balance sheet date	1.1
TOTAL	117.5

Parent Company

The Parent Company's revenue mainly relates to invoicing of services rendered and re-invoiced Group-wide costs.

NOTE 6 PURCHASES AND SALES BETWEEN GROUP COMPANIES

For purchases and sales between Group companies, the same pricing policies are applied as for transactions with external parties.

	PARENT COMPANY	
	2024	2023
Percentage of sales to Group companies	100%	100%
Percentage of purchases from Group companies	0%	0%

NOTE 7 OPERATING SEGMENTS

The operating segments are based on the information processed by the CEO of Image Systems, who is the "chief operating decision maker" of the Image Systems Group, and which is used to monitor operations and strategic decisions. Key figures such as net sales, gross margin, and EBITDA are monitored per business unit and in total. The operating segments of Image Systems are the RemaSawco and Motion Analysis business units. The segments have their own sales and marketing organization but a partially common administration such as Finance and HR. EBITDA is the performance measure monitored by management, and it includes capitalized development costs. No single customer accounts for more than 10 percent of the Group's revenue. There are no inter-segment sales except for costs charged for shared rents and administrative services. All transactions are carried out on market terms. The Group's segments are defined by the Group's main product groups, which address completely different customer categories. The customers for all segments are located globally and the geographical breakdown, which is made according to the customers' geographical location, is presented in note 5. No further breakdown is made in the Group's internal reporting system.

Net sales and capitalized development hours and earnings by segment	2024	2023
RemaSawco	153.7	125.2
Motion Analysis	46.1	45.5
Parent Company and Group items	-	-
Total revenue	199.8	170.7
EBITDA (incl. capitalized development costs)		
RemaSawco	28.0	7.0
Motion Analysis	5.1	14.2
Head office costs and Group items	-6.3	-5.7
EBITDA total (incl. capitalized development costs)	26.8	15.5
Depreciation and amortization of tangible and intangible fixed assets	-18.0	-20.8
Operating profit	8.8	-5.3
Net financial items	-0.8	-2.1
Profit before tax	8.0	-7.4
Tax	0.6	0.6
Profit/loss for the period	8.6	-6.8

NOTES

The Group's fixed assets other than financial instruments and tax assets are allocated according to their physical location, i.e., to the markets in which the Group operates.

GROUP	2024	2023
Sweden	85.9	59.7
Finland	41.0	45.4
Norway	0.1	-
TOTAL	127.0	105.1

NOTE 8 SALARIES, OTHER BENEFITS, AND SOCIAL COSTS

	GROUP	
	2024	2023
BOARD AND CEO		
Salaries and other benefits	3.3	2.8
Social costs on salaries and benefits	0.9	0.9
Pension costs	0.5	0.5
Total	4.7	4.2
OTHER EMPLOYEES		
Salaries and other benefits	52.1	43.7
Social costs on salaries and benefits	16.3	13.2
Pension costs	7.3	6.6
Other personnel costs	1.3	2.3
Total	77.0	65.8
TOTAL	81.7	70.0

	PARENT COMPANY	
	2024	2023
BOARD AND CEO		
Salaries and other benefits	3.3	2.8
Social costs on salaries and benefits	1.1	0.9
Pension costs	0.5	0.5
Total	4.9	4.2
OTHER EMPLOYEES		
Salaries and other benefits	0.6	0.5
Social costs on salaries and benefits	0.2	0.1
Pension costs	0.1	0.3
Other personnel costs	0.0	0.1
Total	0.9	1.0
TOTAL	5.8	5.2

The Parent Company includes MSEK 1.1 relating to costs for Directors, which are recognized under other costs.

REMUNERATION OF SENIOR EXECUTIVES

2024	Basic salary / Director's fee	Variable remuneration	Benefits	Pension costs	Other remuneration	Total remuneration
Chairman Anders Fransson	0.21	-	-	-	-	0.21
Director Catharina Lagerstam	0.20	-	-	-	-	0.20
Director Annika Ölme	0.05	-	-	-	-	0.05
Director Jan Molin	0.14	-	-	-	-	0.14
Director Matilda Wernhoff	0.14	-	-	-	-	0.14
Director Jörgen Hermansson	0.14	-	-	-	-	0.14
CEO Johan Friberg	1.60	0.80	0.10	0.50	-	3.00
Other senior executives (2 persons)	2.60	0.90	0.10	0.80	-	4.40
TOTAL	5.06	1.70	0.20	1.30	0.00	8.26

2023	Basic salary / Director's fee	Variable remuneration	Benefits	Pension costs	Other remuneration	Total remuneration
Chairman Anders Fransson	0.2	-	-	-	-	0.2
Director Catharina Lagerstam	0.2	-	-	-	-	0.2
Director Annika Ölme	0.1	-	-	-	-	0.1
Director Jan Molin	0.1	-	-	-	-	0.1
Director Matilda Wernhoff	0.1	-	-	-	-	0.1
Director Jörgen Hermansson	0.1	-	-	-	-	0.1
CEO Johan Friberg	1.6	0.3	0.1	0.5	-	2.5
Other senior executives (2 persons)	2.5	0.1	0.1	0.7	-	3.4
TOTAL	4.9	0.4	0.2	1.2	0.0	6.7

Comments on the tables

Other senior executives refer to the persons who, together with the Chief Executive Officer, comprise the Group management. For more information on pensions, see below.

Policies

The remuneration of the Board of Directors is decided by the Annual General Meeting. Fees are paid to the Chairman of the Audit and Remuneration Committee as decided by the AGM. The entire Board constitutes the Remuneration Committee. Remuneration to the CEO consists of basic salary, variable salary (bonus), and pension. Other senior executives' remuneration consists of basic salary, variable salary (bonus), and pension. Variable remuneration of MSEK 0.8 (0.3) has been paid to the CEO for the 2024 financial year. Variable remuneration has been paid to other senior executives of MSEK 0.9 (0.1).

Remuneration and other benefits

In accordance with the general meeting's decision on fees to the Board, MSEK 1.1 (1.2) has been expensed in 2024, of which MSEK 0.2 (0.2) to the Chairman of the Board. For Johan Friberg, salary and other remuneration amounting to MSEK 2.5 and pension payments of MSEK 0.5 have been expensed in 2024. For other senior executives, there are premium-based pensions within the framework of the general pension plan.

Pensions

Pension costs refer to the cost that has affected the profit for the year. All pension commitments in the Group are fee-based. The Swedish Company has no signed agreement with Alecta. The pension agreement for senior executives states that the premium shall amount to 15–30 percent of the pensionable salary. The retirement age for all senior executives is 65 years.

Warrants

The 2023 Annual General Meeting resolved on an incentive program consisting of 2.020.000 warrants expiring on August 31, 2026, with an exercise price of SEK 2,835. Upon full utilization, the Company's share capital will increase by SEK 52,520.00 and equity by MSEK 5.7. The exercise period takes place in August 2026.

Severance pay

All senior executives are deprived of the right to severance pay.

NOTES

	2024	2023
MEMBERS OF THE BOARD		
Men	3	3
Women	2	3
Total	5	6
MANAGEMENT TEAM (INCLUDING CEO)		
Men	3	3
Women	1	2
Total	4	5
	2024	2023
EMPLOYEE DISTRIBUTION		
PARENT COMPANY		
Men	1	1
Women	1	1
Total	2	2
Group companies	73	65
Group total	75	67
Of which in		
SWEDEN		
Men	58	47
Women	9	8
Total	67	55
FINLAND		
Men	5	9
Women	1	1
Total	6	10
NORWAY		
Men	2	2
Women	-	-
Total	2	2
GROUP TOTAL	75	67
Men	65	58
Women	10	9
TOTAL	75	67

NOTE 9 AUDITORS' REMUNERATION

Audit assignments refer to the auditors' remuneration for the statutory audit. The work includes the audit of the financial year report and accounting, the administration of the Board and the CEO, and the fee for audit advice provided in connection with the audit assignment. Audit activities other than the audit assignment relate to the review of the quarterly report and other quality assurance services.

	GROUP	
	2024	2023
PricewaterhouseCoopers *		
Audit assignment	0.9	0.9
Audit activities other than the audit assignment	-	-
Tax advice	0.0	-
Other assignments	-	-
OTHER AUDITORS		
Audit assignment	0.1	0.1
Audit activities other than the audit assignment	-	-
Tax advice	-	-
TOTAL	1.0	1.0

	PARENT COMPANY	
	2024	2023
PricewaterhouseCoopers *		
Audit assignment	0.9	0.7
Audit activities other than the audit assignment	0.0	-
Tax advice	0.0	-
Other assignments	-	-
OTHER AUDITORS		
Audit assignment	-	-
Audit activities other than the audit assignment	0.0	-
Tax advice	-	-
TOTAL	0.9	0.7

*As of the 2017 financial year, information is provided on the proportion of the Group's total remuneration to auditors that relates to the audit firm elected by the Annual General Meeting in Sweden. In 2024, MSEK 0.9 (0.9) referred to remuneration to PricewaterhouseCoopers AB in Sweden.

NOTE 10 OTHER OPERATING INCOME AND COSTS

	GROUP	
	2024	2023
Other operating income		
Exchange differences	-	-
Total	-	-
Other operating costs		
Customer losses	-	-
Exchange differences	-0.3	-0.6
TOTAL	-0.3	-0.6

	PARENT COMPANY	
	2024	2023
Other operating income		
Exchange differences	-	-
Total	-	-
Other operating costs		
Customer losses	-	-
Exchange differences	-	-
TOTAL	-	-

NOTE 11 GROUP CONTRIBUTIONS

The Parent Company has received Group contributions totaling MSEK 15.0 (10.0). Image Systems Nordic AB contributed 5.0 (10.0) of this total Group contribution and RemaSawco AB MSEK 10.0 (0.0).

NOTE 12 TAXES

RECOGNIZED IN THE INCOME STATEMENT

(MSEK)	GROUP	
	2024	2023
Income tax	-	-
Deferred tax	0.6	0.6
TOTAL TAX ON PROFIT FOR THE YEAR	0.6	0.6

(MSEK)	PARENT COMPANY	
	2024	2023
Income tax	-	-
Deferred tax	-	-
TOTAL TAX ON PROFIT FOR THE YEAR	-	-

EFFECTIVE TAX RECONCILIATION

	GROUP	
	2024	2023
Reported profit before tax	8.0	-7.4
Tax at the current rate of 20.6%	-1.6	1.5
Reported tax on profit for the year	0.6	0.6
Difference	2.2	-0.9
The difference is explained by:		
Tax effect of non-deductible items	-0.7	-1.2
Tax effect of non-taxable revenue	0.1	0.0
Effect of foreign tax rate differences	-	-
Increase in loss carryforwards without corresponding capitalization of tax losses	-	0.3
Consumption of loss carryforwards not capitalized in prior years	2.8	0.0
Capitalization of loss carryforwards	-	-
TOTAL	2.2	-0.9

	PARENT COMPANY	
	2024	2023
Reported profit before tax	8.7	3.5
Tax at the current rate of 20.6%	-1.8	-0.7
Reported tax on profit for the year	0.0	0.0
Difference	1.8	0.7
The difference is explained by:		
Tax effect of non-deductible items	0.0	-0.2
Tax effect of non-taxable revenue		
Effect of foreign tax rate differences		
Increase in loss carryforwards without corresponding capitalization of tax losses		
Consumption of loss carryforwards not capitalized in prior years	1.8	0.9
Capitalization of loss carryforwards		-
TOTAL	1.8	0.7

DEFERRED TAX ASSETS

	GROUP	
	2024	2023
Opening acquisition value	19.1	19.1
Acquisitions in the year	-	-
Reclassification	-	-
Utilization for the year	-	-
CLOSING CARRYING AMOUNT	19.1	19.1

	PARENT COMPANY	
	2024	2023
Opening acquisition value	12.0	12.0
Acquisitions in the year	-	-
Reclassification	-	-
Utilization for the year	-	-
CLOSING CARRYING AMOUNT	12.0	12.0

NOTES

The Group's loss carryforwards amount to approximately MSEK 228 (238), of which MSEK 228 (238) can be utilized without a time limit. Deferred tax assets relating to unused loss carryforwards are recognized when the Company considers it probable that taxable profits will be available in the foreseeable future (IAS 12). It is estimated that loss carryforwards of MSEK 93 in 2024 can be utilized over the next five years, corresponding to a deferred tax asset of MSEK 19.1. The deferred tax asset consists mainly of loss carryforwards.

The Parent Company's loss carryforwards of MSEK 190 (198) may be affected by significant changes in ownership. Image Systems AB has recognized a deferred tax asset of MSEK 12.0 (12.0).

DEFERRED TAX LIABILITIES

	GROUP	
	2024	2023
Opening acquisition value	5.5	6.0
Acquisitions in the year	-	-
Utilization for the year	-0.6	-0.5
CLOSING CARRYING AMOUNT	4.9	5.5

The Group's deferred tax liabilities arise from the acquisition of RemaSawco OY and will be linearly dissolved over 10 years.

NOTE 13 INTANGIBLE FIXED ASSETS

IMPORTANT ESTIMATES AND ASSESSMENTS FOR ACCOUNTING PURPOSES

Image Systems' most important accounting policies are mainly described in note 2 Accounting policies. The preparation of Image Systems AB's Consolidated Financial Statements require a number of estimates and assumptions to be made that may affect the reported amounts of assets, liabilities, and provisions at the time of preparing the financial statements. In preparing the financial statements, the Image Systems Group has made the best possible assessment of a number of amounts in the financial statements, taking into account their relevance and significance. These assessments may result in actual outcomes inconsistent with previously made estimates, as future results are currently unknown. In accordance with IAS 1, the Company shall disclose specifically which accounting policies may be affected by estimates and assumptions made and which, if outcomes are not consistent with the estimates made, may have a significant effect on the financial statements. The sources of uncertainty identified by the Image Systems Group that are deemed to meet these criteria are described in note 14 Goodwill, note 15 Trademarks, and note 16 Customer relationships for impairment testing of intangible assets.

SOURCES OF UNCERTAINTY IN ESTIMATES

Intangible fixed assets, except for goodwill, are written off over their estimated useful lives. The estimated useful lives are based on an estimate of the period over which the assets will generate revenue. If there is an indication on the balance sheet date that an intangible fixed asset is impaired, the asset's recoverable amount will be calculated. The recoverable amount is the higher of the asset's net selling price and value-in-use, based on the management's estimate of future cash flows. If the estimated recoverable amount is less than the carrying amount, the asset is written down to its recoverable amount. To determine the recoverable amount, estimated future cash flows are used, which are based on internal business plans and forecasts. Even if management believes that estimated future cash flows are reasonable, other assumptions regarding cash flows may significantly affect the measurements made.

Goodwill with an indefinite useful life is tested for impairment annually, or more frequently if necessary, by calculating its value. These calculations require management to determine the fair value of the Group's cash-generating units based on projected cash flows and internal business plans and forecasts. Excess value varies between the different activities and is therefore sensitive to different degrees of changes in assumptions and external factors. See further note 14.

The intangible assets consist of acquired goodwill, acquired customer relationships, and trademarks related to the acquisition of RemaSawco; acquired customer relationships, and trademarks related to the acquisition of Image Systems Nordic; and acquired goodwill, and acquired customer relationships related to RemaSawco OY. For further description and explanation of the assessment of the useful life, see notes 14, 15, and 16.

NOTE 14 GOODWILL

Goodwill is recognized as an intangible fixed asset with an indefinite useful life. For non-depreciable assets such as goodwill, an annual impairment test is carried out by calculating the asset's recoverable amount, except when there is an indication of impairment. If the estimated recoverable amount is less than the carrying amount, the asset is written down to its recoverable amount.

The recoverable amount of a cash-generating unit has been determined based on the calculated value in use. The main assumptions in the value-in-use calculations relate to growth rates, profit margins, investment requirements, changes in working capital requirements, and discount rates. Image Systems estimates future cash flows based on the latest business plan approved by management (budget for 2025 and forecast for 2026–2029) for the cash flow generating segments RemaSawco and Motion Analysis.

Management has estimated future cash flows based on past performance, achieved growth, and expectations of future market development. During 2025–2027, the cash-generating units are expected to show positive growth compared to 2024. Sales during the forecast period are expected to grow by ten (10) percent per year, and the margin improvement is expected to increase by twelve (12) percentage points over the period. Cash flows beyond the forecast period are extrapolated using an estimated growth rate of two (2) percent. The growth rate beyond the three-year period is not expected to exceed the long-term growth rate of the industry in which the Company operates. The discount rates used are stated pre-tax and reflect the prevailing interest rate environment (risk-free rate) and the other specific risks assessed for the cash-generating activities. The pre-tax discount rate (WACC) in the Company's estimate is 12.5 (13.4) percent for RemaSawco and 13.4 (14.0) percent for Motion Analysis.

The Image Systems Group has also tested whether an increase in the discount rate would result in an impairment. An increase in the discount rate by 5 percentage points would not result in an impairment for RemaSawco. The carrying amount of goodwill in the cash-generating units Motion Analysis and RemaSawco is MSEK 0 and MSEK 36.1, respectively.

	GROUP	
	2024	2023
Opening acquisition value	36.1	36.1
Acquisitions in the year	-	-
CLOSING ACCUMULATED ACQUISITION VALUE	36.1	36.1

RemaControl and Sawco were acquired in 2012. A goodwill amount of MSEK 10.5 was established at the time of the acquisition. In 2018, Limab Oy (renamed RemaSawco OY) was acquired. The goodwill amount for RemaSawco Oy has been adjusted in spring 2019 and set at MSEK 25.6 and is thus not affected by currency effects.

NOTE 15 TRADEMARKS

	GROUP	
	2024	2023
Opening acquisition value	19.5	19.5
Closing accumulated acquisition value	19.5	19.5
Opening depreciation and amortization	-19.5	-19.5
Depreciation for the year according to plan	-	-
Closing accumulated depreciation/amortization	19.5	-19.5
CLOSING CARRYING AMOUNT	0.0	0.0

In the acquisition of RemaSawco, trademarks with a value of MSEK 10.0 were identified. RemaSawco has well-established and well-known trademarks in the Nordic sawmill industry. The useful life was set at the time of the acquisition at 15 years. In 2014, a renewed analysis was made regarding the useful life which was then changed to 10 years which means that the trademarks at the end of 2022 were fully written off.

NOTE 16 CUSTOMER RELATIONSHIPS

	GROUP	
	2024	2023
Opening acquisition value	84.5	84.5
Acquisitions in the year	-	-
Closing accumulated acquisition value	84.5	84.5
Opening depreciation and amortization	-65.2	-60.8
Depreciation for the year according to plan	-4.3	-4.3
Closing accumulated depreciation/amortization	-69.5	-65.2
CLOSING CARRYING AMOUNT	15.0	19.3

Customer relationships refer partly to customer relationships in the Motion Analysis business unit, which was acquired in connection with the acquisition of Image Systems Nordic, amounting to MSEK 9.1, and partly to customer relationships in RemaSawco, which was acquired in March 2012, amounting to MSEK 29.9.

The useful life of the above customer relationships has been set at 10 years, which means that the customer relationships were fully written off at the end of 2022.

On June 1, 2018, customer relationships of MSEK 43.7 were added through the acquisition of RemaSawco OY. The depreciation/amortization period has been set at 10 years, meaning that customer relationships are written off by MSEK 4.4 per year until 2028.

NOTE 17 CAPITALIZED DEVELOPMENT COSTS

	GROUP	
	2024	2023
Opening acquisition value	62.2	51.4
Through acquisitions	-	-
Acquisitions in the year	23.9	10.8
Disposals	-	-
Recalculation difference	-	-
Closing accumulated acquisition value	86.1	62.2
Opening depreciation and amortization	-23.6	-16.3
Depreciation for the year according to plan	-6.3	-7.3
Closing accumulated write-downs	-29.9	-23.6
CLOSING CARRYING AMOUNT	56.2	38.6

Expenditure on specific development projects is capitalized as follows: Capitalization of the Group's development costs is only done for new products if the expenses are significant, the products have a likely profit potential expected to accrue to the Company, and the expenses are clearly separable from the ongoing product development costs. Depreciation is calculated on a straight-line basis over the estimated useful life of the asset. Any need for impairment is evaluated on an ongoing basis.

Capitalized development costs relate to twenty-two development projects in RemaSawco (of which fifteen projects were actively worked up, and seven projects were written off). Three more projects in the RemaSawco business unit have already been fully written off. Capitalized development costs relate to three development projects in Image Systems Nordic AB (of which one project was actively worked up and two projects were written off). One more project in Image Systems has already been fully written off.

NOTE 18 EQUIPMENT, TOOLS, AND INSTALLATIONS

EQUIPMENT, TOOLS, AND INSTALLATIONS	GROUP	
	2024	2023
Opening acquisition value	10.1	13.1
Through acquisitions	-	-
Purchases of the year	1.9	0.5
Disposals	-0.2	-3.5
Recalculation difference	-	0.0
Closing accumulated acquisition value	11.8	10.1
Opening depreciation/amortization	-9.0	-9.4
Disposals	-	3.5
Depreciation/amortization for the year	-0.5	-3.2
Recalculation difference	-	0.1
Closing accumulated depreciation/amortization	-9.5	-9.0
Closing carrying amount	2.3	1.1

NOTE 19 LEASING

INFORMATION ABOUT LEASING

LEASING	GROUP	
	2024	2023
Opening acquisition value	23.6	26.1
Revaluation	3.6	-1.0
Purchases	10.7	3.2
Disposals	-2.4	-4.7
Closing accumulated acquisition value	35.5	23.6
Depreciation, opening balance	-13.6	-12.3
Disposals	2.3	4.6
Depreciation for the year	-6.8	-5.9
Reclassifications	-	-
Accumulated depreciation, closing balance	-18.1	-13.6
CLOSING CARRYING AMOUNT	17.4	10.0

	Dec 31, 2024	Dec 31, 2023
Right-of-use assets		
Properties	14.4	7.7
Motor vehicles	3.0	2.3
TOTAL	17.4	10.0

	Dec 31, 2024	Dec 31, 2023
Lease liabilities		
Non-current lease liabilities	10.5	4.2
Current lease liabilities	5.9	5.0
TOTAL	16.4	9.2

	Dec 31, 2024	Dec 31, 2023
Depreciation for the year by type of right-of-use asset		
Properties	5.6	4.7
Motor vehicles	1.2	1.2
TOTAL	6.8	5.9

	Dec 31, 2024	Dec 31, 2023
The due date for future payments included in the lease liability as of Dec 31, 2024		
Paid within one year	5.2	3.9
Paid within one to five years	11.2	5.3
Paid later than five years	0.0	0.0
TOTAL FUTURE LEASE PAYMENTS	16.4	9.2

The maturity analysis for lease liabilities is presented in note 3. Agreed future lease fees are shown below, indicating the periods in which they fall due for payment.

NOTES

OTHER INFORMATION

	Dec 31, 2024	Dec 31, 2023
Interests relating to leasing commitments are included in net financial items for the full year 2024 with	0.5	0.4
Payments for rental contracts and leases will burden the cash flow for 2024 with	5.5	6.2
Investments during 2024 in right-of-use assets	10.7	3.2
Contracted future investments in rights-of-use as of December 31, 2024, that have not yet been recognized amount to	0.0	9.2

The Group has no outstanding short-term leases and has no low-value lease assets.

The reporting of leasing costs in the form of depreciation of right-of-use assets and interest expense has reduced the operating profit for 2024 by approximately MSEK 0.6 (0.3) compared with the reporting according to previously applicable policies. EBITDA has improved by MSEK 6.7 (6.5).

The Group has, during the year, paid MSEK 7.1 (6.6) in leasing fees under the terms of the existing agreement. Of the Group's costs for leasing agreements, 81 percent (83) relates to rental contracts for premises, and the remainder relates to leased cars. There are no contracts with variable fees.

The Parent Company paid MSEK 0.1 (0.1) in leasing fees during the year.

The maturity analysis for lease liabilities is presented in note 3.

NOTE 20 SHARES IN SUBSIDIARIES

	PARENT COMPANY	
	2024	2023
Opening acquisition value	82.8	82.8
Acquisitions in the year (shareholder contribution and write-down)	-	-
CLOSING ACQUISITION VALUE	82.8	82.8

THE GROUP INCLUDES THE FOLLOWING SUBSIDIARIES

Subsidiary	Capital share	Proportion of voting rights	Number of shares	Book value	
				2024	2023
Image Systems Nordic AB	100%	100%	541,125	10.0	10.0
RemaSawco AB	100%	100%	1,000	46.1	46.1
RemaSawco OY	100%	100%	1,000	26.7	26.7
TOTAL BOOK VALUE				82.8	82.8

INFORMATION ON THE REGISTERED OFFICES OF SUBSIDIARIES

Company	Registration number	Residence
Image Systems Nordic AB	556550-5400	Linköping, Sweden
RemaSawco AB	556241-9365	Linköping, Sweden
RemaSawco OY	0882861-1	Mikkeli, Finland
Other Group companies		
Image Systems Trackeye Inc,	4521078	Delaware, USA
RemaSawco International AB, dormant	556731-1948	Linköping, Sweden
RemaSawco AS	985272808	Kongsvinger, Norway

NOTE 21 INVENTORIES

	GROUP	
	2024	2023
Output stocks	12.1	13.1
TOTAL	12.1	13.1

NOTE 22 OTHER CURRENT RECEIVABLES

	GROUP	
	2024	2023
Non-invoiced project revenue	0.2	0.8
Tax asset	0.4	0.8
Vendor note	-	0.4
Other	0.3	0.1
TOTAL	0.9	2.1

	PARENT COMPANY	
	2024	2023
Non-invoiced project revenue	-	-
Tax asset	0.2	0.2
Vendor note	-	0.4
Other	0.0	0.0
TOTAL	0.2	0.6

NOTE 23 PREPAID EXPENSES AND ACCRUED INCOME

	GROUP	
	2024	2023
Prepaid rents	0.1	0.3
Prepaid leasing fees	0.1	0.1
Prepaid insurance premiums	0.6	0.6
Other prepayments	3.0	1.3
Accrued income	2.6	1.5
TOTAL	6.4	3.8

	PARENT COMPANY	
	2024	2023
Prepaid rents	-	-
Prepaid leasing fees	0.0	0.0
Prepaid insurance premiums	0.2	0.2
Other prepayments	0.1	0.2
Accrued income	-	-
TOTAL	0.3	0.4

NOTE 24 LOANS FROM CREDIT INSTITUTIONS

	GROUP	
	2024	2023
Non-current loans from credit institutions	-	-
Current loans from credit institutions	3.1	5.4
TOTAL	3.1	5.4

	PARENT COMPANY	
	2024	2023
Non-current loans from credit institutions	-	-
Current loans from credit institutions	-	-
TOTAL	-	-

Loans from credit institutions consist partly of an overdraft facility that has been utilized by MSEK 3.1 (5.0). Other bank loans have been paid off during 2024 to MSEK 0.0 (0.4). Chattel mortgages secure the loans. There are no further covenants. The undrawn part of the credit facility amounted to MSEK 15.5 (13.4).

NOTE 25 RECONCILIATION OF NET DEBT

Net debt and changes in net debt are analyzed below for the periods presented.

	GROUP	
	2024	2023
Cash and cash equivalents	12.7	6.6
Loan liabilities (including overdraft facility)	3.1	5.4
Lease liability	16.4	9.2
Net debt	6.8	8.0
Cash and cash equivalents	6.6	6.6
Gross debt with fixed interest rate	9.2	9.2
Gross debt with variable interest rate	5.4	5.4
Net debt	8.0	8.0
	8.0	8.0

NOTE 26 FINANCIAL INSTRUMENTS

FAIR VALUE

The carrying amount of short-term receivables corresponds to their fair value. The fair value of receivables with variable interest rates corresponds to their carrying amount. Most of the interest-bearing liabilities have floating interest rates, so the carrying amount at the balance sheet date corresponds to their fair value. The Group has not used any derivative instruments for either assets or liabilities. Nor does the Group have any assets classified as available for sale.

ASSETS IN THE BALANCE SHEET CLASSIFIED AS LOANS AND RECEIVABLES

	GROUP	
	2024	2023
Trade and other receivables	47.7	33.6
Cash and cash equivalents	12.7	6.6
TOTAL	60.4	40.2

	PARENT COMPANY	
	2024	2023
Trade and other receivables	24.6	14.6
Cash and cash equivalents	0.2	0
TOTAL	24.8	14.6

LIABILITIES ON THE BALANCE SHEET CLASSIFIED AS OTHER FINANCIAL LIABILITIES AT AMORTIZED COST

	GROUP	
	2024	2023
Liabilities to credit institutions	3.1	5.4
Accounts payable	14.9	12.2
Lease liability	16.4	9.2
TOTAL	34.4	26.8

	PARENT COMPANY	
	2024	2023
Liabilities to credit institutions	-	-
Accounts payable	0.2	0.3
Lease liability	-	-
TOTAL	0.2	0.3

NOTE 27 TRANSACTIONS WITH RELATED PARTIES

Remuneration and terms of employment contracts for senior executives and individual Directors are set out in note 8. The Company has not provided any guarantees or sureties to or for the benefit of the Directors or senior executives. During the current or previous financial year, none of the Directors or senior executives has had any direct or indirect involvement in business transactions with the Company which are or were unusual in nature or in their terms and which in any respect remain unsettled or unresolved.

Purchases and sales between the Parent Company and subsidiaries, and between the subsidiaries alone, have been made on market terms and have been eliminated in the Group.

Options program

The 2023 Annual General Meeting resolved on an incentive program consisting of 2,020,000 warrants expiring on August 31, 2026, with an exercise price of SEK 2.835. Upon full utilization, the Company's share capital will increase by SEK 52,520.00 and equity by MSEK 5.7. See further note 8. The Company has issued 2,020,000 warrants at a price of SEK 0.026 per warrant.

NOTE 28 ACCRUALS AND DEFERRED INCOME

	GROUP	
	2024	2023
Personnel related costs	12.4	8.5
Accrued board, audit, and consultancy fees	3.2	2.6
Prepaid service contracts	27.3	8.3
Other items	0.3	0.4
TOTAL	43.2	19.8

NOTES

	PARENT COMPANY	
	2024	2023
Personnel related costs	1.4	0.3
Accrued board, audit, and consultancy fees	0.9	0.6
Prepaid service contracts	-	-
Other items	-	-
TOTAL	2.3	0.9

NOTE 29 COLLATERAL PROVIDED AND CONTINGENT LIABILITIES

	GROUP	
	2024	2023
COLLATERAL PROVIDED		
Chattel mortgages	55.3	55.3
TOTAL	55.3	55.3
CONTINGENT LIABILITIES		
Advance payment guarantees	6.9	4.0

	PARENT COMPANY	
	2024	2023
COLLATERAL PROVIDED		
Chattel mortgages	11.3	11.3
TOTAL	11.3	11.3
CONTINGENT LIABILITIES		
Advance payment guarantees	-	-

Advance payment guarantees refer in their entirety to bank guarantees provided on advances received within RemaSawco.

NOTE 30 ADJUSTMENTS FOR NON-CASH ITEMS

	GROUP	
	2024	2023
Depreciation/amortization of assets	18.0	20.8
Unrealized exchange rate differences		
Other items	-1.3	-1.7
TOTAL	16.7	19.1

	PARENT COMPANY	
	2024	2023
Depreciation/amortization of assets	-	-
Unrealized exchange rate differences	-	-
Group contributions	-15.0	10.0
Other items	0.0	-0.8
TOTAL	-15.0	9.2

NOTE 31 FINANCING ACTIVITIES

GROUP (MSEK)	Cash and cash equivalents	Loans from credit institutions	Current lease liabilities	Non-current lease liabilities	Total
Net debt as of January 1, 2023	22.5	-5.4	-4.9	-8.5	3.7
Cash flow	-15.9	0	0.7	3.5	-11.7
Net debt as of December 31, 2023	6.6	-5.4	-4.2	-5.0	-8.0
Cash flow	6.1	2.3	-6.3	-0.9	1.2
Net debt as of December 31, 2024	12.7	-3.1	-10.5	-5.9	-6.8

Cash and cash equivalents refer to bank balances in SEK, USD, EUR, and NOK.

NOTE 32 EARNINGS PER SHARE

	2024	2023
Of which attributable to Parent Company shareholders, MSEK	8.6	-6.8
Earnings per share in SEK, before dilution	0.10	-0.08
Earnings per share in SEK, after dilution	0.10	-0.08
The weighted average number of shares before dilution	89,207,818	89,207,818
The weighted average number of shares after dilution	89,207,818	89,207,818

NOTE 33 PROPOSAL ON ALLOCATION OF PROFITS

At the disposal of the Annual General Meeting is:	MSEK
Retained earnings	99.7
Net profit for the year	8.7
TOTAL	108.4

The Board proposes:	MSEK
to carry forward	108.4
TOTAL	108.4

NOTE 34 EVENTS AFTER THE BALANCE SHEET DATE

In consultation with the Board of Directors, Johan Friberg has decided to step down as CEO of Image Systems AB. At the latest, he will continue to serve as the CEO of the subsidiary Motion Analysis until the end of 2025. The Board of Directors has appointed Deputy CEO Emilien Saindon as the new CEO of Image Systems AB as of April 14, 2025. Emilien Saindon will also continue in his role as CEO of the subsidiary RemaSawco.

NOTE 35 SHARE INFORMATION

SHARE CAPITAL

The share capital as of 2024-12-31 in Image Systems amounts to SEK 8,920,781.80, divided into 89,207,818 shares with a quota value of SEK 0.10 per share. According to Image Systems' Articles of Association, the share capital shall amount to a minimum of SEK 8,500,000 and a maximum of SEK 34,000,000. The number of shares shall be not less than 85.0 million and not more than 340.0 million.

All issued shares are fully paid up and carry equal rights to the Company's assets and profits, and entitle the holder to one vote. In the case of a liquidation of the Company, shareholders are entitled to a share of the surplus in proportion to the number of shares they hold. The shares in Image Systems have been issued under Swedish law and are denominated in Swedish kronor (SEK). The shares are registered in electronic form and are accounted for by Euroclear Sweden AB according to the reconciliation provision in the Articles of Association. Share certificates are not issued. There are no restrictions on the transferability of the shares. The Company's share is neither subject to an offering made as a result of a mandatory bid, redemption right, or redemption obligation.

SHARE CAPITAL PERFORMANCE

The number of issued shares at the beginning of the period was 89,207,818, with a quota value of SEK 0.10 per share. At the end of the period, the number of issued shares was 89,207,818 with a quota value of SEK 0.10 per share.

THE BOARD'S ATTESTATION



The Consolidated Financial Statements and the Annual Report have been prepared in accordance with the international accounting standards referred to in Regulation (EC) No 1606/2002 of the European Parliament and of the Council of July 19, 2002, on the application of international accounting standards and generally accepted accounting policies and give a true and fair view of the Group's and the Parent Company's financial position and performance. The administration report for the Group and the Parent Company, respectively, provides a fair overview of the development of the Group's and the Parent Company's operations, position and results, and describes significant risks and uncertainties that the Parent Company and the companies included in the Group are facing.

Linköping, April 4, 2024

Anders Fransson
Chairman of the Board

Catharina Lagerstam
Director

Jan Molin
Director

Matilda Wernhoff
Director

Jörgen Hermansson
Director

Johan Friberg
Chief Executive Officer

Our audit report was submitted on April 4, 2025

PricewaterhouseCoopers AB

Andreas Skogh
Authorized Public Accountant

AUDIT REPORT



To the Annual General Meeting of Image Systems AB (publ), reg. no. 556319-4041

REPORT ON THE ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

OPINIONS

We have audited the Annual Report and Consolidated Financial Statements of Image Systems AB for the year 2024. The Company's Annual Report and Consolidated Financial Statements are included on pages 34–72 of this document.

In our opinion, the Annual Report has been prepared in accordance with the Swedish Annual Accounts Act, and provides, in all material respects, a fair view of the Parent Company's financial position as of 31 December 2024, and of its financial results and cash flow for the year, according to the Swedish Annual Accounts Act. The Consolidated Financial Statements have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of December 31, 2024, and their financial performance and cash flow for the year in accordance with IFRS Accounting Standards, as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the Annual Report and Consolidated Financial Statements.

We therefore recommend that the Annual General Meeting approves the income statement and the balance sheet for the Parent Company and the Group.

Our opinions in this audit on the Annual Report and Consolidated Financial Statements are consistent with the content of the supplementary report submitted to the Audit Committee of the Parent Company in accordance with Article 11 of the Audit Regulation (537/2014/EU).

BASIS FOR OPINIONS

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the Parent Company and the Group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, to the best of our knowledge and belief, no prohibited services referred to in Article 5.1 of the Audit Regulation (537/2014/EU) have been provided to the audited Company or, where applicable, its Parent Company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

OUR AUDIT APPROACH

Focus and scope of the audit

We designed our audit by determining the materiality level and assessing the risk of material errors in the financial statements. In particular, we considered the areas where the Chief Executive Officer and the Board of Directors made subjective assessments, such as significant accounting estimates based on assumptions and forecasts of future events, which are inherently uncertain. We also considered, as in all audits, the risk of override of internal controls by the Board and the CEO and considered, among other things, whether there is evidence of systemic deviations giving rise to a risk of material misstatements due to fraud.

We tailored the scope of our audit to perform sufficient work to provide an opinion on the financial statements as a whole, taking into account the structure of the Company and the Group, the accounting processes and controls, and the industry in which the Group operates.

Materiality

The scope and focus of the audit were influenced by our assessment of materiality. An audit is designed to obtain reasonable assurance about whether the financial statements contain any material misstatements. Such misstatements can occur as a result of fraud or error.

They are considered material if, individually or collectively, they could reasonably be expected to influence the economic decisions made by users on the basis of the financial statements.

Based on professional judgment, we determined certain quantitative thresholds for materiality, including for the financial reporting as a whole. Using these and qualitative considerations, we determined the focus and scope of the audit and the nature, timing, and extent of our audit procedures, as well as assessing the effect of individual and combined misstatements on the financial statements as a whole.

KEY AUDIT MATTERS

The key audit matters are those which, in our professional judgment, were of most significance in the audit of the Annual Report and Consolidated Financial Statements for the current period. These matters were addressed in the context of the audit of, and in forming our opinion on, the Annual Report and Consolidated Financial Statements as a whole, but we do not provide a separate opinion on these matters.

Key audit matter

Valuation of ongoing projects in the RemaSawco business unit

How our audit addressed the key audit matter

The Group's total revenue in 2024 amounts to MSEK 185, of which MSEK 147 is attributable to the RemaSawco business unit. Revenue in this business unit is largely attributable to fixed-price projects and is recognized through the percentage-of-completion method. This means that revenue and costs in projects are recognized as the project is completed. At the balance sheet date, the Company needs to calculate and evaluate the relationship between the expenditure incurred and the total estimated expenditure in each project. We consider this to be a key audit matter as this valuation is based on significant estimates and assessments and as the business unit represents a significant part of the total revenue of the Group.

Our audit includes evaluating the applied policies for revenue recognition, an evaluation of the internal controls and procedures of the Company related to revenue recognition, and an analytical review of revenue and accruals in the balance sheet. Our audit also includes a review of the Company's prepared compilation of projects linked to the percentage-of-completion method and a detailed review of selected projects against supporting documentation to ensure the existence and accuracy of the data on which the calculations are based.

Also refer to the following sections:
 note 2 Accounting policies,
 note 3 Risks
 note 5 Breakdown of revenue, and
 note 7 Operating segments.

Valuation of intangible assets related to the RemaSawco business unit

How our audit addressed the key audit matter

Goodwill and other intangible assets form a significant part of the Group's balance sheet. Under IFRS, management shall perform annual impairment testing of the assets, including an assessment of, for example, expected future cash flows, expected future growth, and discount rates. This requires a high degree of judgments and subjectivity and can be influenced by external factors.

Our audit includes a combination of evaluating internal control over financial reporting, analytical examination, and detailed assessment of management's impairment testing. We have reviewed and assessed the reasonableness of the assumed annual growth rate, sales volumes, and discount rate presented to us by management.

The Company's impairment testing has not resulted in any impairment.

We have reviewed cash-flow projections by checking that they are accurate and consistent with the budget prepared by management. We have also reviewed the methodology and the management team's assumptions in the model used for the impairment test.

Also refer to the following sections:
 note 2 Accounting principles
 note 3 Risks and
 notes 13–17 (Goodwill, Trademarks, Customer relationships, Capitalized development costs).

We have assessed the content of the information on impairment testing provided in the Annual Report.

Valuation of deferred tax assets

How our audit addressed the key audit matter

In cases where the accounting rules are not fully aligned with the tax rules, the tax and accounting values of assets and liabilities may differ. If the difference affects taxation in a future period, these are called temporary differences, on which deferred tax is recognized. Deferred tax assets relating to losses are recognized to the extent that there is "convincing evidence" that the amounts can be used against future taxable profits. The Group has made the assessment that the tax loss carryforwards will be able to be used against future taxable profits and therefore recognizes deferred tax assets totaling MSEK 19.1.

Our audit includes a combination of evaluating internal control over financial reporting, analytical examination, and detailed assessment of management's judgments regarding the capitalization of deferred taxes. In our audit, we have examined forecasts of future earnings and reviewed the Company's deferred tax asset calculations.

See also note 1 Accounting policies and note 12 Taxes.

INFORMATION OTHER THAN THE ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

This document also contains information other than the Annual Report and Consolidated Financial Statements, which can be found on pages 1–23, 29–33 and 77–80. The Board of Directors and the Chief Executive Officer are responsible for this other information.

The information in the “Remuneration Report 2024” published on the Company’s website at the same time as this report also constitutes other information. This other information is provided in a document that does not include the Annual Report, i.e., a remuneration report that we obtained before the date of this audit report. The Board of Directors and the Chief Executive Officer are responsible for this other information.

Our opinion on the Annual Report and Consolidated Financial Statements does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the Annual Report and Consolidated Financial Statements, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the Annual Report and Consolidated Financial Statements. In this review, we also consider the knowledge we otherwise acquired during the audit and assess whether the information in general appears to contain material inaccuracies.

If we conclude, based on the work performed concerning this information, that there is a material misstatement in this other information, we are required to report this. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the CEO

The Board of Directors and the Chief Executive Officer are responsible for the preparation and fair presentation of the Annual Report and the Consolidated Financial Statements under the Swedish Annual Accounts Act and, as regards the Consolidated Financial Statements under IFRS Accounting Standards as adopted by the EU and the Swedish Annual Accounts Act. The Board and the CEO are also responsible for any internal control they deem necessary to prepare an Annual Report and Consolidated Financial Statements free from material misstatement, whether due to fraud or error.

In preparing the Annual Report and Consolidated Financial Statements, the Board of Directors and the Chief Executive Officer are responsible for assessing the Company’s and the Group’s ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. However, the going concern assumption is not applied if the Board and the CEO intend to liquidate the Company, cease operations, or have no realistic alternative but to do so.

The Audit Committee of the Board of Directors shall, without prejudice to the Board’s responsibilities and tasks in general, inter alia, monitor the financial reporting of the Company.

Auditor’s responsibility

Our objectives are to obtain reasonable assurance about whether the Annual Report and Consolidated Financial Statements are free from material misstatements, whether due to fraud or error, and to provide an audit report that includes our opinions. Reasonable assurance is a high level of assurance but is no guarantee that an audit conducted under ISA and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements may arise from fraud or error and are considered material if, individually or in combination, they could reasonably be expected to influence the financial decisions of users on the basis of the Annual Report and Consolidated Financial Statements.

A further description of our responsibilities for the audit of the Annual Report and Consolidated Financial Statements can be found on the website of the Swedish Inspectorate of Auditors: www.revisorsinspektionen.se/revisornsansvar. This description is part of the audit report.

REPORT ON OTHER REQUIREMENTS IN ACCORDANCE WITH LAWS AND OTHER STATUTES

Auditor’s review of the management and proposed appropriation of the Company’s profit or loss

Opinions

In addition to our audit of the Annual Report and the Consolidated Financial Statements, we have also audited the administration of the Board of Directors and the Chief Executive Officer of Image Systems AB (publ) for the year 2024 and the proposed appropriations of the Company’s profit or loss.

We recommend that the Annual General Meeting appropriate the profits according to the proposal in the administration report, and grant the members of the Board and the CEO discharge from liability for the financial year.

Basis for opinions

We have conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor’s Responsibilities section. We are independent of the Parent Company and the Group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the CEO

The Board of Directors is responsible for the proposed appropriation of the Company’s profit or loss. When proposing a dividend, this includes an assessment of whether the dividend is justifiable with regard to the requirements that the Company’s and the Group’s business type, scope and risks place on the size of the Company’s and the Group’s equity, consolidation needs, liquidity, and position in general.

The Board of Directors is responsible for the Company’s organization and the administration of the Company’s affairs. This includes among other things continuous assessment of the Company’s and the group’s financial situation and ensuring that the Company’s organization is designed so that the accounting, management of assets and the Company’s financial affairs otherwise are controlled in a reassuring manner. The CEO shall handle the day-to-day management under the Board’s guidelines and instructions and shall, among other things, take the measures necessary to ensure that the Company’s accounts are kept lawfully and that the assets are managed satisfactorily.

Auditor’s responsibility

Our goal regarding the audit of the administration, and thus our statement on discharge from liability, is to obtain audit evidence in order to assess with a reasonable degree of certainty whether any Director or the Chief Executive Officer in any material respect has:

- undertaken any action or committed any negligence that may give rise to liability to the Company, or
- in any other way, acted in violation of the Swedish Companies Act, the Swedish Annual Accounts Act, or the Articles of Association.

Our objective for the revision of the proposal for dispositions of the Company’s profit or loss, and thereby our statement on this, is to assess with a reasonable degree of assurance whether the proposal is consistent with the Swedish Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the Company, or that the proposed appropriations of the Company’s profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration can be found on the website of the Swedish Inspectorate of Auditors: www.revisorsinspektionen.se/revisornsansvar. This description is part of the audit report.

AUDITOR'S REVIEW OF THE ESEF REPORT

Opinion

In addition to our audit of the Annual Report and the Consolidated Financial Statements, we have also verified that the Board of Directors and the Chief Executive Officer have prepared the Annual Report and the Consolidated Financial Statements in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for Image Systems AB (publ) for the year 2024.

Our review and our statement refer only to the statutory requirement. In our opinion, the ESEF report has been prepared in a format that in all material respects enables uniform electronic reporting.

Basis for the opinion

We have carried out the review in accordance with FAR's recommendation RevR 18 Auditor's review of the Esef report. Our responsibilities in accordance with this recommendation are described in more detail in the Responsibilities of the auditor section. We are independent of Image Systems AB (publ), under good auditing practice in Sweden, and have otherwise fulfilled our ethical responsibilities according to these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Responsibilities of the Board of Directors and the CEO

The Board of Directors and the CEO are responsible for ensuring that the ESEF report has been prepared in accordance with Section 4a of Chapter 16 of the Swedish Securities Market Act (2007:528), and that there is such internal control as the Board of Directors and the CEO deem necessary to prepare the ESEF report without material inaccuracies, whether these are due to irregularities or errors.

Auditor's responsibility

Our task is, on the basis of our review, to state with reasonable assurance whether the ESEF report is in all material respects prepared in a format that meets the requirements in Section 4a of Chapter 16 of the Swedish Securities Market Act (2007:528).

RevR 18 requires us to plan and perform our audit procedures to obtain reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance but is no guarantee that an audit conducted under RevR 18 and good auditing practice in Sweden will always detect a material misstatement when it exists. Misstatements may arise from fraud or error and are considered material if, individually or in combination, they could reasonably be expected to influence the financial decisions of readers on the basis of the Esef report.

The audit firm applies International Standard on Quality Management 1, which requires the firm to design, implement and manage a quality management system including policies or procedures relating to compliance with ethical requirements, professional standards and applicable requirements of laws and other statutes.

The audit involves obtaining evidence through various measures that the Esef report has been prepared in a format that enables consistent electronic reporting of the Annual Report [and Consolidated Financial Statements]. The auditor chooses which measures are to be performed, among other things, by assessing the risks of material inaccuracies in the reporting, whether these are due to irregularities or errors. In this risk assessment, the auditor considers the parts of the internal control that are relevant to how the Board of Directors and the CEO produce the documentation in order to design audit measures that are appropriate in the circumstances, but not in order to make a statement on the effectiveness of the internal control. The review also includes an evaluation of the appropriateness and reasonableness of the assumptions made by the Board of Directors and CEO.

The audit procedures mainly involve the validation that the Esef report has been prepared in a valid XHTML format and reconciling the Esef report with the audited Annual Report and Consolidated Financial Statements.

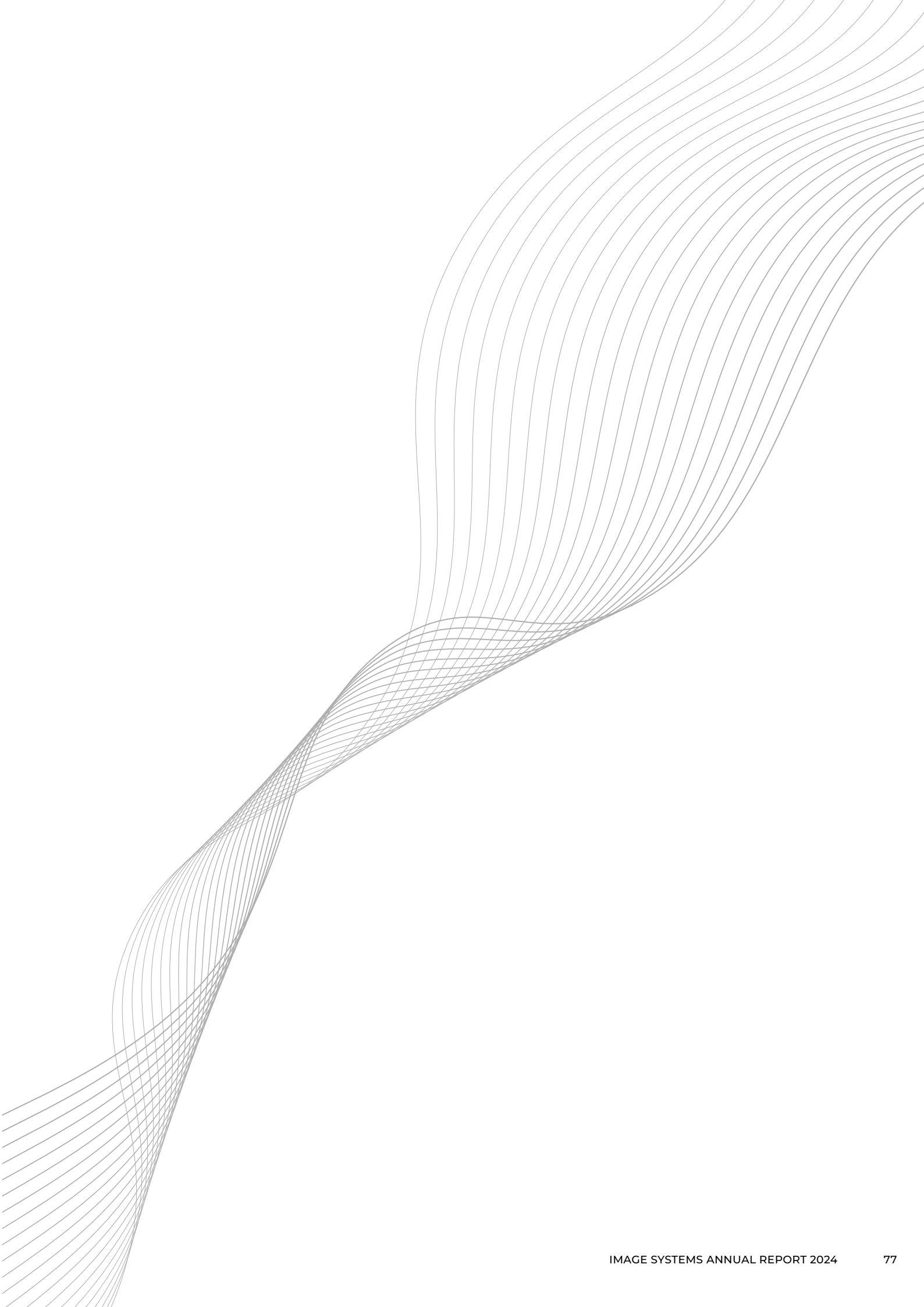
Furthermore, the review also includes an assessment of whether the Group's income statements, balance sheet and equity accounts, cash flow statement, and that the notes in the Esef report have been marked with iXBRL in accordance with what follows from the Esef regulation.

PricewaterhouseCoopers AB, 113 97 Stockholm, Sweden, was appointed auditor of Image System AB (publ) by the general meeting on May 8, 2024, and has been the Company's auditor since May 11, 2017.

Stockholm, April 4, 2025

PricewaterhouseCoopers AB

Andreas Skogh
Authorized Public Accountant





DEFINITIONS

INCOME MEASURES

Gross margin, %

Revenue minus raw materials and consumables divided by revenue.

EBITDA, MSEK

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

Operating margin, %

Operating profit in relation to revenue.

Profit margin, %

Profit before tax in relation to revenue.

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.

CASH FLOW MEASURES

Cash flow from operating activities, MSEK

Cash flow from operating activities plus changes in working capital.

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-bearing liabilities minus cash and cash equivalents.

OTHER

Net investments in fixed assets, MSEK

Net investments in both intangible and tangible fixed assets as well as financial fixed 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.

RELEVANT RECONCILIATIONS OF NON-IFRS INDICATORS, 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.

MSEK	GROUP	
	Full year 2024	Full year 2023
Operating profit	8.8	-5.3
Depreciation and amortization of tangible and intangible fixed assets	18.0	20.8
EBITDA	26.8	15.5

NET DEBT

Image Systems considers Net debt to be a relevant measure for investors to be able to comprehend the indebtedness of the Group.

MSEK	GROUP	
	Full year 2024	Full year 2023
Cash and cash equivalents	12.7	6.6
Lease liability	16.4	9.2
Interest-bearing liabilities	3.1	5.4
Net debt	6.8	8.0

COMPANY DATA

The name of the reporting Company:	Image Systems AB (publ)
Residence of the Company:	Sweden
Legal form of the Company:	Limited Liability Company (LLC)
Country of registration:	Sweden
The address of the registered office:	Snickaregatan 40 582 26 Linköping Sweden
Description of the nature of the Company's operations:	License and project sales and related services



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