



Interim report

IMINT Image Intelligence AB

1 January - 31 March 2022

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1 January – 31 March 2022

Q1 – 1 January – 31 March 2022

- Net revenue for the quarter was MSEK 17.8 (14.6).
- Operating expenses for the quarter were MSEK 16.5 (14).
- Profit/loss after net financial items for the quarter was MSEK 5.1 (4).
- Earnings per share before dilution for the quarter were SEK 0.56 (0.45).
- Earnings per share after dilution for the quarter were SEK 0.56 (0.43).
- Cash flow after investing activities for the period totaled MSEK 3.7 (2.8).
- Equity as of 31 March 2022 was MSEK 90.6 (61.2).
- Cash and cash equivalents as of 31 March 2022 were MSEK 63.6 (37).

Significant events 1 January – 31 March 2022

- On January 12, 2022, the company announced a new senior management position to expand the company product management function, hiring Nils Hulth as Chief Product Officer.
- The company announced on March 30 the launch of Photo Zoom Stabilization, a new solution designed to improve the experience of zoomed images using a smartphone.

Significant events after the period-end

- On April 14, 2022 Imint announced concluding a partnership with SIM Technology to further develop the video quality in AR headsets and head-mounted cameras.
- On April 26, the company announced that Imint Vidhance software solutions were implemented in the new Motorola Edge+ smartphone. This new mobile phone is equipped with three Vidhance solutions: Vidhance Video Stabilization, Vidhance Lens Distortion Correction, and Vidhance Dynamic Motion Blur Reduction.



Message from the CEO



With our record performance in 2021, we had wind in our sails coming into 2022 leading to a new sales record. We reached total revenue of MSEK 17.8 in Q1 2022, for an increase of 22% YoY. As previously announced, we will increase costs somewhat according to plan as first quarter recruitment succeeded in bringing leading-edge skills to company head offices in Uppsala. Total expenses for the quarter were MSEK 16.5 (14), including MSEK 8.3 (6) in staff expenses. We continue our profitable growth journey, reporting EBIT at MSEK 4.3, with a positive cash flow of MSEK 3.7 for the quarter, bringing our total cash balance to MSEK 63.6 as of 31 March 2022.

This Q1 was somewhat unsteady for our most important market - smartphones. Pandemic restrictions remaining in China impact global logistics chains, so that primarily smaller businesses can loose production capacity due to lack of components. Moreover, the Russian war in Ukraine further added to instability, though the company has no direct risk exposure related to this war. Despite weakening global volumes, we maintained adequate sales levels due to our strategy of close cooperation with our most important customers to have Vidhance products designed into a broader range of our customers' offerings.

We have also had good results in our recruitment efforts, and have welcomed several highly skilled new hires in 2022. This includes our new CPO Nils Hulth, who was hired in January to now join our management team. These new hires primarily fill out our development and engineering teams in product development and product integration. This will address three primary needs: Strengthening our hold on our smartphone customers; accelerating our entry into new customer segments; and improving our innovative capabilities to take advantage of future opportunities. We therefore reinforce our stated long-term growth ambitions.

"As 2022 opened well, we continue forward confidently and now with greater capacity to take advantage of tomorrow's market opportunities than ever before."

Our development of a broader Vidhance product portfolio continues at pace, and we still plan to have the first products ready for launch in 2023.

Late last year we launched our fourth generation video stabilization (G4), and began 2022 with the launch of our Photo Zoom Stabilization that enables greater precision in high zoom images. These products were received well, and are currently being tested, while some are even being prepared for product launch. These new products meet our strategic objectives in three ways. First, we show the market that we've maintained our lead with our core technology in video stabilization. Second, we've solved several of the actual challenges that our end-users face when shooting images and videos with their smartphones. Thirdly, we can increase the value in deliveries to our customers, improving our margins.

We announced our partnership with the Chinese SIM Technology in April 2022, as a further step in our ambition to accelerate sales in markets other than smartphones. SIM Technology is an established design and production business which has a leading position as ODM for industrial AR products. The partnership involves SIM Technology introducing Vidhance to their customers. We see this partnership as a component in our comprehensive strategy to increase scalability, which will be achieved in several ways. We design our software products using a scalable modular approach, which can be developed into products that have greater utility for superior image and video quality in moving camera systems. As well, sales and delivery must be accomplished with greater scalability, which increases the importance of partnerships and new channels to our markets.

As 2022 opened well, we continue forward confidently. Now with greater capacity to take advantage of tomorrow's market opportunities than ever before.

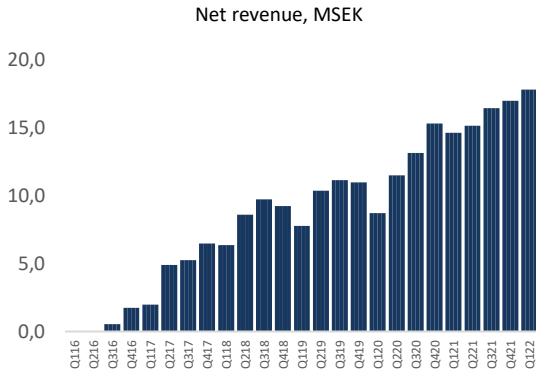
Uppsala May 2022

Andreas Lifvendahl, CEO

Imint performance

Revenue trends

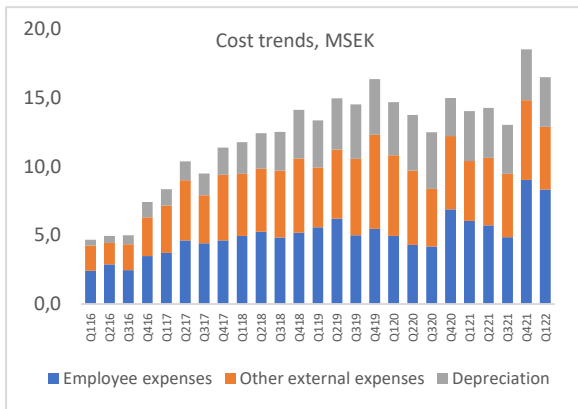
Net revenue totaled MSEK 17.8 for a 22% increase over Q1 2021 (14.6). Sales increased 5% over Q4 2021 even though Q1 is generally viewed as a weak quarter in the smartphone industry.



Cost trends

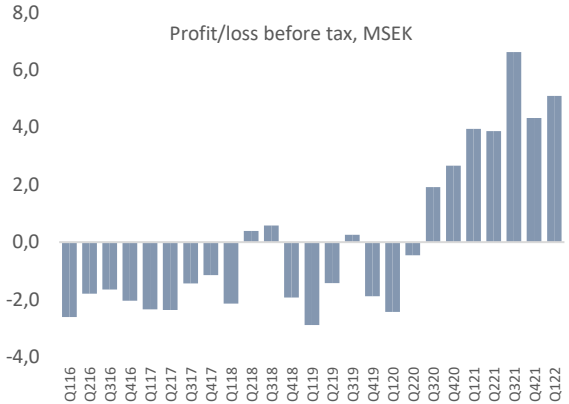
Operating expenses decreased somewhat over Q4 2021, but staff expenses, at MSEK 8.3 (6.0), are expected to continue to rise.

Depreciation for capitalized development expenses, at MSEK 3.6 (3.6), remain at a stable level compared to Q1 2021.



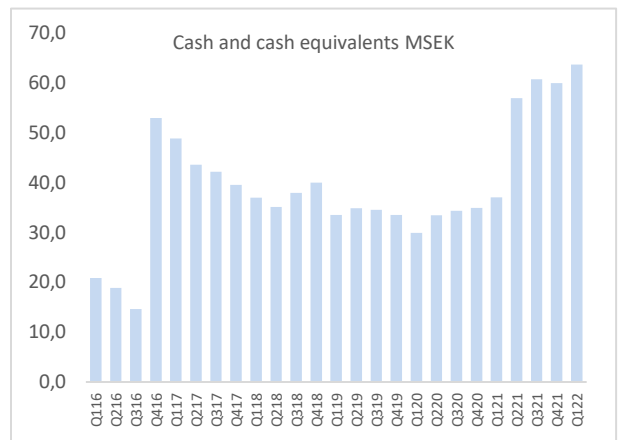
Performance

Operating profit increased YoY from MSEK 3.5 to total MSEK 4.3.



Cash flow and liquidity

Cash and cash equivalents at the end of Q1 2022 were MSEK 63.6, compared to MSEK 37 YoY.



Total employees

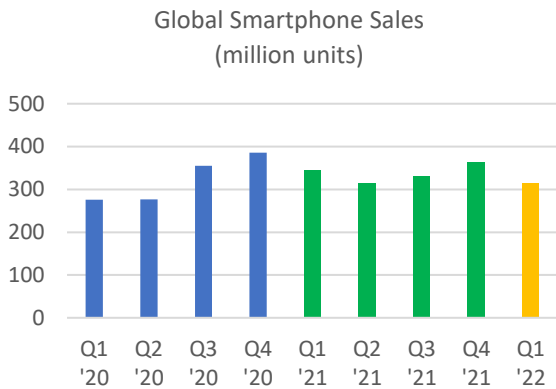
Total staff including consultants was 40 at the period-end.



Market trends

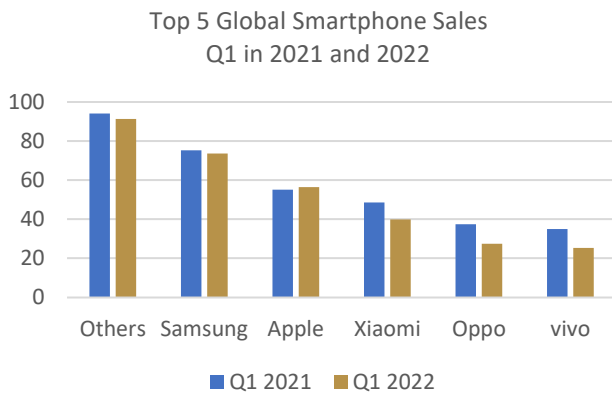
Market trends Smartphones

Q1 2022 saw a slowing of global volumes, where continued restrictions in China had a significant impact. Volumes declined 9% for the quarter YoY, and 13% over Q4 2021.



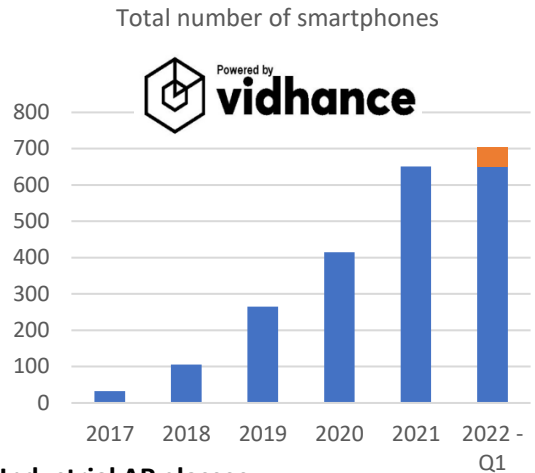
Smartphone sales, Top 5

Samsung and Apple maintained their positions, while the Chinese manufacturers showed larger declines compared to Q1 2021. Xiaomi took a clear lead among the Chinese providers.



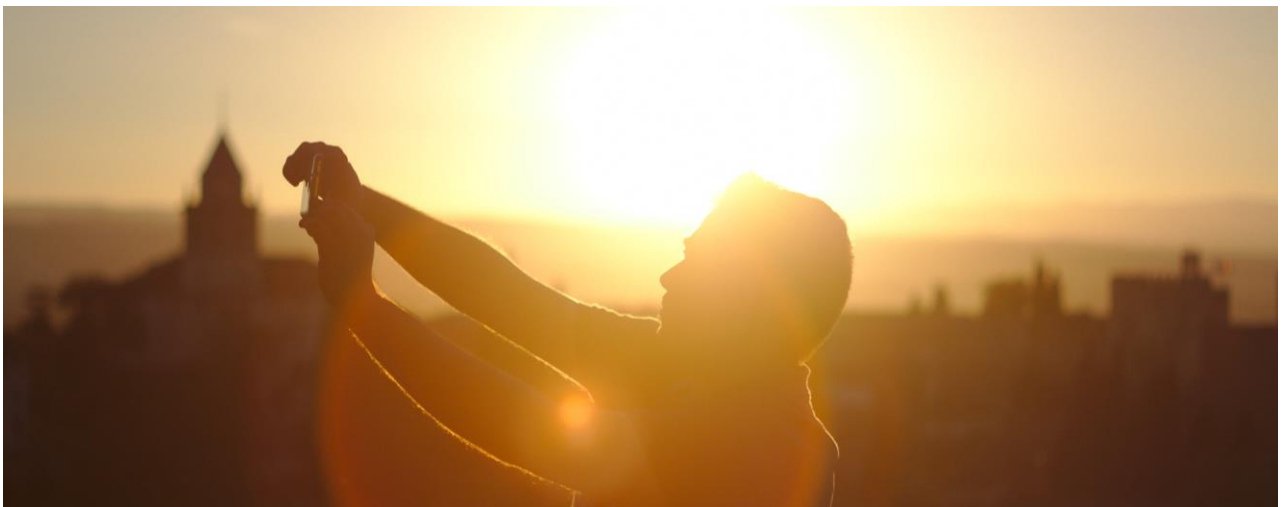
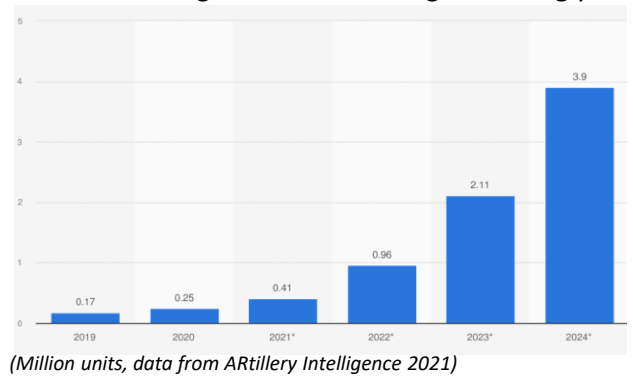
Market share

Over 700 million smartphones with Vidhance have been sold to consumers worldwide since first incorporated in a launch in Q4 2016.



Industrial AR glasses

The industrial smartglasses market geared up due to pandemic related travel restrictions. Forecasts are that the AR glasses market will grow strongly.



Financial performance

Q1 - 1 January - 31 March 2022

Net revenue

Net revenue for the period was KSEK 17,806 (14,633).

Expenses

Operating expenses for the period were KSEK 16,503 (14,037), allocated to Other external expenses KSEK 4,576 (4,355); Staff expenses were KSEK 8,320 (6,044); and depreciation was KSEK 3,606 (3,639).

Profit/loss

Profit/loss after financial items and profit/loss after tax for the period was KSEK 5,101 (3,951), or SEK 0.56 (0.45) per share.

Cash flow and liquidity

Cash flow for the period totaled KSEK 3,738 (2,082) or SEK 0.41 (0.23) per share. Cash flow from operating activities was KSEK 6,588 (5,599), or SEK 0.72 (0.63) per share and cash flow after investment activities was KSEK 3,738 (2,782) or SEK 0.41 (0.31) per share.

Imint liquidity was KSEK 63,636 (37,005).

The board of directors' current assessment is that liquidity is sufficient to finance activities planned for the next 12 months.

Investment

Imint invested KSEK 131 (47) in tangible assets and KSEK 2,720 (2,770) in intangible assets in the period.

Equity

Imint equity totaled KSEK 90,616 (61,207) for the period or SEK 9.90 (6.90) per share. The development reserve in restricted equity totaled KSEK 17,317 (18,753). The equity ratio at the period-end was 85% (81%).

Tax loss carryforwards

Previous Imint operations involve planned negative results and tax loss carryforwards. While the company is now showing positive results, the board of directors has taken the precaution to not recognize these deferred tax assets.

As of 31 December 2021, tax loss carryforwards totaled KSEK 17,136.

Staff

Total employees as of 31 March 2022 were 37 (30) and consultants were hired during the period corresponding to 3 (4). Therefore, the company employed a total of 40 (34) persons including both employees and consultants.

Parent

The company is a limited company regulated under the Swedish Companies Act (2005:551). The board of directors is domiciled in Uppsala, Sweden. Imint is the parent in a group with two companies, but as provided in Chap 7 §3 of the Swedish Annual Accounts Act (1995:1554) no consolidated reports were prepared. Imint owns all shares in IMINT Incentive AB (559060–0135).

Share capital

Imint share capital is SEK 9,157,563 allocated to 9,157,563 outstanding shares. The shares have par value of SEK 1.

Our Share

IMINT Image Intelligence AB shares are listed on the Spotlight Exchange under the symbol IMINT. The share ISIN code is SE0007692124. As of 31 March 2022, the company has approximately 3,200 shareholders. The ten largest shareholders as of 31 March 2022 are listed below.

Name	Holding
Avanza Pension	13.57%
Bank Julius Baer & Co Ltd	4.99%
Nordnet Pensionsförsäkring	3.92%
Öjvind Norberg	2.71%
Caceis Bank Spain	2.31%
Peter Ekerling	2.31%
Quinary Investment AB	2.18%
Andreas Lifvendahl	1.71%
Nevrokiro Invest AS	1.71%
Alexander Ullman	1.55%

Significant risks and uncertainties

Imint is exposed to certain risks and uncertainties in our operations. Information concerning these risks and uncertainties is provided in the company's 2021 Annual Report (in Swedish only). These match the risks the company currently identifies.

SUMMARY FINANCIAL PERFORMANCE

IMINT Image Intelligence AB <i>KSEK (unless otherwise stated)</i>	1 Jan. - 31 Mar.		1 Jan. - 31 Dec.
	2022	2021	2021
Net revenue	17,806	14,633	63,198
Own work capitalized	2,720	2,770	11,927
Operating expenses	-16,503	-14,037	-59,840
Operating profit/loss	4,253	3,553	16,139
Profit/loss after financial items	5,101	3,951	18,777
Profit/loss after tax	5,101	3,951	20,145
Net cash flow after investment	3,738	2,782	17,497
Cash flow from financing activities		-700	7,479
Cash and cash equivalents at balance sheet date	63,636	37,005	59,898
Equity at balance sheet date	90,616	61,207	85,515

Key performance indicators	1 Jan. - 31 Mar.		1 Jan. - 31 Dec.
	2022	2021	2021
Return on equity, %	5.63%	6.46%	21.96%
Return on capital employed, %	4.71%	5.83%	18.96%
Equity ratio	85%	81%	86%
Net investment in tangible assets	131	47	320
Net investment in intangible assets	2,720	2,770	11,927
Total employees at period-end	39.77	32.8	37.1
Earnings per share, SEK	0.56	0.45	2.23
Equity per share, SEK	9.90	6.90	9.34
Cash flow from ongoing operations per share, SEK	0.72	0.63	3.29
Cash flow after investment per share, SEK	0.41	0.31	1.94
Cash flow per share, SEK	0.41	0.23	2.76

INCOME STATEMENT

IMINT Image Intelligence AB KSEK (unless otherwise stated)	1 Jan. - 31 Mar.		1 Jan. - 31 Dec.
	2022	2021	2021
<i>Operating revenue</i>			
Net revenue	17,806	14,633	63,198
Other operating income	230	187	854
Own work capitalized	2,720	2,770	11,927
Total revenue	20,756	17,590	75,979
<i>Operating expenses</i>			
Other external expenses	-4,576	-4,355	-19,649
Staff expenses	-8,320	-6,044	-25,661
Depreciation	-3,606	-3,639	-14,529
Total operating expenses	-16,503	-14,037	-59,840
Operating profit/loss	4,253	3,553	16,139
<i>Profit/loss from financial investment</i>			
Other interest income and similar items	2,030	522	4,369
Other interest expenses and similar items	-1,183	-123	-1,731
Net financial items	847	398	2,638
Profit/loss after financial items	5,101	3,951	18,777
<i>Appropriations</i>			
Group contribution received	0	0	1,368
Total appropriations	0	0	1,368
Tax on profit/loss for the year	-	-	-
Profit/loss for the period	5,101	3,951	20,145
Average outstanding shares ('000), before dilution	9,158	8,869	9,039
Average outstanding shares ('000), after dilution	9,158	9,154	9,039
Average outstanding shares at the balance sheet date ('000)	9,158	8,869	9,158
Earnings per share before dilution, SEK	0.56	0.45	2.23
Earnings per share after dilution, SEK	0.56	0.43	2.23

BALANCE SHEET

IMINT Image Intelligence AB <i>KSEK (unless otherwise stated)</i>	1 Jan. - 31 Mar.		1 Jan. - 31 Dec.
	2022	2021	2021
<i>Fixed assets</i>			
<i>Intangible assets</i>			
Capitalized expenses for development	19,606	21,978	20,423
<i>Tangible assets</i>			
Machinery and equipment	434	278	373
<i>Financial tangible assets</i>			
Participations in group companies	50	50	50
Non-current receivables	1,648	1,648	1,648
Total fixed assets	21,738	23,954	22,494
<i>Current assets</i>			
Trade and other receivables	21,216	14,797	17,234
Cash and cash equivalents	63,636	37,005	59,898
Total current assets	84,852	51,802	77,131
TOTAL ASSETS	106,590	75,756	99,625
EQUITY AND LIABILITIES			
<i>Equity</i>			
Share capital	9,158	8,869	9,158
Development reserve	17,317	18,753	17,900
Profit/loss for the period	5,101	3,951	20,145
Non-restricted equity	59,041	29,633	38,313
Total equity	90,616	61,207	85,515
<i>Provisions and liabilities</i>			
Non-current liabilities	0	0	0
Current liabilities	15,974	14,549	14,110
Total provisions and liabilities	15,974	14,549	14,110
TOTAL EQUITY AND LIABILITIES	106,590	75,756	99,625

CASH FLOW STATEMENT

IMINT Image Intelligence AB <i>KSEK (unless otherwise stated)</i>	1 Jan. - 31 Mar.		1 Jan. - 31 Dec.
	2022	2021	2021
<i>Operating activities</i>			
Operating profit/loss after financial items	5,101	3,951	18,777
Depreciation	3,606	3,639	14,529
Other non-cash flow items	0	13	1,317
Cash flow from operating activities before changes in working capital	8,707	7,602	34,623
Changes in working capital	-2,119	-2,004	-4,879
Cash flow from operating activities	6,588	5,599	29,744
<i>Investing activities</i>			
Investment in tangible assets	-131	-47	-320
Investment in intangible assets	-2,720	-2,770	-11,927
Investment in financial tangible assets	0	0	0
Cash flow from investing activities	-2,850	-2,816	-12,247
Cash flow after investing activities	3,738	2,782	17,497
<i>Financing activities</i>			
New share issue	0	0	8,179
Borrowings	0	0	0
Repayment of loans	0	-700	-700
Cash flow from financing activities	0	-700	7,479
Cash flow for the period	3,738	2,082	24,976
Cash and cash equivalents at beginning of period	59,898	34,922	34,922
Cash and cash equivalents at period-end	63,636	37,005	59,898

STATEMENT OF CHANGES IN EQUITY

IMINT Image Intelligence AB KSEK (unless otherwise stated) 1 January 2021 - 31 March 2021	Share capital	Develop- ment reserve	Share premium reserve	Accumula- ted loss	Total equity
Opening balance, 1 Jan. 2021	8,869	19,343	91,231	-62,200	57,243
<i>Profit/loss</i>					
Profit/loss for the period				3,951	3,951
Reversal to the development reserve less depreciation for the year		-590		590	
<i>Transaction with shareholders</i>					
New share issues					
Equity-based incentive plan, value of employees' service				13	13
Fees for new share issue					
Ending balance, 31 March 2021	8,869	18,753	91,231	-57,646	61,207

IMINT Image Intelligence AB KSEK (unless otherwise stated) 1 January 2022 - 31 March 2022	Share capital	Develop- ment reserve	Share premium reserve	Acc. loss	Total equity
Opening balance, 1 Jan. 2022	9,158	17,900	99,086	-40,628	85,515
<i>Profit/loss</i>					
Profit/loss for the period				5101	5101
Reversal to the development reserve less depreciation for the year		-584		584	
<i>Transaction with shareholders</i>					
New share issues					
Equity-based incentive plan, value of employees' service					
Fees for new share issue					
Ending balance, 31 March 2022	9,158	17,317	99,086	-34,944	90,616

Imint operations

Business concept

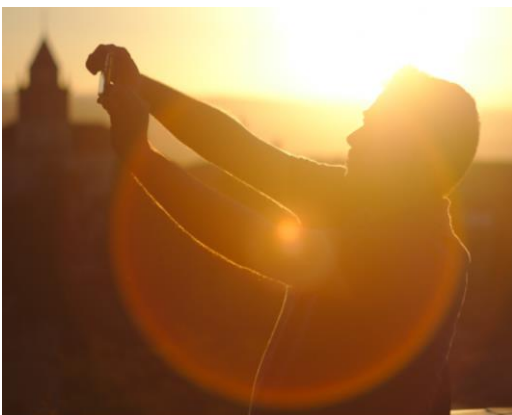
Imint is a Swedish software provider that uses intelligent sensor and data analysis to challenge current market concepts of quality images and video. By combining leading algorithm know-how with modern software development methods, Imint develops visionary products and solutions for cutting edge technology.

Vision

The Imint vision is to leverage innovative software to expand the envelope of the possible regarding camera systems to enable a superior experience, both qualitatively, and creatively, for the user. In the consumer electronics market segment, the company wants to give users the tools they need to fully realize their creativity so they can be fully fledged film-makers. Imint intends to provide unequalled image and video quality for industrial markets providing people and machinery the best possible capabilities to perform their purpose – as with spacial orientation or making accurate decisions quickly.

Market

Company operations primarily look to the smartphone markets. Additional activities address reaching other industries in which cameras in motion, portable video, and computer vision are central components. Two of many interesting fields are smartglasses and body cameras. Imint is convinced that the combined expertise and years of experience within the company can create added value in these fields.



Offering

The core of the Imint offering is the Vidhance product portfolio containing several products and algorithms, and various types of image and video enhancements. The company also offers a Software Development Kit as development tool to ensure successful integration.

For more than a decade now, the company has maintained close partnerships with leading global consumer electronics businesses, building a unique and leading edge expertise in integration, calibration, and optimization of camera systems that strongly contributes to the company's competitiveness.

With these building blocks, Imint provides leading world class turn-key solutions. The company offering also often includes longer support contracts.

Business model

The Imint business model involves primarily selling Vidhance and related services and support directly to smartphone manufacturers with no intervening parties. The contractual model is primarily based on license fees for the right to sell phones with built-in Vidhance software. But these include fees for a Software Development Kit, integration services, and image quality optimization, as well as for maintenance and support.

Patent strategy

Imint implements a patent strategy based on carefully following market developments to assess new opportunities for patents. This patent strategy is primarily focused on applying for patents on the concept and system levels since detailed patents concerning software algorithms can be difficult to protect from similar solutions.

Accounting policies and notes

Note 1: Accounting policies

This interim report was prepared in accordance with the Swedish Annual Accounts Act and the Swedish Accounting Standards Board General Recommendations BFNAR 2012:1. The Annual Accounts and Consolidated Financial Statements (K3) are unchanged from the previous year.

Note 2: Related party transactions

No related party transactions occurred during the period.

Note 3: Other external expenses

Other external expenses include consultant costs, premises and staff in China through Business Sweden, patent expenses, marketing, IT and telephony, withholding tax in China, office rent, and travel.

Note 4: Royalty income

Some company revenue involves royalties based on total number of units sold. Certain contracts with mobile phone manufacturers include parameters where revenue per sold telephone depends on the volume sold. The company estimates the number of phones expected to be sold and our average revenue is based on this estimated volume. Actual volume may differ from the estimate made by the company whereby the average revenue per sold telephone may also differ.

Note 5: Definition and key ratios

- **Return on equity:** Profit/loss before tax in relation to equity.
- **Return on capital employed:** Profit/loss after net financial items in relation to capital employed.
- **Equity per share:** Equity divided by the total outstanding shares as of the balance sheet date.
- **Average outstanding shares:** Average total outstanding Imint shares is calculated by weighting the historical total outstanding shares after each completed new share issue times the number of days each share has been outstanding.

- **Cash flow from ongoing operations per share:** Cash flow from operating activities divided by average outstanding shares.
- **Cash flow after investments:** Cash flow from operating activities minus investment in tangible, intangible, and financial assets
- **Cash flow per share:** Cash flow for the period divided by the average number of outstanding shares.
- **Earnings per share:** Net profit divided by the average number of outstanding shares.
- **Equity ratio:** Equity as percentage of balance sheet total (total assets).
- **Capital employed:** Total assets less non-interest bearing liabilities.

The board of directors and chief executive officer hereby certify that this interim report provides a fair representation of operations in the company, its financial position and performance, and describes the material risks and uncertainties facing the company.

This interim report has not been audited by the company Auditors.

Uppsala 19 May 2022

Chief Executive Officer, Andreas Lifvendahl

Planned reporting

Q2 2022 Interim report, 19 August 2022

Q3 2022 Interim report, 18 November 2022

2022 Year-end report, 17 Feb. 2023

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