

This Interim report is a translation from the original which was published in Swedish, prior to this English version. In any and all legal considerations, the Interim Report published on March 15, 2022 serves as the company's official version.

# Interim Report:

## 3:rd Quarter, 9 Months; November 2021 – January 2022

- Launch of product programs for AI, Artificial Intelligence and IoT, Internet of Things
- Agreement on delivery of test chip with Alice technology during the third quarter of 2022
- Re-launch of Imsys brand; graphic profile and website; with novel web-address; [www.imsys.ai](http://www.imsys.ai)

The third quarter of current financial year; 1 November 2021 - 31 January 2022 marks a high pace in the company's business activities.

The company's cost developments and results for the third quarter and first nine months for the financial year 2021-22 and compared with the period last year, indicates growth in strength of design and development teams, in line with planned expansion. Invoicing is still negatively affected by the pandemic situation.

## Key figures:

<i>Amount in Thousand SEK</i>	Q 3 Nov–Jan 21/22	Q 3 Nov–Jan 20/21	9 M May–Jan 21/22	9 M May–Jan 20/21	12 M May–April 20/21	12M May–April 19/20
<b>RESULTS</b>						
Net sales	11	242	252	979	1 095	2 345
Profit of period	-3 466	-3 150	-8 702	-5 843	-7 874	-2 545
Financial costs	-11	-1 208	-107	-1 646	-1 662	-307
Investments	2 921	2 258	9 174	4 743	7 969	5 307
Grossmarginal product sales, %	62,50%	67,80%	68,40%	65,30%	71,30%	63,80%
<b>Earnings per share</b>	-0,22	-0,23	-0,56	-0,45	-0,57	-0,20
Average number of shares (period)	15 464 029	13 979 435	15 464 029	13 128 983	13 868 947	12 713 064
Number of shares - End of period	15 464 029	15 464 029	15 464 029	13 146 956	15 464 029	13 127 271
Number of TO-2 - End of period	1 969 638	1 969 638	1 969 638	1 969 638	1 969 638	0

### Significant events after the balance sheet date

Imsys' board has begun recruitment of a new CEO.

The term for subscription of warrant TO-2 expired on 11 March.

### Related party transactions

No related party transactions have taken place during the reported period.

### Accounting principles

The interim report has been prepared in accordance with Annual Accounts Act and Accounting Board's general advice. Applied accounting principles follow K3 regulations. The interim report has not been reviewed by the Company's auditor.

### Next reporting opportunity

The next reporting opportunity is June 15, 2022. The interim report for the fourth quarter (February - April 2022) and the year-end report for the financial year 2021/22 will then be published.

### The company's reporting and the share's listing

Interim reports, year-end report and financial calendar are available on Imsys website [www.imsys.ai](http://www.imsys.ai) Press release is published through [www.bequoted.com](http://www.bequoted.com) and simultaneously on the website.

Imsys AB's share is listed for trading on the Nordic Growth Market, NGM-SME. [www.ngm.se](http://www.ngm.se).

### Mentor

Mangold Fondkommission AB is the company's mentor and can be reached on telephone +46 8 5277 5020

# CEO comments

The third quarter of the financial year 2021-22, the period 1 November 2021 - 31 January 2022, has involved accelerated activities in technology and market development.

Imsys' goal for the financial year 2021-22 is to establish several partnerships for solutions in AI with leading players in vehicles, safety and telecom.

The goal also includes commercial agreements for global sales and distribution of IP and products.

## Imsys operations

Imsys AB (publ) is a Swedish high-tech company, which develops and sells proprietary microprocessors with solutions for Artificial Intelligence (AI) and the Internet of Things (IoT).

Imsys solution Alice is relevant for applications in Artificial Intelligence (AI) and the solution IM4000 is relevant for the Internet of Things (IoT).

This provides Imsys with interesting positions in two fast-growing market segments.

## Earnings development in third quarter

The Company's cost development and results follow the Company's planning for operations.

Imsys has reached a planned level of development resources. The outcome of product sales for the period is lower than planned due to postponed shipments.

## Trademark

Imsys has re-launched its brand. Graphic profile is new and the website has been re launched. The new image and colors combine a feeling of advanced technology with soft and modern appearance that highlights the human being.

The website has a new structure simplifying access not only from laptop but also from mobile and tablet. All texts are newly written or reworked to increase access.

The website has now three new URLs; [imsys.ai](https://imsys.ai), [imsystech.ai](https://imsystech.ai) and [Imsys-semiconductors.ai](https://imsys-semiconductors.ai).

Comments from shareholders and stakeholders are overwhelmingly positive. Development of the website continues along with working on our communication.

## Marketing activities

Imsys' marketing continues to create contacts and dialogues with players in the automotive, safety and telecom sectors.



*Magnus Stuart, VD Imsys*

Imsys' investment in establishing collaborations in sales and distribution continued during the period.

Work on Mindchip has resumed after the turn of the year. The goal is to deliver a solution for a high-volume product focused on a broad market segment in Asia.

The importance of and awareness of cyber security continues to grow. The conflict between Russia and Ukraine has shown the importance of cyber defense and vulnerable infrastructure.

Imsys technology opens up various possibilities for integrating advanced authentication solutions in the design of the microprocessor.

## The market

Design and delivery of semiconductor components is a strategic competence for manufacturing companies in Europe, especially in the automotive industry.

In mid-December, the EU presented a bill creating a major program with various forms of support measures aimed at companies, authorities and institutions in Europe's semiconductor industry.

The goal is for Europe to account for 20 percent of global semiconductor production within 15 years. The step there is significant so the EU anticipates that the program will be given large financial resources for a longer period of time.

The program creates great opportunities for Imsys as one of the few European semiconductor companies to participate in the development of European technology clusters that the Commission wants to create.

On the positive side, EU intends to support investment in modern manufacturing facilities and to support the broad development of various industrial applications.

### Patents and patent applications

Imsys' patent work during the third quarter is in line with the process that has been ongoing since the spring of 2020.

Imsys patent applications took a major step towards being granted through the international search report in the autumn of 2021.

The company will continuously work to strengthen our IP and work on patents will continue in 2022.

### Design and software development program

The company's planning I executed through the Roadmap, which controls the work over time for the design work on circuits and for software development. The work by en large follows the time planning.

During the third quarter, we reached an important point in the development work and decided to create a test chip. Agreements on cooperation have been reached with a German partner who adds expertise in the area and who leads this very specialized part of our development work. Delivery is in the third quarter.

The test chip offers opportunity to verify design details and to present Alice to customers and partners.

### Development collaborations

Imsys collaborates with a leading research group at Uppsala University together with Wittra Sweden AB and IoT Bridge AB. Jointly we carry out an IoT innovation project funded by Vinnova with project management from RISE.

The project's goal is to improve cyber security in IoT solutions using Artificial Intelligence (AI), based on Imsys Alice technology. The work means opportunities to collaborate with leading Swedish leading companies.

Imsys collaborates since long with KTH through ICIS (Innovative Center for Embedded Systems). There have been contacts since the autumn of 2021 with Linköping

### Upcoming reporting during 2022 and 2023

Year-end report and 4<sup>th</sup> Quarter (February - April 2022)  
Interim report, 1<sup>st</sup> Quarter, (May-July 2022)  
Publishing of Annual Report 2021-2022  
Interim report, 2<sup>nd</sup> Quarter, 6 Months, (August-September 2022)  
Interim report, 3<sup>d</sup> Quarter, 9 Months, November 2022 - January 2023)

June 15, 2022  
September 14, 2022  
September 30, 2022  
December 14, 2022  
March 16, 2023

University regarding specific developments and design of a central function of Alice technology.

### The products

During the quarter, the focus has been on the work of designing product programs offering solutions for IoT and AI.

### IM4000

A newly developed Instruction Set Architecture (ISA) has greatly simplified and improved the ability to utilize open-source compilers, software development tools, and other software, including Internet of Things (IoT) applications. Energy efficiency and memory usage has been improved by optimizing the ISA to the LLVM compiler infrastructure.

### Alice

Alice is Imsys solution for specialized computation with massive data flow, such as interpreting video or audio using artificial Deep Neural Network (DNN) data flow models, or processing radar data to determine location and speed of multiple objects in three dimensions.

The Alice technology, which utilize Imsys highly flexible and compact processor core - if needed - in thousands, is distinguished by its scalability, allowing this solution to be used in a wide variety of AI DNN applications.

### Imsys organization

As Imsys' CEO, I would especially like to thank our positive and knowledgeable staff and our consultants for their valuable commitment and for all the extraordinary efforts made in our important development work.

Upplands Väsby on March 16, 2022

*Magnus Stuart,*

Verkställande direktör Imsys AB (Publ)

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# Income statements

<i>Amounts in thousand SEK</i>	Q3 Nov-Jan 21/22	Q3 Nov-Jan 20/21	9M May-Jan 21/22	9M May-Jan 20/21	12M Maj-April 20/21
Net sales	11	242	252	979	1 095
Capitalized own development cost	2 921	2 258	9 174	4 743	7 969
Other revenue	432	4	653	324	326
<b>Total income</b>	<b>3 364</b>	<b>2 504</b>	<b>10 079</b>	<b>6 046</b>	<b>9 390</b>
Merchandise	-303	-98	-480	-232	-716
Other external costs	-3 825	-2 151	-9 188	-3 398	-5 679
Personnel costs	-1 548	-1 378	-5 579	-4 076	-5 983
Depreciation of assets	-1 178	-801	-3 534	-2467	-3 260
Other operating expenses	-7	-17	-18	-69	-74
<b>Operating profit</b>	<b>-3 497</b>	<b>-1 941</b>	<b>-8 721</b>	<b>-4 197</b>	<b>-6 322</b>
<b>Profit from financial items</b>					
Interest expenses and similar income items	-11	-1208	-107	-1646	-1 662
<b>Profit after financial items</b>	<b>-3 508</b>	<b>-3 150</b>	<b>-8 828</b>	<b>-5 843</b>	<b>-7 984</b>
Tax on profit for the year	42	0	126	0	110
<b>THE RESULT OF THE PERIOD</b>	<b>-3 466</b>	<b>-3 150</b>	<b>-8 702</b>	<b>-5 843</b>	<b>-7 874</b>

# Balance Sheets

ASSETS	2022-01-31	2021-01-31	2021-04-30
<i>Amounts i thousand SEK</i>			
<b>FIXED ASSETS</b>			
<i>Intangible Assets</i>			
Capitalized expenses, development work	21 674	13 101	15 658
Concessions, patents, licenses, trademarks and similar rights	2 352	2 697	2 507
	24 026	15 798	18 165
<i>Tangible fixed assets</i>			
Equipment, tools and installations	-	1	1
	-	1	1
<i>Financial Assets</i>			
Other long-term securities	20	20	20
	20	20	20
<b>Total fixed assets</b>	<b>24 046</b>	<b>15 819</b>	<b>18 186</b>
<b>CURRENT ASSETS</b>			
<i>Inventories</i>			
Raw materials and consumables	184	218	186
Goods under construction	97	394	-
Finished goods and tradables	-	-	-
	281	612	186
<i>Receivables</i>			
Accounts receivable	65	182	63
Other receivables	1 806	2 471	1 106
Prepaid cost and accrued income	53	70	255
	1 924	2 723	1 424
<i>Cash and bank</i>	<b>11 658</b>	<b>3 468</b>	<b>2 150</b>
<b>CURRENT ASSETS, TOTAL</b>	<b>13 863</b>	<b>6 803</b>	<b>3 760</b>
<b>TOTAL ASSETS</b>	<b>37 909</b>	<b>22 622</b>	<b>21 946</b>

# Balance Sheets

EQUITY AND DEBT	2022-01-31	2021-01-31	2021-04-30
<i>Amounts i thousand SEK</i>			
<b>Restricted Equity</b>			
Registered Equity	1 546	1 512	1 546
Not registered Equity	-	36	-
Reserve Fund	1 337	1 337	1 337
Revaluation Fund	1 662	2 054	1 956
Fund for capitalized development expenditures	21 674	12 982	15 658
	<b>26 219</b>	<b>17 921</b>	<b>20 497</b>
<b>Unrestricted Equity</b>			
Share premium fund	34 856	35 033	34 856
Capitalized profit & loss	-44 677	-28 466	-31 081
Profit/loss, reported period	-8 703	-5 843	-5 843
	<b>-18 524</b>	<b>725</b>	<b>-2 068</b>
<b>TOTAL EQUITY</b>	<b>7 695</b>	<b>18 646</b>	<b>18 429</b>
<b>Provisions</b>			
Deferred taxes	426	662	552
	<b>426</b>	<b>662</b>	<b>552</b>
<b>Long term debt</b>			
Bond debt	-	-	-
Debt to credit institutions	25 000	600	450
	<b>25 000</b>	<b>600</b>	<b>450</b>
<b>Short term debt</b>			
Liabilities to credit institutions	600	600	600
Accounts payable	1 220	600	833
Other shortterm debt	-	-	-
Other current liabilities	1 745	343	1 388
Accrued expenses and prepaid income	1 223	1 171	1 725
	<b>4 188</b>	<b>2 714</b>	<b>3 946</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>37 909</b>	<b>22 622</b>	<b>23 977</b>

# Changes in Equity

210501-220131 Thousand SEK	Share Capital	Non registered share capital	Reserve fund	Revaluation fund	Fund for development costs	Share premium fund	Additional unrestricted capital	Total
<b>Beginning of financial year</b>	1 546	0	1 337	1 956	15 658	34 856	-38 955	16 398
Rights issue								0
Fund for development costs					6 016		-6 016	0
Revaluation fund, dissolved				-294			294	0
Dispositions after AGM resolution								0
Profit/Loss: Period (9 months)							-8 703	-8 703
<b>End of reported period</b>	<b>1 546</b>	<b>0</b>	<b>1 337</b>	<b>1 662</b>	<b>21 674</b>	<b>34 856</b>	<b>-53 380</b>	<b>7 695</b>
200501-210430 Thousand SEK	Share Capital	Non registered share capital	Reserve fund	Revaluation fund	Fund for development costs	Share premium fund	Additional unrestricted capital	Total
<b>Beginning of financial year</b>	1 313	0	1 337	2 347	10 305	9 452	-20 192	4 562
Rights issue	233	0				25 404	-5 927	19 710
Fund for development costs					5 353		-5 353	0
Revaluation fund, dissolved				-391			391	0
Dispositions after AGM resolution								0
Profit/Loss: Annual (12 months)							-7 874	-7 874
<b>End of financial year</b>	<b>1 546</b>	<b>0</b>	<b>1 337</b>	<b>1 956</b>	<b>15 658</b>	<b>34 856</b>	<b>-38 955</b>	<b>16 398</b>

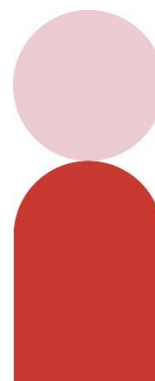
# Cash-Flow Analysis

<i>Amount in thousand SEK</i>	Q 3 Nov-Jan 21/22	Q 3 Nov-Jan 20/21	9 M May-Jan 21/22	9 M Maj-Jan 20/21	12 M May- April 20/21
<b>Profit/loss before financial items</b>	-3 497	-1 942	-8 721 0	-4 197	-6 322
Non Cash-flow items	1 178	-389	3 534	883	3 259
Interest paid	-11	-18	-107	-62	-84
Interest received					
Taxes paid					
<b>Cash-flow before changes in Working capital</b>	-2 330	-2 349	-5 294	-3 376	-3 147
<b>Changes in Working capital</b>					
Inventory	-104	-1	-95	0	427
Accounts receivables	6	-37	2	70	194
Receivables, other	867	72	-502	-19	-1 238
Accounts payable	241	-1 212	-293	-851	-618
Debts, other	-1 633	-702	535	-572	1 879
<b>Sum; Changes in working capital</b>	-623	-1 881	-353	-1 372	644
<b>Cash-flow from Investment activities</b>					
Acquisition of immaterial property	-2 921	-2 258	-9 395	-4 743	-7 969
Acquisition of material property					
<b>Sum; Cash-flow from Investment activities</b>	-2 921	-2 258	-9 395	-4 743	-7 969
<b>Financing activities</b>					
Rights issue		7 570		7 570	9 444
Borrowings		2 060	25 000	6 128	4 068
Amortization of debt	-150	-150	-450	-980	-1 130
<b>Sum; Cash-flow from Financing activities</b>	-150	9 480	24 550	12 718	12 382
<b>Cash-flow; Period</b>	-6 024	2 993	9 508	3 228	1 910
<b>Liquid assets: opening balance</b>	17 682	475	2 150	240	240
<b>Liquid assets: closing balance</b>	11 658	3 468	11 658	3 468	2 150

## Imsys short presentation

Imsys AB (publ) is a Swedish based high tech microprocessor company with focus on AI, founded in 1981. The company is a lead designer and developer of high performance, low energy consumption, flexible microprocessor solutions for AI and IoT applications. Imsys ALICE technology offers advantages in EDGE AI applications for automotive, security, computer centers, 5G mobile communication, block-chain and image recognition.

The company's shares are listed in Stockholm, Sweden on NGM SME markets



## Addresses

### Company

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### Auditors

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