

Q4JANUARY –
DECEMBER
2020

Year-end report

Image Systems AB (publ)

JANUARY – DECEMBER 2020

Further cost reductions for RemaSawco Motion Analysis reports strong performance

Fourth quarter 2020

- Order intake amounted to MSEK 37.7 (70.3)
- Revenue amounted to MSEK 39.8 (54.9)
- EBITDA amounted to MSEK -3.9 (2.6)
- Operating profit amounted to MSEK -8.4 (-1.9)
- Result after taxes amounted to MSEK -13.0 (-2.8)
- Earnings per share amounted to SEK -0.15 (-0.03)
- Gross margin amounted to 64 (58) percent

January – December 2020

- Order intake amounted to MSEK 135.9 (211.0)
- Revenue amounted to MSEK 167.2 (211.7)
- EBITDA amounted to MSEK 4.6 (12.6)
- Operating profit amounted to MSEK -12.9 (-4.4)
- Result after taxes amounted to MSEK -18.3 (-7.0)
- Earnings per share amounted to SEK -0.21 (-0.08)
- Order backlog amounted to MSEK 39.0 (64.0)
- Gross margin amounted to 61 (58) percent

A word from the CEO

The Group's sales and performance for the last quarter were strongly impacted by the low order intake during the previous quarters. The corona epidemic has primarily had a negative effect on the RemaSawco business unit, manifesting as a reluctance by sawmills to engage in investments during the year. The sawmill industry has, however, maintained production with high profitability over the year, and the underlying investment need and market conditions remain. The business unit's assessment is that the market shares in the Nordic countries, despite the weak year, have improved.

As the business conditions have become clearer over the course of the year, the Group has implemented a number of cost savings programmes that have resulted in a permanent decrease of annual operating costs in the order of MSEK 10. In addition to this, the Group incurred one-off costs during the fourth quarter in connection with staff reductions and other one-off items totaling approximately MSEK -5.4 (0.0). During the quarter, the Group completed the acquisition of RemaSawco Oy, which prompted a one-off interest cost of approximately MSEK 2.3 (0.0). EBITDA adjusted for one-off items amounts to approximately MSEK 10, corresponding to a level of 6 percent from the previous year.

The Motion Analysis business unit has also been affected by the corona epidemic, but still accomplished the feat of reporting a margin before depreciation of close to 40 percent for the year as a whole. In the latter part of 2020, Motion Analysis increased its cost base somewhat, through the investment in a development center in Israel. This is expected to have a positive effect on sales during 2022.

Image Systems is a Swedish high-technology company and a leading supplier of products and services in high-resolution image processing. By challenging the market's concepts at all times, offering novel and more efficient solutions instead, we help our customers achieve greater success in their business. The company caters to a large number of industries around the world, and the operations are divided into two business units: RemaSawco and Motion Analysis. Image Systems has about 90 employees in offices in Sweden, Finland and Norway. In 2020, the Group's turnover was MSEK 167. The share is listed on NASDAQ Stockholm's Small Cap list and trades under the ticker IS. For more information, please visit our website www.imagesystemsgroup.se

Development in the fourth quarter

RemaSawco

Order placement intensified somewhat among our customers during the fourth quarter, from the low levels seen in the previous quarters of 2020. Overall, the sawmills have been holding off investments during 2020, whilst their production has been booming. This has impacted negatively on the business unit's net sales and profit for the quarter. The company has implemented drastic cost savings during the year, and these were intensified during the fourth quarter. The business unit has borne one-off costs totalling approximately MSEK 3.3 over the course of the year, relating to staff reductions and other one-off items. We are noticing a marked positive trend change in our customers' behaviour, with regard to their intention to invest. The market conditions remain uncertain, but taking the business unit's current cost base into account, we consider it profitable in accordance with the Group's requirement to match the turnover levels of 2020.

Motion Analysis

During the quarter, Motion Analysis commenced work on a product development centre in Israel, which has expanded the cost base somewhat. Moreover, Motion Analysis has taken further steps in changing its business model from software licenses to subscription-based customer contracts. We will in 2021 gradually transform a large quantity of our new sales to subscription-based licenses. This may have a slight negative impact on revenue at first. Our assessment is, however, that the Company's profitability is good enough and the market conditions favourable to introduce the change during 2021.

Net sales and result

Fourth quarter

Order intake amounted to MSEK 37.7 (70.3) and the order backlog as of December 31 amounted to MSEK 39.0 (64.0). Net sales decreased to MSEK 39.8 (54.9). Gross margin amounted to 64 (58) percent. EBITDA amounted to MSEK -3.9 (2.6). Depreciation/amortization according to plan has been charged to the result in the amount of MSEK 4.5 (4.5), of which amortization on goodwill on consolidation, such as brands and customer relations, amounted to MSEK 2.6 (2.6). Net financial items amounted to MSEK -2.3 (0.1) as a result of final negotiations with the previous owners of RemaSawco Oy. Tax costs amounted to MSEK -2.3 (-1.0) as a consequence of Motion Analysis' reincorporation of MSEK 2.5 of losses deducted. Result after taxes amounted to MSEK -13.0 (-2.8). Revenue and EBITDA per business unit is presented on page 5.

January – December 2020

Order intake amounted to MSEK 135.9 (211.0). Order backlog as of December 31 amounted to MSEK 39.0 (64.0). Net sales amounted to MSEK 167.2 (211.7). The decrease is mostly attributable to declining net sales in RemaSawco due to the corona epidemic. Gross margin amounted to 61 (58) percent, and EBITDA amounted to MSEK 4.6 (12.6). EBITDA is burdened by one-off costs of MSEK 5.4, as set out in the table below. Depreciation/amortization according to plan has been charged to the result in the amount of MSEK 17.5 (17.0), of which amortization on goodwill on consolidation amounted to MSEK 10.2 (10.2). Net financial items amounted to MSEK -3.5 (-2.3). Tax costs amounted to MSEK -1.9 (-0.3). Result after taxes amounted to MSEK -18.3 (-7.0). Revenue and EBITDA per business unit is presented on page 5. During the year, the Group has incurred one-off costs according to the table below.

[MSEK]	Jan-Dec 2020	Jan-Dec 2019
Total revenue	167.2	211.7
Raw materials and consumables	-64.5	-88.4
Gross margin	102.7 (61%)	123.3 (58%)
Operating costs	-98.1	-110.7
EBITDA	4.6	12.6
<i>Exceptional one-off items</i>		
- Personnel costs	3.6	0.0
- Other costs	1.8	0.0
Adjusted EBITDA	10.0 (6%)	12.6 (6%)

Investments and financial position

The Group's investments in non-current assets amounted to MSEK 17.7 (15.6), of which MSEK 12.0 is related to the acquisition of RemaSawco Oy (additional consideration) and MSEK 4.8 (4.3) to capitalized development projects. Available liquid funds including undrawn overdraft facilities amounted to MSEK 15.3 (7.0) as of December 31, 2020. Solidity amounted to 59 (56) percent as of December 31, 2020. The operational cash flow amounted to MSEK 8.4 (-10.2). Net indebtedness amounted to 0.2 (0.4) times.

Research and development

RemaSawco

RemaSawco continues its process of digitalizing its products and systems and creating a digital platform by adapting the Company's products to Industry 4.0 and increased safety requirements. An important parameter for the industry at large is to standardize information models and interfaces. The development is carried out in tandem with partners within the EU-funded Basajaun project and together with specific customers.

Motion Analysis

The fourth quarter entailed the annual main upgrade of the standard product TEMA, which this time involved, among other things, substantial improvements within DIC as well as integration with data acquisition systems. The Company has further worked on project deliveries with TrackEye improvements to customers.

Following a few years of preparatory infrastructure work, the first customer-specific application based on the new technology platform's real infrastructure was delivered. This has laid the groundwork for now being able to focus development on more general applications. In order to concentrate the focus on development for the New Platform, a product development centre with a core focus on future DIC solutions has been established in Israel.

The Parent Company

The Parent Company's net sales amounted to MSEK 4.2 (4.9) and result after taxes amounted to MSEK -1.7 (14.9). Investments in fixed assets amounted to MSEK 0.0 (0.0). The Parent Company's available liquid funds amounted to MSEK 0.4 (0.1) as of December 31, 2020. The Parent Company's equity amounted to MSEK 134.7 (136.4) as of December 31, 2020, and solidity amounted to 92 (88) percent.

Personnel

The average number of employees was 90 (95). The number of employees at the end of the period was 87.

Number of shares

The number of shares on December 31, 2020, amounted to 89,207,818.

Annual General Meeting

The Annual General Meeting will be held on May 5, 2021, at 14:00, at the Company's premises at Snickaregatan 40 in Linköping, Sweden.

Significant events after the reporting period

No significant events have taken place since the end of the reporting period.

Accounting policies

Image Systems applies the International Financial Reporting Standards (IFRS) as adopted by the EU. The interim report for the Image Systems Group is prepared in accordance with IAS 34, Interim Financial Reporting, and the Swedish Annual Accounts Act. Disclosure in accordance with IAS 34, Interim Financial Reporting, is provided in notes as well as elsewhere in the interim report.

The interim report for the Parent Company, Image Systems AB, is prepared in accordance with the Swedish Annual Accounts Act as well as the Swedish Financial Reporting Board's recommendations RFR 2 Accounting for Legal Entities.

Image Systems applies the ESMA (European Securities and Markets Authority) Guidelines on Alternative Performance Measures. Definitions of indicators are provided on page 8 and relevant reconciliations on page 10.

Risks and uncertainties

The Group's significant risks and uncertainties include business risks related to agreements with customers and suppliers as well as other external factors such as currency fluctuations. The Group's significant financial and business-related risks are discussed at depth in the management report and under Note 3 in the 2018 Annual Report. Aside from the above, no significant new or changed risks or uncertainties have been identified during the quarter.

This year-end report has not been reviewed by the Company's auditors.

Linköping, February 12, 2021

The Board of Directors

Upcoming report dates:

Annual Report 2020	April 2021
Interim report January-March 2021	May 5, 2021
Annual General Meeting	May 5, 2021
Interim report April-June 2021	August 20, 2021
Interim report July-September 2021	November 12, 2021
Year-end Report 2021	February 18, 2022

The information in this report is disclosed pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact persons set out below, on February 12, 2021, 08.00 a.m.

The financial reports will be made available to the public on the Company's website
<http://www.imagesystemsgroup.se>

Questions will be answered by:

Johan Friberg, CEO, telephone +46(0)13-200 100, e-mail johan.friberg@imagesystems.se

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Condensed consolidated income statement

MSEK	Oct-Dec 2020	Oct-Dec 2019	Full year 2020	Full year 2019
Sales revenue	38.4	53.7	162.7	206.8
Capitalized development costs	1.4	1.2	4.5	4.9
Total revenue	39.8	54.9	167.2	211.7
Raw materials and consumables	-14.3	-23.1	-64.5	-88.4
Other external charges	-7.9	-7.4	-24.6	-31.2
Personnel costs	-21.2	-20.5	-72.9	-78.4
Depreciation/amortization of fixed tangible and intangible assets	-4.5	-4.5	-17.5	-17.0
Other operating income	-	-	-	-
Other operating costs	-0.3	-1.3	-0.6	-1.1
Operating profit	-8.4	-1.9	-12.9	-4.4
Net financial items	-2.3	0.1	-3.5	-2.3
Profit before tax	-10.7	-1.8	-16.4	-6.7
Tax	-2.3	-1.0	-1.9	-0.3
Profit/loss for the period	-13.0	-2.8	-18.3	-7.0
Of which attributable to Parent Company shareholders	-13.0	-2.8	-18.3	-7.0
Earnings per share ¹⁾	-0.15	-0.03	-0.21	-0.08
Diluted earnings per share ¹⁾	-0.15	-0.03	-0.21	-0.08
Average number of shares	89,207,818	89,207,818	89,207,818	89,207,818
Average number of shares after dilution	89,207,818	89,207,818	89,207,818	89,207,818

Condensed consolidated statement of comprehensive income

Profit/loss for the period	-13.0	-2.8	-18.3	-7.0
Other comprehensive income				
Translation differences	-0.1	-0.1	-0.0	0.3
Tax relating to other comprehensive income	-	-	-	-
Total other comprehensive income	-0.1	-0.1	-0.0	0.3
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-13.1	-2.9	-18.4	-6.7
Of which attributable to Parent Company shareholders	-13.1	-2.9	-18.4	-6.7

¹⁾ Calculated on the basis of average number of shares

The Group	Oct-Dec 2020	Oct-Dec 2019	Full year 2020	Full year 2019
Revenue per segment (business unit)				
RemaSawco	32.9	43.3	132.6	175.9
Motion Analysis	6.9	11.6	34.6	35.8
Parent Company & consolidated items	-	-	-	-
Total	39.8	54.9	167.2	211.7
EBITDA				
RemaSawco	-2.3	-0.9	-2.2	1.5
Motion Analysis	1.2	5.2	12.7	16.4
Parent Company & consolidated items	-2.8	-1.7	-5.9	-5.3
Acquisition costs	-	-	-	-
EBITDA total	-3.9	2.6	4.6	12.6
Depreciation/amortization of fixed tangible and intangible assets	-4.5	-4.5	-17.5	-17.0
Operating profit	-8.4	-1.9	-12.9	-4.4
Net financial items	-2.3	0.1	-3.5	-2.3
Profit before tax	-10.7	-1.8	-16.4	-6.7
Tax	-2.3	-1.0	-1.9	-0.3
Profit/loss for the period	-13.0	-2.8	-18.3	-7.0

Condensed consolidated balance sheet

MSEK	31 Dec 2020	31 Dec 2019
Non-current assets		
Goodwill	36.1	36.1
Customer relations	36.1	44.4
Brands	2.2	4.2
Capitalized development costs	26.5	23.8
Tangible fixed assets	25.5	26.2
Deferred tax assets	19.1	20.5
Total non-current assets	145.5	155.2
Current assets		
Inventories	11.5	10.4
Trade receivables	17.3	44.1
Other current receivables	15.2	24.4
Cash and cash equivalents	3.8	3.2
Total current assets	47.8	82.1
TOTAL ASSETS	193.3	237.3
Equity (attributable in full to Parent Company shareholders)	113.8	132.2
Non-current liabilities		
Provisions for contingent consideration	-	-
Lease liabilities	15.9	16.1
Deferred tax liabilities	7.2	7.8
Total non-current liabilities	23.1	23.9
Current liabilities		
Borrowings from credit institutions	11.4	19.2
Provisions for contingent consideration	-	16.2
Trade payables	16.3	15.8
Lease liabilities	3.8	3.2
Other current payables	24.9	26.8
Total current liabilities	56.4	81.2
TOTAL EQUITY AND LIABILITIES	193.3	237.3

Condensed consolidated statement of changes in equity

	31 Dec 2020	Full year 2019
Opening balance equity	132.2	138.9
Profit/loss for the period	-18.3	-7.0
Other comprehensive income for the period	-0.0	0.3
Total comprehensive income for the period	-18.4	-6.7
Closing balance equity	113.8	132.2

Condensed consolidated cash flow statement

MSEK	Oct-Dec 2020	Oct-Dec 2019	Full year 2020	Full year 2019
Cash flow from operating activities before change in working capital	-11.8	4.7	-8.7	11.6
Change in working capital				
Increase (-)/Decrease (+) in inventories	1.9	0.5	-1.1	-0.5
Increase (-)/Decrease (+) in receivables	14.6	7.7	37.9	-5.2
Increase (+)/Decrease (-) in current liabilities	7.4	-5.2	2.0	-0.5
Total change in working capital	23.9	3.0	34.8	-6.2
Cash flow from operating activities	12.1	7.7	26.1	5.4
Investing activities				
Acquisition of Group companies	-12.0	-	-12.0	-5.8
Acquisition of intangible fixed assets	-1.4	0.2	-4.8	-4.3
Acquisition of tangible fixed assets	-0.4	-2.0	-0.9	-5.5
Cash flow from investing activities	-13.8	-1.8	-17.7	-15.6
Operating cash flow	-1.7	5.9	8.4	-10.2
Financing activities				
Increase (+) of borrowings	15.1	7.4	15.1	23.4
Decrease (-) of borrowings	-14.8	-12.1	-22.9	-18.2
Cash flow from investing activities	0.3	-4.7	-7.8	5.2
Cash flow for the period	-1.4	1.2	0.6	-5.0
Cash and cash equivalents at the beginning of the period	5.2	2.0	3.2	8.2
Exchange rate difference on cash and cash equivalents	0.0	0.0	0.0	0.0
Cash and cash equivalents at the end of the period	3.8	3.2	3.8	3.2

Indicators

The Group	Oct-Dec	Oct-Dec	Full year	Full year
	2020	2019	2020	2019
Order intake, MSEK	37.7	70.3	135.9	211.0
Order backlog, MSEK	39.0	64.0	39.0	64.0
Gross margin, %	64	58	61	58
Operating margin, %	neg	neg	neg	neg
Profit margin, %	neg	neg	neg	neg
Return on capital employed, %	neg	neg	neg	neg
Return on equity, %	neg	neg	neg	neg
Solidity, %	59	56	59	56
Debt/equity ratio	0.2	0.4	0.2	0.4
Net investments in non-current assets, MSEK	13.8	1.8	17.7	15.6
Depreciation/amortization of fixed assets, MSEK	4.5	4.5	17.5	17.0
Average number of employees	88	93	90	95
Number of shares at the end of the period, millions	89.21	89.21	89.21	89.21
Average number of shares, millions	89.21	89.21	89.21	89.21
Earnings per share ¹⁾ , SEK	-0.15	-0.03	-0.21	-0.08
Cash flow per share ¹⁾ , SEK	-0.02	0.07	0.09	-0.11
Equity per share ²⁾ , SEK	1.28	1.48	1.28	1.48

¹⁾ Calculated on the basis of average number of shares

²⁾ Calculated on the basis of number of shares at the end of the period

Quarterly overview

The Group	2020				2019				2018	
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Order intake, MSEK	37.7	33.4	26.3	38.5	70.3	24.1	43.3	73.3	74.8	27.8
Order backlog, MSEK	39.0	41.0	45.9	58.1	64.0	54.5	84.2	98.5	65.8	40.8
Revenue, MSEK	39.8	39.5	43.8	44.1	54.9	61.3	51.4	44.1	48.2	46.3
Gross margin, %	64	62	56	62	58	51	66	60	59	63
EBITDA, MSEK	-3.9	3.9	2.3	2.3	2.6	6.7	2.4	0.9	1.8	5.6
Operating profit (EBIT), MSEK	-8.4	0.1	-2.4	-2.2	-1.9	1.7	-1.3	-2.9	-1.1	2.2
Operating margin, %	neg	0.0	neg	neg	neg	2.4	neg	neg	neg	4.8
Return on equity, %	neg	neg	neg	neg	neg	1.1	neg	neg	neg	0.6
Solidity, %	59	59	56	57	56	55	58	57	62	34
Earnings per share, SEK	-0.15	0.00	-0.02	-0.04	-0.03	0.02	-0.02	-0.04	0.17	0.01
Cash flow per share, SEK	-0.02	0.06	0.02	0.03	0.07	-0.18	-0.12	0.12	-0.18	-0.24
Equity per share, SEK	1.28	1.42	1.43	1.45	1.48	1.52	1.50	1.52	1.56	1.82
Average number of shares, millions	89.21	89.21	89.21	89.21	89.21	89.21	89.21	89.21	55.22	38.23

Definitions

Income measures

EBITDA

Operating profit plus depreciation/amortization on tangible and intangible assets

Margins

Operating margin, %

Operating profit in relation to net sales.

Profit margin, %

Profit before tax in relation to net sales.

Return

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.

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 non-current assets, MSEK

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

Parent Company's condensed income statement

MSEK	Oct-Dec 2020	Oct-Dec 2019	Full year 2020	Full year 2019
Revenue	1.0	1.2	4.2	4.9
Other external charges	-1.5	-1.2	-4.6	-4.3
Personnel costs	-2.1	-1.6	-5.6	-5.8
Other operating costs	-	-	0.1	-
Operating profit	-2.6	-1.6	-5.9	-5.2
Net financial items	4.6	0.5	4.2	-0.8
Profit before tax	2.0	-1.1	-1.7	-6.0
End-of-year adjustments	0.0	25.0	0.0	25.0
Tax	0.0	-4.1	-0.0	-4.1
Profit/loss for the period	2.0	19.8	-1.7	14.9

Parent Company's condensed statement of comprehensive income

Profit/loss for the period	2.0	19.8	-1.7	14.9
Other comprehensive income	-	-	-	-
Total other comprehensive income	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	2.0	19.8	-1.7	14.9

Parent Company's condensed balance sheet

MSEK	31 Dec 2020	31 Dec 2019
Non-current assets		
Shares in subsidiaries	131.2	122.1
Deferred tax assets	10.9	10.9
Total non-current assets	142.1	133.0
Current assets		
Receivables from group companies	0.0	17.6
Other current receivables	4.1	4.4
Cash and bank balances	0.4	0.1
Total current assets	4.5	22.1
TOTAL ASSETS	146.6	155.1
Equity	134.7	136.4
Non-current liabilities		
Provisions for contingent consideration	-	-
Total non-current liabilities	-	-
Current liabilities		
Provisions for contingent consideration	0.0	16.1
Trade payables	0.4	0.6
Liabilities to group companies	9.1	-
Other current payables	2.4	2.0
Total current liabilities	11.9	18.7
TOTAL EQUITY AND LIABILITIES	146.6	155.1

Parent Company's condensed statement of changes in equity

MSEK	31 Dec 2020	31 Dec 2019
Opening balance equity	136.4	121.5
Profit/loss for the period	-1.7	14.9
Other comprehensive income for the period	-	-
Total comprehensive income	-1.7	14.9
Closing balance equity	134.7	136.4

Parent Company's condensed cash flow statement

MSEK	Oct-Dec 2020	Oct-Dec 2019	Full year 2020	Full year 2019
Cash flow from operating activities				
before change in working capital	-2.4	-1.7	-5.1	-4.8
Change in working capital				
Increase (-)/Decrease (+) in receivables	0.5	0.4	-0.6	-1.1
Decrease (-) in current liabilities	0.8	0.3	0.3	-0.6
Total change in working capital	1.3	1.2	-0.3	-1.7
Cash flow from operating activities	-1.1	-1.0	-5.4	-6.5
Investing activities				
Acquisition of subsidiaries	-12.0	-12.0	-5.8	
Borrowings from (+) to (-) subsidiaries	13.4	1.1	17.7	5.1
Cash flow from investing activities	1.4	1.1	5.7	-0.7
Operating cash flow	0.3	0.1	0.3	-7.2
Financing activities				
Increase (+) of borrowings	-	-	-	-
Decrease (-) of borrowings	-	-	-	-
Cash flow from financing activities	-	-	-	-
Cash flow for the period	0.3	0.1	0.3	-7.2
Cash and cash equivalents at the beginning of the period	0.1	0.0	0.1	7.3
Cash and cash equivalents at the end of the period	0.4	0.1	0.4	0.1

Relevant reconciliations of non-IFRS indicators

The Group

Alternative indicators

In addition to the financial indicators that are prepared in accordance with the IFRS, Image Systems presents financial indicators outside the scope of the IFRS, such as EBITDA and Net debt.

These alternative indicators are considered to be important results and performance indicators for investors and other readers of the interim report. The alternative indicators should be regarded as complementary information and not as a substitute for the financial information presented in accordance with the IFRS.

Image Systems' definitions of these measures that are not defined by the IFRS are provided on page 8 under "Definitions". 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 fixed tangible and intangible assets.

Net debt

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

Operating result before depreciation/amortization (EBITDA)

MSEK	Oct-Dec 2020	Oct-Dec 2019	Full year 2020	Full year 2019
Operating profit	-8.4	-1.9	-12.9	-4.4
Depreciation/amortization of fixed tangible and intangible assets	4.5	4.5	17.5	17.0
EBITDA	-3.9	2.6	4.6	12.6

Net debt

MSEK	31 Dec 2020	31 Dec 2019
Cash and cash equivalents	3.8	3.2
Provisions for contingent consideration	0	16.2
Lease liabilities	19.7	19.3
Interest-bearing liabilities	11.4	19.2
Net debt	27.3	51.5