

# Q2

JANUARY  
– JUNE  
2019

## Interim Report

### Image Systems AB (publ)

JANUARY – JUNE 2019

#### Very good development for Motion Analysis Weak earnings for RemaSawco

##### Second quarter 2019

- Revenue amounted to MSEK 51.4 (44.0).
- Operating profit before depreciation and amortisation EBITDA amounted to MSEK 2.4 (2.5).
- The operating result amounted to MSEK –1.3 (0.4).
- The result after taxes amounted to MSEK –2.2 (–1.0).
- Earnings per share amounted to SEK –0.02 (–0.03).
- Order bookings amounted to MSEK 43.3 (32.6).
- The order backlog amounted to MSEK 84.2 (59.0).
- The gross margin was 66 (59) percent.

##### January – June 2019

- Revenue amounted to MSEK 95.5 (66.3).
- Operating profit before depreciation and amortisation EBITDA amounted to MSEK 3.3 (1.0).
- The operating result amounted to MSEK –4.2 (–3.0).
- The result after taxes amounted to MSEK –5.6 (–4.5).
- Earnings per share amounted to SEK –0.06 (–0.12).
- Order bookings amounted to MSEK 116.6 (60.0).
- The order backlog amounted to MSEK 84.2 (59.0).
- The gross margin was 63 (67) percent.

##### *President's Statement*

RemaSawco's operating result was weak for the period, in large part because of consciously incurred costs for delivery preparation, marketing and development of the digital sawmill in connection with the Ligna Convention in Hannover. Sales on the Finnish market were below expectations. The substantial order backlog to be delivered during the second half of the year is expected to improve the business area's results.

The second quarter was marked by a very positive development in business area Motion Analysis, both in terms of revenue and earnings.

The record-breaking order bookings during the previous two quarters has slowed somewhat but remains at high levels and the Company sees a stable market situation going forward.

## Development during the first quarter

### *RemaSawco*

The first quarter was characterized by a strong order bookings. We can state that the X-ray product added after the merger with the Finnish operations is attracting interest both in Sweden and internationally. The Swedish operations strengthened its earnings over the previous weak quarter, but the Finnish operations had a weak quarter following slow order bookings during the fourth quarter.

### *Motion Analysis*

Motion Analysis had a good quarter and continues to deliver its products with very high profitability, about 35 percent at the EBITDA level. Motion Analysis opened a sales office in China during the period in order to further its efforts on the Chinese market, which is expected to continue to grow.

## Financial information

### *First quarter*

Order bookings more than doubled compared to the year before and increased to MSEK 73.3 (27.4). The order backlog as of 31 March 2019 was MSEK 98.5 (44.3). Revenue increased to MSEK 44.1 (22.3), of which MSEK 1.2 (1.7) refers to capitalised development expenses. The gross margin declined to 60 (83) percent, largely due to a higher proportion of hardware, which generates a lower gross margin. The operating result EBITDA improved by MSEK 2.4, amounting to MSEK 0.9 (-1.5), of which a change in accounting policies with respect to IFRS 16 Leases improved the EBITDA result by MSEK 0.8. Depreciation and amortisation increased by MSEK 1.9. The effect of IFRS 16 increased depreciation by MSEK 0.6, to MSEK 3.8 (1.9). Net finance items were lower by MSEK 0.3. The effect of IFRS 16 lowered net finance items by MSEK 0.2. The result after taxes was MSEK -3.4 (-3.5). Revenue and operating results before depreciation and amortisation by business area are reported on page 4.

### *Capital expenditures and financial position*

The Group's investments in non-current assets amounted to MSEK 1.2 (2.1), MSEK 1.2 (1.9) of which relates to capitalisation development projects. Available cash and cash equivalents, including the unutilized portion of a committed credit facility, stood at MSEK 25.5 (6.8) as of 31 March 2019. The operative cash flow improved by MSEK 13.7 compared to the same year-ago period to MSEK 11.2 (-2.5). The equity ratio as of 31 March 2019 stood at 57 (67) percent. The net debt to equity ratio was 0.3 (01). The acquisition analysis for the acquisition of RemaSawco OY has been adjusted. The opening balance at the time of acquisition increased as the goodwill item was raised by MSEK 3.6.

## Research and development

### *RemaSawco*

During the period RemaSawco further developed existing products to operate in the digital sawmill and in order to be able to supply the digital platform with data from all parts of the sawmill. Accurate and reliable data is the very basis for the digital sawmill. Development of the digital platform and applications continue. Applications that utilise data from the digital platform will give the sawmills new opportunities to optimise, streamline and digitalise their operations. Biometria has type-approved RS-LogProfilerX for measuring under bark and for automatic metal detection. The type-approval refers to pine as well as spruce logs. Adaptation of products for both boards and logs for the American market continues.

### *Motion Analysis*

On the product front focus has been on developing new functions and eliminating bugs in new versions of our core products, primarily in TrackEye. After successful marketing of our POM system (used for projectile surveying), an upgraded version was sold to France. This was financed development of an improved product. These upgrades will also benefit other markets, such as when our American distributor right now is doing a roadshow in the United States.

### *Parent Company*

The Parent Company's revenue amounted to MSEK 1.2 (0.9). The operating result was MSEK -1.2 (-1.3). The result after taxes was MSEK -1.4 (-1.4). Investments in non-current assets amounted to MSEK 0.0 (0.0). The Parent Company's available cash and cash equivalents amounted to MSEK 2.0 as of 31 March 31, 2019 (0.1). The Parent Company's equity stood at MSEK 120,1 as of 31 March 2019 (54.9) and the equity ratio was 75 percent (79).

### *Personnel*

The average number employees was 94 (68).

### *Number of shares outstanding*

The number of shares outstanding as of 31 March 2019 was 89,207,818.

## Events after the end of the period under review

No significant events have occurred after the end of the period under review.

### Accounting policies

Image Systems applies International Financial Reporting Standards (IFRS) as adopted by EU. This Interim Report for the Image Systems Group has been compiled in accordance with IAS 34 Interim financial reporting and the Swedish Annual Accounts Act. Information pursuant to IAS 34 Interim Financial Reporting is provided in notes as well as elsewhere in the Interim Report.

#### IFRS 16 Leases

IFRS 16 Leases is applied from 1 January 2019. Image Systems has chosen to report the transition to the new standard according to the forward-looking method. The exemption rule not to establish a comparative year have been applied. A discount rate has been set for each country and will be determined on a quarterly basis. Right-of-use agreements shorter than 12 months are recognised as short-term agreements and are therefore not included among reported liabilities or right-of-use agreements. Right-of-use agreements with a cost of less than USD 5,000 are classified a low-cost agreements and are not included in the reported liabilities or right-of-use assets.

Image System's leasing portfolio only contains some twenty agreements, primarily operating leases for office and warehouse space and company cars. The Company has identified a number of agreements, mostly relating to real estate, with the right to renew. As a consequence of these considerations, a number of leasing contracts for office space have been regarded to be longer than the contracts.

#### Effects of the transition to IFRS 16 Leases

The quarterly report as of 31 March is compiled according to the new standard, which means that the assets and liabilities in the balance sheet have been added to by right-of-use relating to leased tangible non-current assets in the amount of MSEK 13.9 and lease liabilities (long-term and current) in a total amount of MSEK 13.7. There is also a change in the income statement as the leasing cost has been reclassified as depreciation and interest expense, which has reduced external costs by MSEK 0.8 and increased depreciation by MSEK 0.6 as well as lowering the fiancé net by 0.2.

The interim report for the Parent Company, Image Systems AB, is compiled in accordance with the Annual Accounts Act and recommendation RFR 2 Accounting for Legal Entities of the Swedish Financial Reporting Board.

Image Systems applies ESMA's (European Securities and Markets Authority) guidelines for alternative key financial indicators. Definitions of key financial indicators are found on page 7 and relevant reconciliations are found on page 9.

#### Risks and uncertainty factors

The Group's principal risk and uncertainty factors include business risks associated with contracts with customers and suppliers, as well as other factors in the surrounding world, such as the risk of changes in foreign currency exchange rates. A report of the Group's significant financial and business risks will be found in the Board of Director Report and under Note 3 in the Annual Report for 2018. No other significant new or changed risks were identified during the quarter.

This interim report has not been subject to review by the Company's auditors.

### Affirmation of the Board of Directors

The undersigned confirm that this semi-annual report provides a fair picture of the Parent Company's and the Group's operations, financial position and results and describes significant risks and uncertainty factors facing the Parent Company and the companies in the Group.

Linköping den 23 augusti 2019

Board of Directors

Thomas Wernhoff  
*Chairman*

Catharina Lagerstam  
*Director*

Örjan Johansson  
*Director*

Hans Malm  
*Director*

Annika Ölme  
*Director*

Johan Friberg  
*CEO*

**Reporting schedule:**

**Interim Report July-September 2019**  
**Year-end Report 2019**

**7 November 2019**  
**14 February 2020**

**The information in this year-end report is such that Image Systems AB is obliged to publish in accordance with EU's Market Abuse Regulation and the Swedish Securities Markets Act.** The information herein was provided for publication at 08.00 a.m., 23 August 2019.

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

**Questions will be answered by:**

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Klas Åström, CFO, telephone +46-13-200 100, e-mail: [klas.astrom@imagesystems.se](mailto:klas.astrom@imagesystems.se)

Image Systems AB, Snickaregatan 40, SE-582 26 Linköping, Sweden Corporate ID number 556319-4041.

## Summary Consolidated Income Statements

MSEK	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Full year 2018
Net sales	50.2	42.5	93.1	62.9	156.1
Capitalised development costs	1.2	1.5	2.4	3.4	4.7
<b>Total revenue</b>	<b>51.4</b>	<b>44.0</b>	<b>95.5</b>	<b>66.3</b>	<b>160.8</b>
Raw materials and supplies	-17.7	-18.0	-35.3	-21.8	-58.7
Other external costs	-9.7	-5.3	-15.7	-10.3	-24.6
Personnel costs	-21.6	-16.6	-41.3	-31.7	-67.5
Depreciation and amortisation of and impairment charges against tangible non-current assets	-3.7	-2.1	-7.5	-4.0	-10.3
Other operating income	-	0.2	0.1	0.3	0.2
Other operating costs	-	-1.8	-	-1.8	-1.8
<b>Operating result</b>	<b>-1.3</b>	<b>0.4</b>	<b>-4.2</b>	<b>-3.0</b>	<b>-1.9</b>
Net finance items	-1.1	-0.6	-1.5	-0.7	-2.3
<b>Result before taxes</b>	<b>-2.4</b>	<b>-0.2</b>	<b>-5.7</b>	<b>-3.7</b>	<b>-4.2</b>
Taxes	0.2	-0.8	0.1	-0.8	9.7
<b>Result for the period</b>	<b>-2.2</b>	<b>-1.0</b>	<b>-5.6</b>	<b>-4.5</b>	<b>5.5</b>
Of which attributable to the Parent Company's equity holders	-2.2	-1.0	-5.6	-4.5	5.5
Earnings per share <sup>1)</sup>	-0.02	-0.03	-0.06	-0.12	0.13
Earnings per share after dilution <sup>1)</sup>	-0.02	-0.03	-0.06	-0.12	0.13
Average number of shares outstanding	89,207,818	38,231,922	89,207,818	38,231,922	42,479,913
Average number of shares outstanding, after dilution	89,207,818	38,231,922	89,207,818	38,231,922	42,479,913

## Summary Consolidated Report of Comprehensive Result

Result for the period	-2.2	-1.0	-5.6	-4.5	5.5
<b>Other comprehensive result</b>					
Translation differences	-	0.3	0.1	0.8	-0.5
Taxes related to other comprehensive result	-	-	-	-	-
<b>Total other comprehensive result</b>	<b>0.0</b>	<b>0.3</b>	<b>0.1</b>	<b>0.8</b>	<b>-0.5</b>
<b>TOTAL COMPREHENSIVE RESULT FOR THE PERIOD</b>	<b>-2.2</b>	<b>-0.7</b>	<b>-5.5</b>	<b>-3.7</b>	<b>5.0</b>
Of which attributable to the Parent Company's equity holders	-2.2	-0.7	-5.5	-3.7	5.0

1) Calculated based on the average number of shares outstanding.

Group	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Full year 2018
<b>Net sales by segment (business area)</b>					
RemaSawco	41.3	37.6	78.2	54.4	133.7
Motion Analysis	10.1	6.4	17.3	11.9	27.1
Consolidation items and Parent Company	-	-	-	-	-
<b>Total</b>	<b>51.4</b>	<b>44.0</b>	<b>95.5</b>	<b>66.3</b>	<b>160,8</b>
<b>EBITDA</b>					
RemaSawco	-1.7	4.0	-2.1	2.7	8.4
Motion Analysis	5.5	1.8	8.0	2.9	8.0
Koncernposter och moderbolag	-1.4	-1.5	-2.6	-2.8	-6.2
<b>EBITDA exklusive förvärvskostnader</b>	<b>2,4</b>	<b>4,3</b>	<b>3,3</b>	<b>2,8</b>	<b>10,2</b>
<b>Förvärvskostnader</b>	<b>-</b>	<b>-1,8</b>	<b>-</b>	<b>-1,8</b>	<b>-1,8</b>
<b>EBITDA</b>	<b>2,4</b>	<b>2,5</b>	<b>3,3</b>	<b>1,0</b>	<b>8,4</b>
Avskrivningar och nedskrivningar av materiella och immateriella anläggningstillgångar	-3.7	-2.1	-7.5	-4.0	-10.3
<b>Rörelseresultat</b>	<b>-1,3</b>	<b>0,4</b>	<b>-4,2</b>	<b>-3,0</b>	<b>-1,9</b>
Finansnetto	-1.1	-0.6	-1.5	-0.7	-2.3
<b>Resultat före skatt</b>	<b>-2,4</b>	<b>-0,2</b>	<b>-5,7</b>	<b>-3,7</b>	<b>-4,2</b>
Skatt	0.2	-0.8	0.1	-0.8	9.7
<b>Periodens resultat</b>	<b>-2,2</b>	<b>-1,0</b>	<b>-5,6</b>	<b>-4,5</b>	<b>5,5</b>

## Summary Consolidated Balance Sheets

<b>MSEK</b>	<b>30 Jun 2019</b>	<b>30 Jun 2018</b>	<b>31 Dec 2018</b>
<b>Non-current assets</b>			
Goodwill	36.1	32.5	32.5
Customer relationships	48.5	57.0	52.7
Trademarks	5.2	7.1	6.2
Capitalized development costs	26.6	21.5	23.8
Tangible non-current assets	16.2	1.5	4.4
Deferred tax asset	22.0	10.9	22.3
<b>Total non-current assets</b>	<b>154.6</b>	<b>130.5</b>	<b>141.9</b>
<b>Current assets</b>			
Inventories	9.9	12.3	9.9
Trade receivables	29.3	28.2	50.3
Other short-term receivables	34.3	38.9	12.2
Cash and cash equivalents	2.5	7.2	8.2
<b>Total current assets</b>	<b>76.0</b>	<b>86.6</b>	<b>80.6</b>
<b>TOTAL ASSETS</b>	<b>230.6</b>	<b>217.1</b>	<b>222.5</b>
<b>Equity</b> (attributable in its entirety to the Parent Company's equity holders)	<b>133.3</b>	<b>70.0</b>	<b>138.9</b>
<b>Long-term liabilities</b>			
Provision related to contingent consideration	10.6	10.4	10.3
Leasing liabilities	9.3	-	-
Deferred tax liabilities	8.1	8.7	8.4
<b>Total long-term liabilities</b>	<b>28.0</b>	<b>19.1</b>	<b>18.7</b>
<b>Current liabilities</b>			
Loans from credit institutions	10.7	51.0	10.9
Provision related to contingent consideration	5.8	11.5	11.3
Leasing liabilities	3.1	-	-
Trade payables	26.5	22.8	17.9
Other current liabilities	23.2	42.7	24.8
<b>Total current liabilities</b>	<b>69.3</b>	<b>128.0</b>	<b>64.9</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>230.6</b>	<b>217.1</b>	<b>222.5</b>

## Summary Report of Changes in Consolidated Equity

	<b>30 Jun 2019</b>	<b>30 Jun 2018</b>	<b>Full year 2018</b>
Opening equity according to the balance sheet	138.9	73.7	73.7
Result for the period	-5.7	-4.5	5.5
Other comprehensive result for the period	0.1	0.8	-0.5
<b>Total comprehensive result for the period</b>	<b>-5.6</b>	<b>-3.7</b>	<b>5.0</b>
New issue			60.2
<b>Closing equity according to the balance sheet</b>	<b>133.3</b>	<b>70.0</b>	<b>138.9</b>

## Summary Consolidated Cash Flow Statements

<b>MSEK</b>	<b>Apr-Jun 2019</b>	<b>Apr-Jun 2018</b>	<b>Jan-Jun 2019</b>	<b>Jan-Jun 2018</b>	<b>Full year 2018</b>
<b>Cash flow from operating activities before changes in working capital</b>	<b>1.8</b>	<b>2.4</b>	<b>2.4</b>	<b>1.3</b>	<b>4.4</b>
<b>Changes in working capital</b>					
Increase (-) / Decrease (+) in inventories	1.2	0.5	0.0	-0.2	2.2
Increase (-) / Decrease (+) in receivables	-9.0	-9.8	-5.2	-3.9	-1.2
Increase (+) / Decrease (-) in current liabilities	-1.8	13.2	7.4	8.7	-14.2
<b>Total changes in working capital</b>	<b>-9.6</b>	<b>3.9</b>	<b>2.2</b>	<b>4.6</b>	<b>-13.2</b>
<b>Cash flow from operating activities</b>	<b>-7.8</b>	<b>6.3</b>	<b>4.6</b>	<b>5.9</b>	<b>-8.8</b>
<b>Investment activities</b>					
Acquisition of group company	-	-38.0	-	-38.0	-38.3
Acquisition of intangible non-current assets	-2.0	-1.5	-3.2	-3.4	-6.1
Acquisition of tangible non-current assets	-1.0	-	-1.0	-0.2	-1.5
<b>Cash flow from investment activities</b>	<b>-3.0</b>	<b>-39.5</b>	<b>-4.2</b>	<b>-41.6</b>	<b>-45.9</b>
<b>Operating cash flow</b>	<b>-10.8</b>	<b>-33.2</b>	<b>0.4</b>	<b>-35.7</b>	<b>-54.7</b>
<b>Financing activities</b>					
New issue	-	-	-	-	60.2
Increase (+) in loans	2.9	38.9	-	41.9	60.2
Decrease (-) in loans	-	-	-6.1	-	-58.4
<b>Cash flow from financing activities</b>	<b>2.9</b>	<b>38.9</b>	<b>-6.1</b>	<b>41.9</b>	<b>62.0</b>
<b>Cash flow for the period</b>	<b>-7.9</b>	<b>5.7</b>	<b>-5.7</b>	<b>6.2</b>	<b>7.3</b>
Cash and cash equivalents at beginning of period	10.4	1.4	8.2	0.9	0.9
Translation difference in cash and cash equivalents	0.0	0.1	0.0	0.1	0.0
<b>Cash and cash equivalents at end of period</b>	<b>2.5</b>	<b>7.2</b>	<b>2.5</b>	<b>7.2</b>	<b>8.2</b>

## Key Financial Indicators

Group	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Full year
	2019	2018	2019	2018	2018
Order bookings, MSEK	43.3	32.6	116.6	60.0	163.1
Order backlog, MSEK	84.2	59.0	84.2	59.0	65.8
Gross margin, %	66	59	63	67	63
Operating margin, %	neg	0.9	neg	neg	neg
Profit margin, %	neg	neg	neg	neg	neg
Return on capital employed, %	neg	0.3	neg	neg	neg
Return on equity, %	neg	neg	neg	neg	neg
Equity ratio, %	58	32	58	32	62
Debt equity ratio	0.3	0.6	0.3	0.6	0.2
Net investments in non-current assets, MSEK	3.0	39.5	4.2	41.6	45.9
Depreciation and impairment of non-current assets, MSEK	3.7	2.1	7.5	4.0	10.3
Average number of employees	98	78	96	74	83
Number of shares outstanding at end of period, million	89.21	38.23	89.21	38.23	89.21
Average number of shares outstanding, million	89.21	38.23	89.21	38.23	42.48
Earnings per share <sup>1)</sup> , SEK	-0.02	-0.03	-0.06	-0.12	0.13
Cash flow per share <sup>1)</sup> , SEK	-0.12	-0.87	0.00	-0.93	-1.29
Equity per share <sup>2)</sup> , SEK	1.50	1.83	1.50	1.83	1.56

<sup>1)</sup> Calculated based on average number of shares outstanding.

<sup>2)</sup> Calculated based on number of shares outstanding at end of period.

## Quarterly Survey

Group	2019			2018			2017			
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Order bookings, MSEK	43.3	73.3	74.8	27.8	32.6	27.4	35.3	28.2	41.1	31.5
Revenue, MSEK	51.4	44.1	48.2	46.3	44.0	22.3	43.3	29.7	31.6	29.0
Gross margin, %	66	60	59	63	59	83	63	65	63	67
Operating result before depreciation (EBITDA), MSEK	2.4	0.9	1.8	5.6	2.5*	-1.5	7.0	2.6	-1.3	0.2
Operating result (EBIT), MSEK	-1.3	-2.9	-1.1	2.2	0.4*	-3.4	5.1	0.7	-3.2	-1.5
Operating margin, %	neg	neg	neg	4.8	0.9	neg	11.8	2.4	neg	neg
Return on equity, %	neg	neg	neg	0.6	neg	neg	24.5	0.9	neg	neg
Equity ratio, %	58	57	62	34	33	67	67	56	59	62
Earnings per share, SEK	-0.02	-0.04	0.17	0.01	-0.03	-0.09	0.42	0.01	-0.09	-0.04
Cash flow per share, SEK	-0.12	0.12	-0.18	-0.24	-0.87	-0.06	0.24	-0.22	-0.07	0.03
Equity per share, SEK	1.50	1.52	1.56	1.82	1.83	1.84	1.93	1.51	1.50	1.57
Average number of shares outstanding, million	89.21	89.21	55.22	38.23	38.23	38.23	38.23	38.23	38.23	38.23

\*\*including acquisition costs in the amount of MSEK 1.8.

## Definitions

*Performance metric*

*EBITDA*

Operating result plus depreciation, amortisation and interest on tangible and intangible assets.

*Margins*

*Operating margin, %*

Operating result relative to net revenue.

*Profit margin, %*

Result before taxes relative to net revenue.

*Profitability*

*Return on average capital employed, %*

Operating result, plus interest income, relative to average capital employed. Capital employed refers to balance sheet total, less non-interest-bearing liabilities.

*Return on average equity, %*

Result for the period relative to average equity.

*Capital structure*

*Equity ratio, %*

Equity at end of period relative to balance sheet total.

*Net debt equity ratio*

Interest-bearing liabilities at end of period, less cash and cash equivalents, relative to equity.

*Other*

*Net investment in non-current assets, MSEK*

Net investments both in tangible and intangible non-current assets, as well as financial non-current assets during the period.

*Average number of employees*

Average number of employees during the period.

*Per-share data*

*Number of shares outstanding at end of period in million*

Number of shares outstanding at end of period.

*Average number of shares outstanding, million*

Average number of shares outstanding during the period.

*Earnings per share, SEK*

Result after taxes divided by average number of shares outstanding.

*Cash flow per share, SEK*

Operative cash flow divided by average number of shares outstanding.

*Equity per share, SEK*

Equity divided by number of shares outstanding at end of period.

## Summary Parent Company Income Statements

<b>MSEK</b>	<b>Apr-Jun 2019</b>	<b>Apr-Jun 2018</b>	<b>Jan-Jun 2019</b>	<b>Jan-Jun 2018</b>	<b>Full year 2018</b>
Revenue	1.2	0.9	2.4	1.8	4.4
Other external costs	-1.0	-0.9	-2.0	-1.8	-4.3
Personnel costs	-1.6	-1.5	-3.0	-2.8	-6.2
Other operating costs	-	-	-	-	-
<b>Operating result</b>	<b>-1.4</b>	<b>-1.5</b>	<b>-2.6</b>	<b>-2.8</b>	<b>-6.1</b>
Net finance items	-0.8	-0.2	-1.0	-0.3	-2.1
<b>Result before taxes</b>	<b>-2.2</b>	<b>-1.7</b>	<b>-3.6</b>	<b>-3.1</b>	<b>-8.2</b>
Year-end appropriations	-	-	-	-	0.2
Taxes	-	-	-	-	13.0
<b>Result for the period</b>	<b>-2.2</b>	<b>-1.7</b>	<b>-3.6</b>	<b>-3.1</b>	<b>5.0</b>

## Summary Report of Parent Company Comprehensive Result

Result for the period	-2.2	-1.7	-3.6	-3.1	5.0
Other comprehensive result	-	-	-	-	-
<b>Total other comprehensive result</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE RESULT FOR THE PERIOD</b>	<b>-2.2</b>	<b>-1.7</b>	<b>-3.6</b>	<b>-3.1</b>	<b>5.0</b>

## Summary Parent Company Balance Sheets

<b>MSEK</b>	<b>30 Jun 2019</b>	<b>30 Jun 2018</b>	<b>31 Dec 2018</b>
<b>Non-current assets</b>			
Shares in subsidiaries	122.1	121.8	122.1
Deferred tax asset	14.9	1.9	14.9
<b>Total non-current assets</b>	<b>137.0</b>	<b>123.7</b>	<b>137.0</b>
<b>Current assets</b>			
Trade receivables	-	0.3	-
Due from Group companies	10.4	0.0	12.2
Other short-term receivables	4.7	5.6	4.2
Cash and cash equivalents	0.0	0.1	7.3
<b>Total current assets</b>	<b>15.1</b>	<b>6.0</b>	<b>23.7</b>
<b>TOTAL ASSETS</b>	<b>152.2</b>	<b>129.7</b>	<b>160.7</b>
<b>Equity</b>	<b>117.9</b>	<b>53.2</b>	<b>121.5</b>
<b>Long-term liabilities</b>			
Provision related to contingent consideration	10.6	10.4	10.3
<b>Total long-term liabilities</b>	<b>10.6</b>	<b>10.4</b>	<b>10.3</b>
<b>Current liabilities</b>			
Bank loans	-	41.2	-
Provision related to contingent consideration	5.8	11.5	11.3
Trade payables	0.5	2.7	0.7
Due to Group companies	15.9	9.0	14.5
Other current liabilities	1.5	1.7	2.4
<b>Total current liabilities</b>	<b>23.7</b>	<b>66.1</b>	<b>28.9</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>152.2</b>	<b>129.7</b>	<b>160.7</b>

## Summary Report of Changes in Parent Company Equity

<b>MSEK</b>	<b>30 Jun 2019</b>	<b>30 Jun 2018</b>	<b>31 Dec 2018</b>
Opening equity according to the balance sheet	121.5	56.3	56.3
Result for the period	-3.6	-3.1	5.0
Other comprehensive result for the period	-	-	-
<b>Total comprehensive result</b>	<b>-3.6</b>	<b>-3.1</b>	<b>5.0</b>
New issue	-	-	60.2
<b>Closing equity according to the balance sheet</b>	<b>117.9</b>	<b>53.2</b>	<b>121.5</b>

## Summary Parent Company Cash Flow Statements

	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Full year 2018
<b>MSEK</b>					
<b>Cash flow from operating activities before change in working capital</b>	-1.7	-1.7	-2.5	-3.1	-8.0
<b>Changes in working capital</b>					
Increase (-) /Decrease (+) in receivables	-0.3	-0.2	-1.1	-0.7	0.7
Decrease (-) in current liabilities	-0.9	1.9	-1.1	2.6	1.4
<b>Total change in working capital</b>	-1.2	1.7	-2.2	1.9	2.1
<b>Cash flow from operating activities</b>	-2.9	0.0	-4.7	-1.2	-5.9
<b>Investment activities</b>					
Acquisition of subsidiary	-	-43.7	-	-43.7	-44.1
Loans from (+) to (-) subsidiaries	6.7	7.5	3.2	8.8	2.1
<b>Cash flow from investment activities</b>	6.7	-36.2	3.2	-34.9	-42.0
<b>Operating cash flow</b>	3.8	-36.2	-1.5	-36.1	-47.9
<b>Financing activities</b>					
New issue	-	-	-	-	60.2
Increase (+) in loans	-	36.2	-	36.2	44.2
Decrease (-) in loans	-5.8	-	-5.8	-	-49.2
<b>Cash flow from financing activities</b>	-5.8	36.2	-5.8	36.2	55.2
<b>Cash flow for the period</b>	-2.0	0.0	-7.3	0.1	7.3
Cash and cash equivalents at beginning of period	2.0	0.1	7.3	0.0	0.0
<b>Cash and cash equivalents at end of period</b>	0.0	0.1	0.0	0.1	7.3

## Relevant reconciliations with non-IFRS-based key financial indicators

### Group

#### Alternative key financial indicators

In addition to the financial indicators compiled in accordance with IFRS, Image Systems presents key financial indicators not defined by IFRS, such as for example EBITDA, Net liabilities.

These alternative key ratios are considered to be important result and performance indications for investors and other users of the interim report. The alternative key ratios should be regarded as a complement, but not a replacement for, the financial information compiled in accordance with IFRS.

Image Systems' definitions of these measures not defined by IFRS are described on page 9 under the heading Definitions. These terms can be defined in other ways by other companies and are therefore not always comparable to similar metrics used by other companies.

#### EBITDA

Image Systems is of the opinion that EBITDA is a relevant metric for investors to understand the earnings generation before investment in tangible and intangible non-current assets.

#### Net liabilities

Image Systems is of the opinion that Net liabilities is a relevant metric for investors to understand the Group's indebtedness.

#### Operating result before interest, depreciation and amortisation EBITDA

	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Full year 2018
<b>MSEK</b>					
Operating result	-1.3	0.4	-4.2	-3.0	-1.9
Depreciation and amortisation of and impairment charges against tangible and intangible non-current assets	3.7	2.1	7.5	4.0	10.3
<b>Operating result before depreciation and amortisation EBITDA</b>	2.4	2.5	3.3	1.0	8.4

#### Net liabilities

	30 Jun 2019	30 Jun 2018	31 Dec 2018
<b>MSEK</b>			
Cash and cash equivalents	2.5	7.2	8.2
Provision related to contingent consideration	16.4	21.9	21.6
Leasing liability	12.4	-	-
Interest-bearing liabilities	10.7	51.0	10.9
<b>Net liabilities</b>	37.0	65.7	24.3