

Q3JANUARY –
SEPTEMBER
2020

Interim report

Image Systems AB (publ)

JANUARY – SEPTEMBER 2020

B.U. Motion Analysis opens Israeli product development center **B.U. RemaSawco brings down costs**

Third quarter 2020

- Revenue amounted to MSEK 39.5 (61.3)
- EBITDA amounted to MSEK 3.9 (6.7)
- Operating profit amounted to MSEK 0.1 (1.7)
- Result after taxes amounted to MSEK -0.3 (1.4)
- Earnings per share amounted to SEK 0.00 (0.02)
- Order intake amounted to MSEK 33.4 (24.1)
- Order backlog amounted to MSEK 41.0 (54.5)
- Gross margin amounted to 62 (51) percent

January – September 2020

- Revenue amounted to MSEK 127.4 (156.8)
- EBITDA amounted to MSEK 8.5 (10.0)
- Operating profit amounted to MSEK -4.5 (-2.5)
- Result after taxes amounted to MSEK -5.3 (-4.2)
- Earnings per share amounted to SEK -0.06 (-0.04)
- Order intake amounted to MSEK 98.2 (140.7)
- Order backlog amounted to MSEK 41.0 (54.5)
- Gross margin amounted to 60 (58) percent

A word from the CEO

We can see that the lower order intake during the previous quarter had an adverse effect, of the order of 35 percent compared with the previous year, on the revenue for the third quarter. RemaSawco has been the most strongly affected business unit. The anticipated market recovery following the initial investment freeze among many sawmills is demonstrated by the much stronger order intake during the third quarter compared with previous years.

The Motion Analysis business unit presents yet another strong quarter. It is worthwhile noting that the implementation of our growth strategy, to deliver comprehensive solutions to a greater extent, is bearing fruit in the form of revenue increases despite the slightly declining gross margin. The business unit still achieves very high margins.

Looking at the year as a whole, the group's cost savings programme is showing effect and we maintain an EBITDA margin on par with the previous year's, the significant revenue decrease notwithstanding. The company implemented further cost savings measures during the third quarter, and these are projected to show effect in the course of the following year. Image Systems continuously assesses the short- and long-term impact of the prevailing corona situation and reacts accordingly. We believe that the investment need on the sawmill market will continue to pile up.

The long-term goal of all companies in the Image Systems Group is to achieve an operating result before depreciation (EBITDA) of more than 15 percent.

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 over 90 employees in offices in Sweden, Finland and Norway. In 2019, the Group's turnover was MSEK 212. 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 third quarter

RemaSawco

For many sawmills, the initial market uncertainty during spring gave way to a very strong market during summer and early fall. Our customers who strictly are sawmills have performed strongly and were profitable during the period, but they have held back on investments. Nevertheless, RemaSawco has noted a recovery on the market, and the underlying investment need within the industry remains considerable. RemaSawco's cost savings programme has intensified further during the period, and will have a positive effect of approximately MSEK 5 on the annual level of costs. Furthermore, the improvement projects that were launched during the previous year have had a positive impact during the period. The steep decline in revenue during the year has been set off by a reduced level of costs and improvements in project margins. We are noting that the business unit's x-ray products and board scanners are attracting a lot of interest among the sawmills in the Nordic countries.

Motion Analysis

Once again, Motion Analysis presents a solid quarter with an EBITDA level close to 40 percent. During the period, Motion Analysis has delivered on a number of major orders. The most important regards a comprehensive DIC system solution and includes high-speed cameras. In order to gain additional market share within the DIC segment, the business unit has decided to establish a product development center in Israel, which is expected to be operational in the fourth quarter.

Net sales and result

Third quarter

Order intake amounted to MSEK 33.4 (24.1) and the order backlog as of September 30 amounted to MSEK 41.0 (54.5). Net sales decreased to MSEK 39.5 (61.3). Corona-related state aid of MSEK 0.4 (0.0) has been recognized as revenue. Gross margin amounted to 62 (51) percent. EBITDA amounted to MSEK 3.9 (6.7). Depreciation/amortization according to plan has been charged to the result in the amount of MSEK 3.8 (5.0), of which amortization on goodwill on consolidation such as brands and customer relations amounted to MSEK 2.6 (2.6). Tax costs amounted to MSEK 0.2 (0.6). Result after taxes amounted to MSEK -0.3 (1.4). Revenue and EBITDA per business unit is presented on page 5.

January – September 2020

Order intake amounted to MSEK 98.2 (140.7). Order backlog as of September 30 amounted to MSEK 41.0 (54.5). Net sales amounted to MSEK 127.4 (156.8). Corona-related state aid of MSEK 2.6 (0.0) has been recognized as revenue. Gross margin amounted to 60 (58) percent and EBITDA amounted to MSEK 8.5 (10.0). Depreciation/amortization according to plan has been charged to the result in the amount of MSEK 13.0 (12.5), of which amortization on goodwill on consolidation amounted to MSEK 7.7 (7.7). Net financial items improved by MSEK 1.2 to MSEK -1.2 (-2.4). Tax costs amounted to MSEK 0.4 (0.7). Result after taxes amounted to MSEK -5.3 (-4.2). Revenue and EBITDA per business area is presented on page 5.

Investments and financial position

The Group's investments in non-current assets amounted to MSEK 3.9 (13.8) of which MSEK 3.4 (4.5) is related to capitalized development projects. Available liquid funds including undrawn overdraft facilities amounted to MSEK 20.1 (7.3) as of September 30, 2020. The operational cash flow amounted to MSEK 10.1 (-16.1). Solidity amounted to 59 (55) percent as of September 30, 2020. Net indebtedness amounted to 0.3 (0.4) times. The Company has a binding loan commitment of MEUR 1.550 to fund any payment of additional consideration.

Research and development

RemaSawco

The Company proceeds with the development of its digital platform. Development is ongoing, through EU-funded projects as well with specific customers. During the period, the Company released a new version of the optimization software RS-Opt. The new version includes a number of improvements with regard to value yield and volume yield, and has been installed at most of the mills. In conjunction with the development of the digital platform, parallel standardization activities relating to data exchange within sawmills are underway. This will facilitate and modernize the sawmills' production in the future.

Motion Analysis

During the period, the development work within DIC has intensified; the aim is to integrate external sensors in our software platform. Development for the new platform continues, and we will deliver the first product to a customer during this year. A number of support releases of both TEMA and TrackEye have been deployed to our installed customer base.

The Parent Company

The Parent Company's net sales amounted to MSEK 3.2 (3.7) and result after taxes amounted to MSEK -3.7 (-4.9). Investments in fixed assets amounted to MSEK 0.0 (0.0). The Parent Company's

available liquid funds amounted to MSEK 0.1 (0.0) as of September 30, 2020. The Parent Company's equity amounted to MSEK 132.7 (116.6) as of September 30, 2020, and solidity amounted to 87 (75) percent.

Personnel

The average number of employees was 90 (96). The number of employees at the end of the period was 89.

Number of shares

The number of shares on September 30, 2020, amounted to 89,207,818.

Significant events after the reporting period

RemaSawco receives an order from AB Karl Hedin of approximately MSEK 5 for x-ray systems.

Stefan Liljedahl steps down from his position as CFO of Image Systems. The CFO's responsibilities will be distributed between the CEO and Financial Manager Lotta Öfverström.

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 with 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 2019 Annual Report. The effects of the COVID-19 pandemic will impact the order intake in the short term. The long-term effects are highly uncertain at the time of writing. Aside from the above, no significant new or changed risks or uncertainties have been identified during the quarter.

Linköping, November 13, 2020

Johan Friberg

CEO

Upcoming report dates:

Year-end Report 2020	February 12, 2021
Annual Report 2020	April 2021
Interim report January-March 2021	May 5, 2021
Annual General Meeting 2021	May 5, 2021

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 person set out above, on November 13, 2020, 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

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

Auditor's report

Image Systems AB (publ) reg. no 556319-4041

Introduction

We have reviewed the condensed interim financial information (interim report) for Image Systems AB (publ) as of 30 September 2020 and the nine-month period which ended on this date. The Board of Directors and the CEO are responsible for the preparation and presentation of this interim financial report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of the review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and the generally accepted auditing practice. The procedures used with a review do not allow us the certainty of being aware of all the important circumstances which would have otherwise been identified if an audit was conducted. The expressed findings based on a review therefore do not carry the same certainty as expressed findings based on an audit do.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act in the case of the Group and in accordance with the Annual Accounts Act in the case of the parent company.

Stockholm, November 13, 2020
PricewaterhouseCoopers AB

Nicklas Kullberg
Chartered Accountant

Condensed consolidated income statement

MSEK	July-Sep 2020	July-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	Full year 2019
Sales revenue	38.5	60.0	124.3	153.1	206.8
Capitalized development costs	1.0	1.3	3.1	3.7	4.9
Total revenue	39.5	61.3	127.4	156.8	211.7
Raw materials and consumables	-14.5	-30.0	-50.2	-65.3	-88.4
Other external charges	-5.5	-8.1	-16.7	-23.8	-31.2
Personnel costs	-15.3	-16.6	-51.7	-57.9	-78.4
Depreciation/amortization of fixed tangible and intangible assets	-3.8	-5.0	-13.0	-12.5	-17.0
Other operating income	0.1	0.0	0.2	-	-
Other operating costs	-0.3	-	-0.3	-	-1.1
Operating profit	0.1	1.7	-4.5	-2.5	-4.4
Net financial items	-0.6	-0.9	-1.2	-2.4	-2.3
Profit before tax	-0.5	0.8	-5.7	-4.9	-6.7
Tax	0.2	0.6	0.4	0.7	-0.3
Profit/loss for the period	-0.3	1.4	-5.3	-4.2	-7.0
Of which attributable to Parent Company shareholders	-0.3	1.4	-5.3	-4.2	-7.0
Earnings per share ¹⁾	0.00	0.02	-0.06	-0.04	0.08
Diluted earnings per share ¹⁾	0.00	0.02	-0.06	-0.04	0.08
Average number of shares	89,207,818	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	89,207,818

Condensed consolidated statement of comprehensive income

Profit/loss for the period	-0.3	1.4	-5.3	-4.2	-7.0
Other comprehensive income					
Translation differences	0.0	0.3	0.1	0.4	0.3
Tax relating to other comprehensive income	-	-	-	-	-
Total other comprehensive income	0.0	0.3	0.1	0.4	0.3
Total comprehensive income for the period	-0.3	1.7	-5.2	-3.8	-6.7
Of which attributable to Parent Company shareholders	-0.3	1.7	-5.2	-3.8	-6.7

¹⁾ Calculated on the basis of average number of shares

The Group	July-Sep 2020	July-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	Full year 2019
Revenue per segment (business unit)					
RemaSawco	30.2	54.4	99.7	132.6	175.9
Motion Analysis	9.3	6.9	27.7	24.2	35.8
Parent Company & consolidated items	-	-	-	-	-
Total	39.5	61.3	127.4	156.8	211.7
EBITDA					
RemaSawco	1.4	4.5	0.1	2.4	1.5
Motion Analysis	3.6	3.2	11.5	11.2	16.4
Parent Company & consolidated items	-1.1	-1.0	-3.1	-3.6	-5.3
EBITDA	3.9	6.7	8.5	10.0	12.6
Depreciation/amortization of fixed tangible and intangible assets	-3.8	-5.0	-13.0	-12.5	-17.0
Operating profit	0.1	1.7	-4.5	-2.5	-4.4
Net financial items	-0.6	-0.9	-1.2	-2.4	-2.3
Profit before tax	-0.5	0.8	-5.7	-4.9	-6.7
Tax	0.2	0.6	0.4	0.7	-0.3
Profit/loss for the period	-0.3	1.4	-5.3	-4.2	-7.0

Condensed consolidated balance sheet

MSEK	Sep 30 2020	Sep 30 2019	Dec 31 2019
Non-current assets			
Goodwill	36.1	36.1	36.1
Customer relations	38.2	46.5	44.4
Brands	2.7	4.7	4.2
Capitalized development costs	25.6	23.3	23.8
Tangible fixed assets	27.7	27.1	26.2
Deferred tax assets	21.6	21.6	20.5
Total non-current assets	151.9	159.3	155.2
Current assets			
Inventories	13.4	10.9	10.4
Trade receivables	22.9	37.9	44.1
Other current receivables	22.8	37.6	24.4
Cash and cash equivalents	5.2	2.0	3.2
Total current assets	64.3	88.4	82.1
TOTAL ASSETS	216.2	247.7	237.3
Equity (attributable in full to Parent Company shareholders)	127.0	135.1	132.2
Non-current liabilities			
Provisions for contingent consideration	-	10.7	-
Lease liabilities	17.3	16.7	16.1
Deferred tax liabilities	7.4	7.9	7.8
Total non-current liabilities	24.7	35.3	23.9
Current liabilities			
Borrowings from credit institutions	11.1	20.9	19.2
Provisions for contingent consideration	16.3	5.9	16.2
Lease liabilities	4.1	2.9	3.2
Trade payables	11.2	27.8	15.8
Other current payables	21.8	19.8	26.8
Total current liabilities	64.5	77.3	81.2
TOTAL EQUITY AND LIABILITIES	216.2	247.7	237.3

Condensed consolidated statement of changes in equity

	Sep 30 2020	Sep 30 2019	Full year 2019
Opening balance equity	132.2	138.9	138.9
Profit/loss for the period	-5.3	-4.2	-7.0
Other comprehensive income for the period	0.1	0.4	0.3
Total comprehensive income for the period	-5.2	-3.8	-6.7
Closing balance equity	127.0	135.1	132.2

Condensed consolidated cash flow statement

MSEK	July-Sep 2020	July-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	Full year 2019
Cash flow from operating activities before change in working capital	0.6	4.5	3.1	6.9	11.6
Change in working capital					
Increase (-)/Decrease (+) in inventories	-2.1	-1.0	-3.0	-1.0	-0.5
Increase (-)/Decrease (+) in receivables	16.0	-7.7	23.3	-12.9	-5.2
Increase (+)/Decrease (-) in current liabilities	-7.0	-2.7	-9.4	4.7	-0.5
Total change in working capital	6.9	-11.4	10.9	-9.2	-6.2
Cash flow from operating activities	7.5	-6.9	14.0	-2.3	5.4
Investing activities					
Acquisition of Group companies	-	-5.8	-	-5.8	-5.8
Acquisition of intangible fixed assets	-1.3	-1.3	-3.4	-4.5	-4.3
Acquisition of tangible fixed assets	-0.5	-2.5	-0.5	-3.5	-5.5
Cash flow from investing activities	-1.8	-9.6	-3.9	-13.8	-15.6
Operating cash flow	5.7	-16.5	10.1	-16.1	-10.2
Financing activities					
Increase (+) of borrowings	-	16.0	-	16.0	23.4
Decrease (-) of borrowings	-3.7	-	-8.1	-6.1	-18.2
Cash flow from financing activities	-3.7	16.0	-8.1	9.9	5.2
Cash flow for the period	2.0	-0.5	2.0	-6.2	-5.0
Cash and cash equivalents at the beginning of the period	3.2	2.5	3.2	8.2	8.2
Exchange rate difference on cash and cash equivalents	0.0	0.0	0.0	0.0	0.0
Cash and cash equivalents at the end of the period	5.2	2.0	5.2	2.0	3.2

Indicators

The Group	July-Sep 2020	July-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	Full year 2019
Order intake, MSEK	33.4	24.1	98.2	140.7	211.0
Order backlog, MSEK	41.0	54.5	41.0	54.5	64.0
Gross margin, %	62	51	60	58	58
Operating margin, %	0.0	2.9	neg	neg	neg
Profit margin, %	neg	2.4	neg	neg	neg
Return on capital employed, %	0.0	1.0	neg	neg	neg
Return on equity, %	neg	1.1	neg	neg	neg
Solidity, %	59	55	59	55	56
Debt/equity ratio	0.3	0.4	0.3	0.4	0.4
Net investments in non-current assets, MSEK	1.8	9.6	3.9	13.8	15.6
Depreciation/amortization of fixed assets, MSEK	3.8	5.0	13.0	12.5	17.0
Average number of employees	90	98	90	96	95
Number of shares at the end of the period, millions	89.21	89.21	89.21	89.21	89.21
Average number of shares, millions	89.21	89.21	89.21	89.21	89.21
Earnings per share ¹⁾ , SEK	0.00	0.02	-0.06	-0.04	0.08
Cash flow per share ¹⁾ , SEK	0.06	-0.18	0.11	-0.18	-0.11
Equity per share ²⁾ , SEK	1.42	1.52	1.42	1.52	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			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Order intake, MSEK	33.4	26.3	38.5	70.3	24.1	43.3	73.3	74.8	27.8	32.6
Order backlog, MSEK	41.0	45.9	58.1	64.0	54.5	84.2	98.5	65.8	40.8	59.0
Revenue, MSEK	39.5	43.8	44.1	54.9	61.3	51.4	44.1	48.2	46.3	44.0
Gross margin, %	62	56	62	58	51	66	60	59	63	59
EBITDA, MSEK	3.9	2.3	2.3	2.6	6.7	2.4	0.9	1.8	5.6	2.5*
Operating profit (EBIT), MSEK	0.1	-2.4	-2.2	-1.9	1.7	-1.3	-2.9	-1.1	2.2	0.4*
Operating margin, %	0.0	neg	neg	neg	2.4	neg	neg	neg	4.8	0.9
Return on equity, %	neg	neg	neg	neg	1.1	neg	neg	neg	0.6	neg
Solidity, %	59	56	57	56	55	58	57	62	34	33
Earnings per share, SEK	0.00	-0.02	-0.04	-0.03	0.02	-0.02	-0.04	0.17	0.01	-0.03
Cash flow per share, SEK	0.06	0.02	0.03	0.07	-0.18	-0.12	0.12	-0.18	-0.24	-0.87
Equity per share, SEK	1.42	1.43	1.45	1.48	1.52	1.50	1.52	1.56	1.82	1.83
Average number of shares, millions	89.21	89.21	89.21	89.21	89.21	89.21	89.21	55.22	38.23	38.23

* including acquisition costs in the amount of MSEK 1.8

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	July-Sep 2020	July-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	Full year 2019
Revenue	1.1	1.3	3.2	3.7	4.9
Other external charges	-1.4	-1.1	-3.1	-3.1	-2.9
Personnel costs	-1.0	-1.2	-3.5	-4.2	-7.2
Other operating costs	-	-	0.1	-	-
Operating profit	-1.3	-1.0	-3.3	-3.6	-5.2
Net financial items	-0.1	-0.3	-0.4	-1.3	-0.8
Profit before tax	-1.4	-1.3	-3.7	-4.9	-6.0
End-of-year adjustments	-	-	-	-	25.0
Tax	-	-	-	-	-4.1
Profit/loss for the period	-1.4	-1.3	-3.7	-4.9	14.9

Parent Company's condensed statement of comprehensive income

Profit/loss for the period	-1.4	-1.3	-3.7	-4.9	14.9
Other comprehensive income	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-1.4	-1.3	-3.7	-4.9	14.9

Parent Company's condensed balance sheet

MSEK	Sep 30 2020	Sep 30 2019	Dec 31 2019
Non-current assets			
Shares in subsidiaries	122.1	122.1	122.1
Deferred tax assets	10.9	14.9	10.9
Total non-current assets	133.0	137.0	133.0
Current assets			
Trade receivables	0.2	-	-
Receivables from group companies	15.4	13.4	17.6
Other current receivables	4.4	4.7	4.4
Cash and bank balances	0.1	0.0	0.1
Total current assets	20.1	18.1	22.1
TOTAL ASSETS	153.1	155.1	155.1
Equity	132.7	116.6	136.4
Non-current liabilities			
Provisions for contingent consideration	-	10.7	-
Total non-current liabilities	-	10.7	-
Current liabilities			
Provisions for contingent consideration	16.3	5.9	16.1
Accounts payable	0.2	0.4	0.6
Liabilities to group companies	2.1	19.6	-
Other current liabilities	1.8	1.9	2.0
Total current liabilities	20.4	27.8	18.7
TOTAL EQUITY AND LIABILITIES	153.1	155.1	155.1

Parent Company's condensed statement of changes in equity

MSEK	Sep 30 2020	Sep 30 2019	Dec 31 2019
Opening balance equity	136.4	121.5	121.5
Profit/loss for the period	-3.7	-4.9	14.9
Other comprehensive income for the period	-	-	-
Total comprehensive income	-3.7	-4.9	14.9
Closing balance equity	132.7	116.6	136.4

Parent Company's condensed cash flow statement

MSEK	July-Sep 2020	July-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	Full year 2019
Cash flow from operating activities before change in working capital	-0.9	-0.6	-2.7	-3.1	-4.8
Change in working capital					
Increase (-)/Decrease (+) in receivables	-	-0.4	-1.1	-1.5	-1.1
Decrease (-) in current liabilities	-0.3	0.2	-0.5	-0.9	-0.6
Total change in working capital	-0.3	-0.2	-1.6	-2.4	-1.7
Cash flow from operating activities	-1.2	-0.8	-4.3	-5.5	-6.5
Investing activities					
Borrowings from (+) to (-) subsidiaries	1.1	0.8	4.3	4.0	5.1
Cash flow from investing activities	1.1	0.8	4.3	4.0	5.1
Operating cash flow	-0.1	0.0	0.0	-1.5	-1.4
Financing activities					
Decrease (-) of borrowings	-	-	-	-5.8	-5.8
Cash flow from financing activities	-	-	-	-5.8	-5.8
Cash flow for the period	-0.1	0.0	0.0	-7.3	-7.2
Cash and cash equivalents at the beginning of the period	0.2	0.0	0.1	7.3	7.3
Cash and cash equivalents at the end of the period	0.1	0.0	0.1	0.0	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	July-Sep 2020	July-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	Full year 2019
Operating profit	0.1	1.7	-4.5	-2.5	-4.4
Depreciation/amortization of fixed tangible and intangible assets	3.8	5.0	13.0	12.5	17.0
EBITDA	3.9	6.7	8.5	10.0	12.6

Net debt

MSEK	Sep 30 2020	Sep 30 2019	Dec 31 2019
Cash and cash equivalents	5.2	2.0	3.2
Provisions for contingent consideration	16.3	16.6	16.2
Lease liabilities	21.4	19.6	19.3
Interest-bearing liabilities	11.1	20.9	19.2
Net debt	43.6	55.1	51.5