



## Mixed market conditions – targeted investments

With continued focus on developing new products for the future, the Group's operating activities during the first nine months of the year delivered net sales in line with the previous year with a maintained gross margin. The business unit Motion Analysis operates in a growing market and the business unit RemaSawco has uncertainty about the recovery of market conditions in the sawmill industry. The group prioritizes implementing the strategy we believe is the right path for long-term profitable growth, but with the necessary adjustments.

<b>Third quarter July–September</b>	<b>Interim report January–September</b>
<ul style="list-style-type: none"> <li>Order intake amounted to MSEK 23.8 (64.7)</li> <li>Net sales amounted to MSEK 37.6 (43.1)</li> <li>Gross margin amounted to 71 (71) percent</li> <li>EBITDA amounted to MSEK 4.9 (12.7)</li> <li>Earnings per share amounted to SEK 0.00 (0.09)</li> </ul>	<ul style="list-style-type: none"> <li>Order intake amounted to MSEK 75.7 (147.2)</li> <li>Net sales amounted to MSEK 120.6 (117.1)</li> <li>Gross margin amounted to 71 (68) percent</li> <li>EBITDA amounted to MSEK 12.0 (19.1)</li> <li>Earnings per share amounted to SEK -0.07 (0.05)</li> </ul>

## Financial overview

	<b>July–Sept 2023</b>	<b>July–Sept 2022</b>	<b>Jan–Sept 2023</b>	<b>Jan–Sept 2022</b>	<b>Full year 2022</b>
Order intake, MSEK	23.8	64.7	75.7	147.2	189.0
Order backlog, MSEK	38.4	96.8	38.4	96.8	81.9
Net sales, MSEK	37.6	43.1	120.6	117.1	171.1
Capitalized development expenditure	2.5	1.8	6.3	7.2	9.1
Gross margin, % <sup>(1)</sup>	71	71	71	68	67
EBITDA, MSEK	4.9	12.7	12.0	19.1	28.4
EBITDA margin, %	12.2	28.3	9.5	15.4	15.8
Operating profit (EBIT), MSEK	0.3	8.1	-4.0	4.5	9.1
Adjusted operating profit (EBIT) <sup>(2)</sup> , MSEK	0.3	8.1	-1.7	4.5	9.1
Profit after tax, MSEK	0.1	8.0	-5.8	4.1	8.6
Adjusted profit after tax <sup>(3)</sup> , MSEK	0.1	8.0	-2.1	4.1	8.6
Cash flow from operating activities, MSEK	-2.1	3.7	-12.9	17.8	32.2
Solidity, %	69	59	69	59	63
Average number of employees	67	73	67	73	72
Earnings per share	0.00	0.09	-0.07	0.05	0.10

<sup>(1)</sup> The definition of gross margin has changed since last year and is calculated as Net sales minus raw materials and consumables in relation to Net sales.

<sup>(2)</sup> The operating profit (EBIT) is affected by a one-off cost of MSEK 2.3 during the period January–September 2023.

<sup>(3)</sup> The profit after tax is affected by one-off costs of MSEK 3.7 during January–September, of which the operating profit is affected by MSEK 2.3 and net financial items by MSEK 1.4.



## A WORD FROM THE CEO

**Johan Friberg**, CEO and President

The business unit Motion Analysis operates in a growing market and the fourth quarter has begun with several orders for defense-related industry. During the third quarter, the business unit RemaSawco was burdened by continued very weak order intake, and we are now faced with increasing uncertainty about when this trend will actually be reversed. At the same time, the sawmill industry has considerable long-term potential. In this situation, we focus on what we can influence, which means that we continue to invest in our product portfolio and what creates healthy long-term profitability, such as the service offering.

The Group's operating activities, despite slightly lower net sales in the third quarter, showed an unchanged gross margin.

For the first nine months, the Group delivered net sales in line with the previous year. At the same time, our targeted investments in product development have had a negative impact on the operating profit.

### **Continued challenges for the sawmill industry**

The sawmill industry is experiencing an economic downturn in which factors such as high interest rates, high raw material prices, and falling demand for sawn wood products have limited sawmills' profitability and short-term willingness to invest.

We assess that demand will remain at low levels for some time to come but that it will gradually improve. Our strategy is to keep developing the product portfolio to have a stronger offering when industry investments return.

During the year, RemaSawco invested in

product development and the organization to shorten delivery times and ensure quality. We continuously adapt to current market conditions.

### **Motion Analysis operates in a profitable market**

The current turmoil in many parts of the world leads to increased demand for the Motion Analysis business unit's offering, which continues to see a promising market situation.

In the third quarter, the Motion Analysis business unit reported order intake and net sales in line with the previous year.

The lower result is due to an increased pace of product development, which we previously announced. The business unit, a market leader in its niche of high-speed film analysis, sees opportunities to strengthen its position further and generate growth with new functionality.

During the first nine months, the business unit reported an 18 percent sales growth compared to the previous year.

### **Ready to respond to challenges**

For a long time, we have worked intensively on adapting and streamlining the organization in the face of changing market conditions. We believe that the coming quarters will remain challenging. Thanks to the different conditions of the two business units, the Group is able to respond to situations that may arise.

The commitment and energy in the Company, and what we have done so far with good results, testify that we are on the right track.

## THE GROUP'S DEVELOPMENT IN THE THIRD QUARTER

### Order intake, net sales, and profit

Order intake amounted to MSEK 23.8 (64.7). Order backlog as of September 30, 2023, amounted to MSEK 38.4 (96.8).

Net sales amounted to MSEK 37.6 (43.1). Capitalized development expenditure amounted to MSEK 2.5 (1.8) and relate to both business units.

Gross margin amounted to 71 (71) percent.

EBITDA amounted to MSEK 4.9 (12.7). Other external charges increased compared with the corresponding period last year, which mainly is attributable to the Group's increased pace of product development.

Depreciation/amortization amounted to MSEK -4.6 (-4.6). Net financial items amounted to MSEK -0.3 (-0.2).

Result after taxes amounted to MSEK 0.1 (8.0).

### Financial position, investments, and cash flow

The Group's investments in non-current assets during the quarter amounted to MSEK 3.8 (3.1) of which MSEK 2.5 (1.8) is related to capitalized development projects. Capitalization of development projects takes place in both business units.

The operational cash flow during the quarter amounted to MSEK -5.9 (0.6). Solidity as of September 30, 2023, amounted to 69 (59) percent. Net indebtedness amounted to 0.1 (0.1) times.

Available liquid funds including the undrawn part of the overdraft facilities amounted to MSEK 12.6 (27.9) as of September 30, 2023.

## THE GROUP'S DEVELOPMENT DURING THE INTERIM PERIOD

Order intake amounted to MSEK 75.7 (147.2). Order backlog as of September 30, 2023, amounted to MSEK 38.4 (96.8).

Net sales amounted to MSEK 120.6 (117.1), and capitalized development expenditure amounted to MSEK 6.3 (7.2), which take place in both business units.

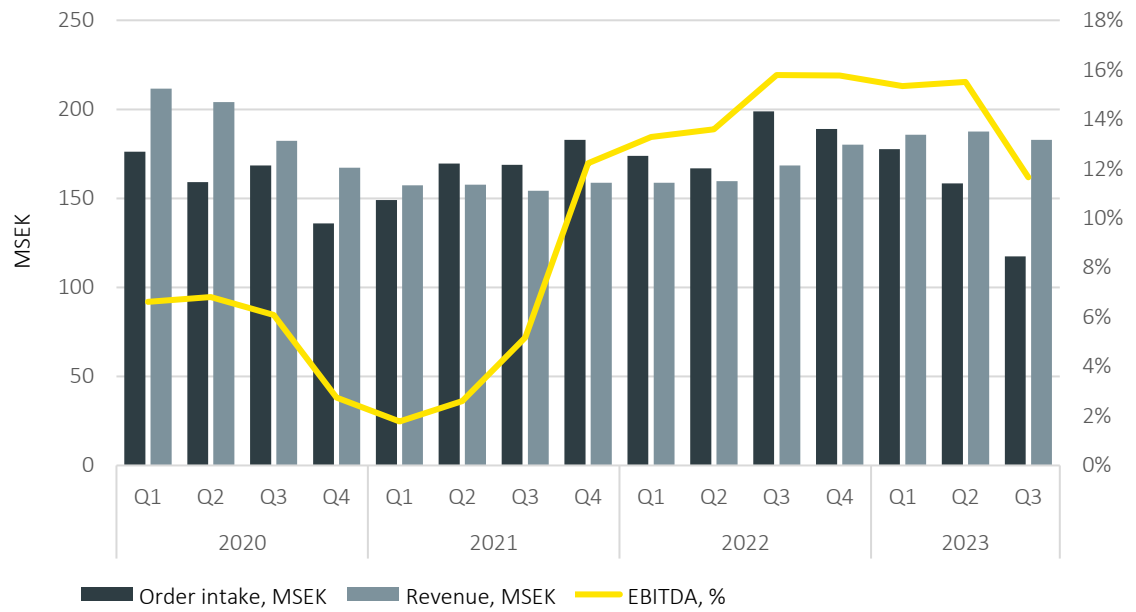
Gross margin amounted to 71 (68) percent.

EBITDA amounted to MSEK 12.0 (19.1). Depreciation/amortization amounted to MSEK -16.0 (-14.6), of which MSEK -2.3 (-) is attributable to a write-down in connection with the termination of a rental contract for office and production premises in Finland. The termination was carried out in order to reduce rental costs in the RemaSawco business unit when parts of the operation are centralized to the head office in Linköping, Sweden.

Net financial items amounted to MSEK -2.2 (-0.8). The change in net financial items is linked to a one-off item of MSEK -1.4 (-) for a write-down of a receivable from Digital Vision.

Result after taxes amounted to MSEK -5.8 (4.1).

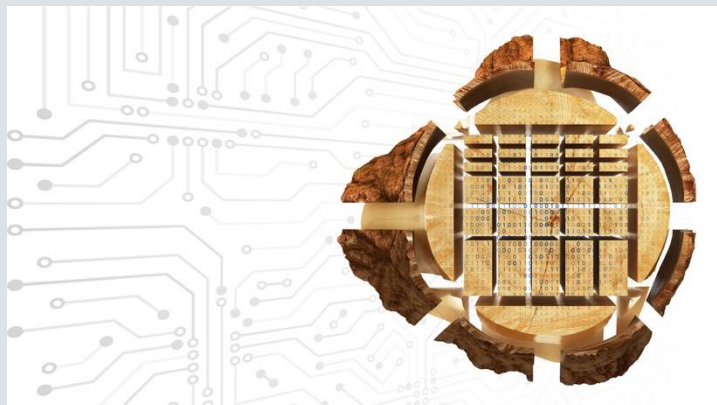
## ROLLING 12-MONTH ORDER INTAKE, REVENUE AND EBITDA



The Group's rolling 12-month EBITDA margin decreased during the third quarter to approximately 12 percent due to lower net sales. The Group's long-term EBITDA target of delivering a stable 15 percent EBITDA margin requires growth in net sales.



**BUSINESS UNIT:  
REMASAWCO**



RemaSawco provides solutions to optimize production in the sawmill industry. The product portfolio includes proprietary software that, with the help of laser, 3D scanning, X-ray, and automation, measures and analyzes timber and boards throughout the sawmill process to maximize value exchange, minimize waste, and thus increase customer profitability.

### Performance during the period

Net sales in the third quarter are lower than last year due to a challenging market situation in the sawmill industry. The industry is characterized by low demand for sawn wood products and continued high raw material prices. This results in a significantly lower order intake than last year.

In the first nine months, the Company delivered net sales in line with the previous year with a slightly lower EBITDA. This reduction in profit is largely due to a continued high investment rate in new products.

The economic downturn with increased uncertainty negatively affects our customers' willingness to invest. At the same time, we note that our customers in the Nordic region intend to carry out upgrade projects or smaller replacement investments and still show a strong interest in RemaSawco's improved offerings. However, we face a period of uncertainty about when and at what pace the economy will turn around.

	Jul–Sept 2023	Jul–Sept 2022	Jan–Sept 2023	Jan–Sept 2022	Full year 2022
Order intake, MSEK	16.0	56.8	52.0	123.9	151.8
Net sales, MSEK	29.2	34.1	93.2	93.9	137.7
Capitalized development expenditure	1.0	0.8	2.7	3.1	4.2
EBITDA, MSEK	2.8	8.1	7.5	11.1	17.8
EBITDA margin, %	9.3	23.2	7.8	11.4	12.5

### Product development

During the quarter, basic development continued within harmonization and improvements of existing functionality as well as the development of new functionality for future product updates. The focus during the quarter has been on board handling products. The business unit maintains a high rate of investment in product development with the aim of creating scalability for technical solutions and developing key capabilities for the digitalization and optimization of sawmills and their processes.

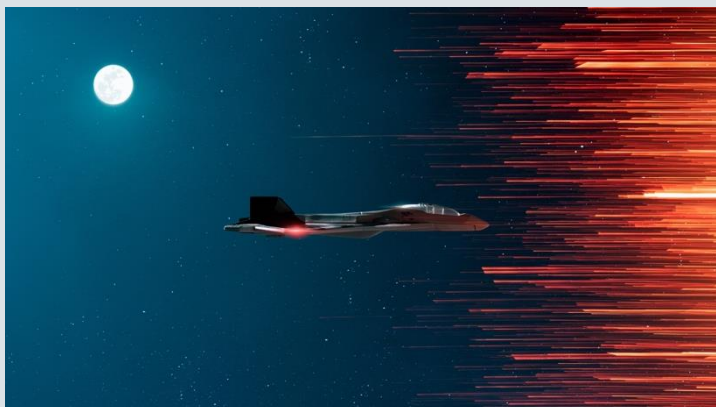
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SYSTEMS

## MOTION ANALYSIS

### BUSINESS UNIT:

## MOTION ANALYSIS



Motion Analysis Systems offers its customers software for the analysis of high-speed film, a niche where the Company is the world leader. The software is sold under the product names TEMA and TrackEye®, where TEMA has most of its customers in the civil sector and TrackEye® within defense-related testing and the aerospace industry.

### Performance during the period

The market in which the business unit operates remains good and is expected to strengthen even further in the foreseeable future. The development in the world around us is characterized by unrest, which creates an increased long-term need for the Company's products aimed at the defense industry. At the same time, the automotive industry is flying high with the transformation towards electric cars. The Asian automotive industry is currently booming. Order intake is at the same level as last year, and the Company's net sales show an 18 percent growth for the first nine months.

During the quarter, a 7-year framework agreement with the French Armed Forces with a business volume of approximately MSEK 32 was received as well as a major TrackEye order for the Italian Armed Forces. The business unit has deliberately increased the rate of investment during the year in order to shorten the time to commercialization of the new product platform under development, as we see increased demand. This acceleration has a negative impact on the operating profit in the form of higher costs.

	Jul–Sept 2023	Jul–Sept 2022	Jan–Sept 2023	Jan–Sept 2022	Full year 2022
Order intake, MSEK	7.8	7.9	23.7	23.3	37.2
Net sales, MSEK	8.4	9.0	27.4	23.2	33.4
Capitalized development expenditure	1.5	1.0	3.6	4.1	4.9
EBITDA, MSEK	3.3	5.7	8.8	11.2	15.2
EBITDA margin, %	33.3	57.0	28.4	41.0	39.7

### Product development

During the quarter, the business unit continued the work of productizing the new platform and completed and released several maintenance releases on the existing product platform. The business unit continues to develop a cloud-based customer portal that will handle sales, license management, and customer support of the new platform.

## **OTHER INFORMATION**

### **Parent Company**

The Parent Company's net sales for the third quarter amounted to MSEK 1.0 (0.9). Operating profit amounted to MSEK -1.2 (-1.1). Result after taxes amounted to MSEK -1.2 (-51.1). Investments in fixed assets amounted to MSEK 0.0 (0.0). The Parent Company's available liquid funds, as of September 30, 2023, amounted to MSEK 0.0 (0.0). The Parent Company's equity as of September 30, 2023, amounted to MSEK 100.0 (86.5) and the solidity was 98 (88) percent.

### **Significant events after the period**

The Motion Analysis business unit has received multiple orders worth approximately MSEK 7.

### **Personnel**

The average number of employees was 67 (73). The number of employees at the end of the period was 70.

### **Number of shares**

The number of shares on September 30, 2023, amounted to 89,207,818.

### **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 16 and relevant reconciliations on page 15.

### **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 2022 Annual Report. No significant new or changed risks or uncertainties have been identified during the quarter.

## Financial calendar

Year-end report 2023	February 9, 2024
Interim report January-March 2024	April 26, 2024
Annual General Meeting 2024	May 8, 2024
Interim report January-June 2024	July 19, 2024

## Long-term financial objectives

Image Systems aims to create long-term value growth for its shareholders. To achieve this, the Board of Directors has set long-term financial objectives:

EBITDA	>15%
Solidity	>50%
Dividend	20% of the profit after taxes

*Linköping, Sweden, November 10, 2023*

Johan Friberg  
Chief Executive Officer

The information in this report is disclosed pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out below, at 8:00 AM on November 10, 2023.

Financial reports are available on the Company's website <http://www.imagesystemsgroup.se>

Questions will be answered by:

Johan Friberg, CEO and President, telephone +46(0)13-200 100, e-mail [johan.friberg@imagesystems.se](mailto:johan.friberg@imagesystems.se)

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



## REVIEW REPORT

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

### Introduction

We have reviewed the condensed interim report for Image Systems AB (publ) as at September 30, 2023, and for the nine months period then ended. The Board of Directors and the CEO are responsible for the preparation and presentation of this interim 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 review

We conducted our review in accordance with the International Standard on Review Engagements, ISRE 2410 Review of Interim Financial Statements Performed by the Independent Auditor of the Entity. A review 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 other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act regarding the Group, and in accordance with the Swedish Annual Accounts Act regarding the Parent Company.

Stockholm, Sweden, November 10, 2023  
PricewaterhouseCoopers AB

Nicklas Kullberg  
Authorized Public Accountant

## CONDENSED CONSOLIDATED INCOME STATEMENT

MSEK	Jul–Sept 2023	Jul–Sept 2022	Jan–Sept 2023	Jan–Sept 2022	Full year 2022
Net sales	37.6	43.1	120.6	117.1	171.1
Capitalized development costs	2.5	1.8	6.3	7.2	9.1
<b>Total revenue</b>	<b>40.1</b>	<b>44.9</b>	<b>126.9</b>	<b>124.3</b>	<b>180.2</b>
Raw materials and consumables	-11.0	-12.5	-35.5	-37.2	-56.4
Other external charges	-8.1	-5.9	-27.4	-18.7	-26.5
Personnel costs	-15.9	-14.4	-52.1	-50.3	-69.7
Depreciation/amortization of fixed intangible and tangible assets	-4.6	-4.6	-16.0	-14.6	-19.3
Other operating income	-0.2	0.6	0.1	1.0	-
Other operating costs	-	-	-	-	0.8
<b>Operating profit</b>	<b>0.3</b>	<b>8.1</b>	<b>-4.0</b>	<b>4.5</b>	<b>9.1</b>
Net financial items	-0.3	-0.2	-2.2	-0.8	-1.1
<b>Profit/loss before tax</b>	<b>0.0</b>	<b>7.9</b>	<b>-6.2</b>	<b>3.7</b>	<b>8.0</b>
Tax	0.1	0.1	0.4	0.4	0.6
<b>Profit/loss for the period</b>	<b>0.1</b>	<b>8.0</b>	<b>-5.8</b>	<b>4.1</b>	<b>8.6</b>
Of which attributable to the Parent Company shareholders	0.1	8.0	-5.8	4.1	8.6
Earnings per share <sup>1)</sup>	0.00	0.09	-0.07	0.05	0.10
Diluted earnings per share <sup>1)</sup>	0.00	0.09	-0.07	0.05	0.10
Average number of shares, thousands	89,207.8	89,207.8	89,207.8	89,207.8	89,207.8
Average number of shares after dilution, thousands	89,207.8	89,207.8	89,207.8	89,207.8	89,207.8

<sup>1)</sup> Calculated on the basis of average number of shares

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

MSEK	Jul–Sept 2023	Jul–Sept 2022	Jan–Sept 2023	Jan–Sept 2022	Full year 2022
Profit/loss for the period	0.1	8.0	-5.8	4.1	8.6
<b>Other comprehensive income</b>					
Translation differences	0.0	0.1	0.2	0.3	0.3
<b>Total other comprehensive income</b>	<b>0.0</b>	<b>0.1</b>	<b>0.2</b>	<b>0.3</b>	<b>0.3</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>0.1</b>	<b>8.1</b>	<b>-5.6</b>	<b>4.4</b>	<b>8.9</b>
Of which attributable to Parent Company shareholders	0.1	8.1	-5.6	4.4	8.9

## CONDENSED CONSOLIDATED BALANCE SHEETS

MSEK	Sept 30, 2023	Sept 30, 2022	Dec 31, 2022
<b>Fixed assets</b>			
Goodwill	36.1	36.1	36.1
Customer relations	20.4	24.8	23.7
Trademarks	-	0.3	-
Capitalized development costs	36.0	34.2	35.1
Tangible fixed assets	1.0	4.0	3.7
Right-of-use assets	10.2	15.1	13.8
Deferred tax assets	19.1	19.1	19.1
<b>Total fixed assets</b>	<b>122.8</b>	<b>133.6</b>	<b>131.5</b>
<b>Current assets</b>			
Inventories	14.2	14.4	13.6
Trade receivables	28.6	33.2	20.1
Other receivables	4.8	7.4	7.0
Cash and cash equivalents	0.7	11.2	22.5
<b>Total current assets</b>	<b>48.3</b>	<b>66.2</b>	<b>63.2</b>
<b>TOTAL ASSETS</b>	<b>171.1</b>	<b>199.8</b>	<b>194.7</b>
<b>Equity (attributable in full to Parent Company shareholders)</b>	<b>117.3</b>	<b>118.4</b>	<b>122.9</b>
<b>Non-current liabilities</b>			
Borrowings from credit institutions	-	0.9	0.4
Lease liabilities	4.4	9.6	8.5
Deferred tax liabilities	5.6	6.2	6.0
<b>Total non-current liabilities</b>	<b>10.0</b>	<b>16.7</b>	<b>14.9</b>
<b>Current liabilities</b>			
Borrowings from credit institutions	7.7	3.8	5.0
Trade payables	11.7	12.7	12.6
Lease liabilities	5.0	5.0	4.9
Other current payables	19.4	43.2	34.4
<b>Total current liabilities</b>	<b>43.8</b>	<b>64.7</b>	<b>56.9</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>171.1</b>	<b>199.8</b>	<b>194.7</b>

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

MSEK	Sept 30, 2023	Sept 30, 2022	Full year 2022
<b>Opening balance sheet equity</b>	<b>122.9</b>	<b>114.0</b>	<b>114.0</b>
Net profit for the year	-5.8	4.1	8.6
Other comprehensive income for the period	0.2	0.3	0.3
<b>Total comprehensive income for the period</b>	<b>-5.6</b>	<b>4.4</b>	<b>8.9</b>
<b>Closing balance sheet equity</b>	<b>117.3</b>	<b>118.4</b>	<b>122.9</b>

## CONDENSED CONSOLIDATED CASH FLOW STATEMENT \*

MSEK	Jul–Sept 2023	Jul–Sept 2022	Jan–Sept 2023	Jan–Sept 2022	Full year 2022
<b>Cash flow from operating activities before change in working capital</b>	<b>4.8</b>	<b>12.3</b>	<b>10.2</b>	<b>18.3</b>	<b>27.4</b>
<b>Change in working capital</b>					
Change in inventories	3.0	-2.3	-0.6	-2.5	-1.7
Change in receivables	-0.4	1.1	-6.4	-3.1	10.4
Change in current liabilities	-9.5	-7.4	-16.1	5.1	-3.9
<b>Total change in working capital</b>	<b>-6.9</b>	<b>-8.6</b>	<b>-23.1</b>	<b>-0.5</b>	<b>4.8</b>
<b>Cash flow from operating activities</b>	<b>-2.1</b>	<b>3.7</b>	<b>-12.9</b>	<b>17.8</b>	<b>32.2</b>
<b>Investing activities</b>					
Acquisition of intangible fixed assets	-2.6	-1.8	-6.4	-7.4	-9.8
Acquisition of tangible fixed assets	-0.2	-	-0.4	-	-
Acquisition of right-of-use assets	-1.0	-1.3	-2.2	-2.4	-2.6
<b>Cash flow from investing activities</b>	<b>-3.8</b>	<b>-3.1</b>	<b>-9.0</b>	<b>-9.8</b>	<b>-12.4</b>
<b>Operating cash flow</b>	<b>-5.9</b>	<b>0.6</b>	<b>-21.9</b>	<b>8.0</b>	<b>19.8</b>
<b>Financing activities</b>					
Change in borrowings	0.5	0.1	2.4	-2.2	-1.5
Amortization of lease liabilities	-1.5	-1.3	-4.5	-4.1	-5.5
Additional lease liabilities	1.0	1.3	2.2	2.4	2.6
<b>Cash flow from financing activities</b>	<b>0.0</b>	<b>0.1</b>	<b>0.1</b>	<b>-3.9</b>	<b>-4.4</b>
<b>Cash flow for the period</b>	<b>-5.9</b>	<b>0.7</b>	<b>-21.8</b>	<b>4.1</b>	<b>15.4</b>
Cash and cash equivalents at the beginning of the year	6.6	10.5	22.5	7.1	7.1
Exchange rate difference on cash and cash equivalents	0.0	0.0	0.0	0.0	0.0
<b>Cash and cash equivalents at the end of the year</b>	<b>0.7</b>	<b>11.2</b>	<b>0.7</b>	<b>11.2</b>	<b>22.5</b>

\* Previous year's figures are reclassified.

## SEGMENT REPORTING

MSEK	Jul-Sept 2023	Jul-Sept 2022	Jan-Sept 2023	Jan-Sept 2022	Full year 2022
Revenue					
RemaSawco	30.2	34.9	95.9	97.0	141.9
Motion Analysis	9.9	10.0	31.0	27.3	38.3
Parent Company & consolidated items	-	-	-	-	-
<b>Total revenue</b>	<b>40.1</b>	<b>44.9</b>	<b>126.9</b>	<b>124.3</b>	<b>180.2</b>
<b>EBITDA</b>					
RemaSawco	2.8	8.1	7.5	11.1	17.8
Motion Analysis	3.3	5.7	8.8	11.2	15.2
Admin & consolidated items	-1.2	-1.1	-4.3	-3.2	-4.6
<b>EBITDA total</b>	<b>4.9</b>	<b>12.7</b>	<b>12.0</b>	<b>19.1</b>	<b>28.4</b>
Depreciation/amortization of fixed intangible and tangible assets	-4.6	-4.6	-16.0	-14.6	-19.3
<b>Operating profit</b>	<b>0.3</b>	<b>8.1</b>	<b>-4.0</b>	<b>4.5</b>	<b>9.1</b>
Net financial items	-0.3	-0.2	-2.2	-0.8	-1.1
<b>Profit/loss before tax</b>	<b>0.0</b>	<b>7.9</b>	<b>-6.2</b>	<b>3.7</b>	<b>8.0</b>
Tax	0.1	0.1	0.4	0.4	0.6
<b>Profit/loss for the period</b>	<b>0.1</b>	<b>8.0</b>	<b>-5.8</b>	<b>4.1</b>	<b>8.6</b>

## INDICATORS

	Jul-Sept 2023	Jul-Sept 2022	Jan-Sept 2023	Jan-Sept 2022	Full year 2022
Order intake, MSEK	23.8	64.7	75.7	147.2	189.0
Order backlog, MSEK	38.4	96.8	38.4	96.8	81.9
Gross margin, %	71	71	71	68	67
EBITDA, MSEK	4.9	12.7	12.0	19.1	28.4
EBITDA margin, %	12.2	28.3	9.5	15.4	15.8
Operating margin, %	0.7	18.0	neg	3.6	5.0
Profit margin, %	0.0	17.6	neg	3.0	4.4
Return on capital employed, %	0.2	5.9	neg	3.3	6.4
Return on equity, %	0.1	6.8	neg	3.5	7.0
Solidity, %	69	59	69	59	63
Debt/equity ratio	0.1	0.1	0.1	0.1	0.0
Net investments in non-current assets, MSEK	3.8	3.1	9.0	9.8	12.4
Depreciation/amortization of fixed assets, MSEK	4.6	4.6	16.0	14.6	19.3
Average number of employees	67	73	67	73	72
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, SEK	0.00	0.09	-0.07	0.05	0.10
Cash flow per share calculated on the basis of average number of shares, SEK	-0.07	0.01	-0.25	0.09	0.22
Equity per share calculated on the basis of number of shares at the end of the period, SEK	1.31	1.33	1.31	1.33	0.0

## QUARTERLY OVERVIEW, THE GROUP

	Q4 20 20	Q1 21 21	Q2 21 21	Q3 21 21	Q4 21 21	Q1 22 22	Q2 22 22	Q3 22 22	Q4 22 22	Q1 23 23	Q2 23 23	Q3 23 23
Order intake, MSEK	37.7	51.7	46.7	32.7	51.7	42.7	39.8	64.7	41.8	31.4	20.5	23.8
Order backlog, MSEK	39.0	60.4	62.4	60.3	72.0	83.6	82.7	96.8	81.9	74.9	52.2	38.4
Net sales, MSEK	38.4	32.1	42.6	34.9	42.6	31.6	42.4	43.1	54.0	38.3	44.7	37.6
Capitalized development expenditure, MSEK	1.4	2.2	1.5	1.2	1.6	2.8	2.6	1.8	1.9	1.7	2.1	2.5
Gross margin, %	63	70	59	74	70	70	64	71	64	71	70	71
EBITDA, MSEK	-3.9	0.5	3.6	7.8	7.5	2.2	4.2	12.7	9.3	2.3	4.8	4.9
EBITDA margin, %	-10	1	8	22	17	6	9	28	17	6	10	12
Operating profit (EBIT), MSEK	-8.4	-4.4	-0.9	3.2	2.9	-3.1	-0.5	8.1	4.6	-4.6	0.3	0.3
EBIT margin, %	neg	neg	neg	8.9	6.6	neg	neg	18.0	8.2	neg	1%	1%
Return on equity, %	neg	neg	neg	2.9	2.5	neg	neg	6.8	3.7	neg	0.1	0.1
Solidity, %	59	57	54	60	58	58	55	59	63	62	65	69
Earnings per share, SEK	-0.15	-0.05	-0.01	0.04	0.03	-0.04	-0.01	0.09	0.05	-0.07	0.00	0.00
Cash flow per share, SEK	-0.02	-0.04	-0.02	0.08	0.06	0.01	0.08	0.01	0.13	-0.08	-0.10	-0.07
Equity per share, SEK	1.28	1.23	1.21	1.25	1.28	1.24	1.24	1.33	1.38	1.31	1.31	1.31
Average number of shares, millions	89.21	89.21	89.21	89.21	89.21	89.21	89.21	89.21	89.21	89.21	89.21	89.21

## 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 IFRS.

Image Systems' definitions of these measures that are not defined by the IFRS are provided in the "Definitions" section of this report.

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 tangible and intangible fixed 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.

### EBITDA

MSEK	Jul–Sept 2023	Jul–Sept 2022	Jan–Sept 2023	Jan–Sept 2022	Full year 2022
Operating profit	0.3	8.1	-4.0	4.5	9.1
Depreciation/amortization of fixed tangible and intangible assets	4.6	4.6	16.0	14.6	19.3
<b>EBITDA</b>	<b>4.9</b>	<b>12.7</b>	<b>12.0</b>	<b>19.1</b>	<b>28.4</b>

### Net debt

MSEK	Sept 30, 2023	Sept 30, 2022	Dec 31, 2022
Cash and cash equivalents	0.7	11.2	22.5
Lease liabilities	9.4	14.6	13.4
Interest-bearing liabilities	7.7	4.7	5.4
<b>Net debt</b>	<b>16.4</b>	<b>8.1</b>	<b>-3.7</b>

## DEFINITIONS

### Income measures

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<b>EBITDA</b>	Operating profit plus depreciation/amortization on tangible and intangible assets.
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### Margins

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<b>Gross margin, %</b>	Net sales minus raw materials and consumables in relation to net sales.
<b>Operating margin, %</b>	Operating profit in relation to net sales and capitalized development expenditure.
<b>Profit margin, %</b>	Profit before tax in relation to net sales and capitalized development expenditure.

### Return

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<b>Return on average capital employed, %</b>	Operating profit plus interest income in relation to average capital employed. Capital employed comprises the balance sheet total less non-interest-bearing liabilities.
<b>Return on average equity, %</b>	Profit/loss for the period in relation to average equity.

### Capital structure

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<b>Solidity, %</b>	Equity at the end of the period in relation to the balance sheet total.
<b>Debt/equity ratio, times</b>	Interest-bearing liabilities at the end of the period minus cash and cash equivalents in relation to equity.
<b>Net debt, MSEK</b>	Interest payable minus cash and cash equivalents.

### Other

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<b>Net investments in non-current assets, MSEK</b>	Net investments in both intangible and tangible fixed assets as well as financial assets during the period.
<b>Average number of employees</b>	Average number of employees during the period.

### Data per share

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<b>Number of shares at the end of the period, in millions</b>	Number of shares outstanding at the end of the period
<b>Average number of shares, millions</b>	Average number of shares during the period.
<b>Earnings per share, SEK</b>	Result after taxes divided by the average number of shares.
<b>Cash flow per share, SEK</b>	Operating cash flow divided by the average number of shares.
<b>Equity per share, SEK</b>	Equity divided by the number of shares at the end of the period.



## PARENT COMPANY'S CONDENSED INCOME STATEMENT

MSEK	Jul– Sept 2023	Jul– Sept 2022	Jan– Sept 2023	Jan– Sept 2022	Full year 2022
Net sales	1.0	0.9	3.1	2.9	3.9
Other external charges	-1.4	-1.3	-4.2	-3.8	-4.9
Personnel costs	-0.8	-0.7	-3.2	-2.3	-3.6
Other operating costs	-	-	-	-	-
<b>Operating profit</b>	<b>-1.2</b>	<b>-1.1</b>	<b>-4.3</b>	<b>-3.2</b>	<b>-4.6</b>
Net financial items	0.0	-50.0	-0.8	-49.9	-50.4
<b>Profit/loss before tax</b>	<b>-1.2</b>	<b>-51.1</b>	<b>-5.1</b>	<b>-53.1</b>	<b>-55.0</b>
Appropriations	-	-	-	-	20.5
Tax	-	-	-	-	-
<b>Profit/loss for the period</b>	<b>-1.2</b>	<b>-51.1</b>	<b>-5.1</b>	<b>-53.1</b>	<b>-34.5</b>

## PARENT COMPANY'S CONDENSED STATEMENT OF COMPREHENSIVE INCOME

MSEK	Jul– Sept 2023	Jul– Sept 2022	Jan– Sept 2023	Jan– Sept 2022	Full year 2022
Profit/loss for the period	-1.2	-51.1	-5.1	-53.1	-34.5
Other comprehensive income	-	-	-	-	-
<b>Total other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>-1.2</b>	<b>-51.1</b>	<b>-5.1</b>	<b>-53.1</b>	<b>-34.5</b>

## PARENT COMPANY'S CONDENSED BALANCE SHEETS

MSEK	Sept 30, 2023	Sept 30, 2022	Dec 31, 2022
<b>Fixed assets</b>			
Shares in subsidiaries	82.8	82.8	82.8
Deferred tax assets	12.0	12.0	12.0
<b>Total fixed assets</b>	<b>94.8</b>	<b>94.8</b>	<b>94.8</b>
<b>Current assets</b>			
Trade receivables	-	-	-
Receivables from Group companies	5.2	-	8.8
Other current receivables	1.6	3.9	3.0
Cash and cash equivalents	0.0	0.0	0.3
<b>Total current assets</b>	<b>6.8</b>	<b>3.9</b>	<b>12.1</b>
<b>TOTAL ASSETS</b>	<b>101.6</b>	<b>98.7</b>	<b>106.9</b>
<b>Equity (attributable in full to Parent Company shareholders)</b>	<b>100.0</b>	<b>86.5</b>	<b>105.1</b>
<b>Current liabilities</b>			
Trade payables	0.6	0.2	0.6
Liabilities to Group companies	-	10.9	-
Other current payables	1.0	1.1	1.2
<b>Total current liabilities</b>	<b>1.6</b>	<b>12.2</b>	<b>1.8</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>101.6</b>	<b>98.7</b>	<b>106.9</b>

## PARENT COMPANY'S CONDENSED STATEMENT OF CHANGES IN EQUITY

MSEK	Sept 30, 2023	Sept 30, 2022	Full year 2022
Opening balance equity	105.1	139.6	139.6
Profit/loss for the period	-5.1	-53.1	-34.5
Other comprehensive income for the period			
<b>Total comprehensive income for the period</b>	<b>-5.1</b>	<b>-53.1</b>	<b>-34.5</b>
<b>Closing balance equity</b>	<b>100.0</b>	<b>86.5</b>	<b>105.1</b>

## PARENT COMPANY'S CONDENSED CASH FLOW STATEMENTS

MSEK	Jul– Sept 2023	Jul– Sept 2022	Jan– Sept 2023	Jan– Sept 2022	Full year 2022
<b>Cash flow from operating activities before change in working capital</b>	<b>-1.2</b>	<b>-1.1</b>	<b>-5.2</b>	<b>-3.1</b>	<b>-5.1</b>
<b>Change in working capital</b>					
Change in receivables	0.3	0.4	1.4	0.1	1.1
Change in current liabilities	0.7	0.3	-0.1	-0.6	-0.1
<b>Total change in working capital</b>	<b>1.0</b>	<b>0.7</b>	<b>1.3</b>	<b>-0.5</b>	<b>1.0</b>
<b>Cash flow from operating activities</b>	<b>-0.2</b>	<b>-0.4</b>	<b>-3.9</b>	<b>-3.6</b>	<b>-4.1</b>
<b>Investing activities</b>					
Change in borrowings to/from subsidiaries	0.2	0.4	3.6	3.4	4.2
<b>Cash flow from investing activities</b>	<b>0.2</b>	<b>0.4</b>	<b>3.6</b>	<b>3.4</b>	<b>4.2</b>
<b>Operating cash flow</b>	<b>0.0</b>	<b>0.0</b>	<b>-0.3</b>	<b>-0.2</b>	<b>0.1</b>
<b>Financing activities</b>					
Change in borrowings	-	-	-	-	-
<b>Cash flow from financing activities</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Cash flow for the period</b>	<b>0.0</b>	<b>0.0</b>	<b>-0.3</b>	<b>-0.2</b>	<b>0.1</b>
Cash and cash equivalents at the beginning of the period	0.0	0.0	0.3	0.2	0.2
Exchange rate difference on cash and cash equivalents	0.0	0.0	0.0	0.0	0.0
<b>Cash and cash equivalents at the end of the period</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.3</b>