



Favorable factors result in an exceptional third quarter

The Group is ending an exceptionally strong quarter, with several favorable factors contributing. Both business units have delivered on the solid order backlog from the start of the quarter which has resulted in a considerable increase in both net sales and operating profit. However, we assess that the outcome for the third quarter is not yet a level to count on. The sawmill industry continues to be characterized by uncertainties. Thanks to streamlining measures and a focus on efficient solutions for customers, the RemaSawco business unit has overcome several market challenges. The Motion Analysis business unit's transition to an increasing share of subscription agreements to reach a more stable revenue flow and results in the long term is going unexpectedly quickly. This results in lower net sales during the transition period. At the same time, a favorable market during the quarter counteracted these consequences.

Third quarter July–September	Interim period January–September
<ul style="list-style-type: none"> Order intake amounted to MSEK 47.1 (23.8) Net sales amounted to MSEK 56.6 (37.6) Gross margin amounted to 67 (71) percent EBITDA amounted to MSEK 17.3 (4.9) Earnings per share amounted to SEK 0.14 (0.00) 	<ul style="list-style-type: none"> Order intake amounted to MSEK 140.5 (75.7) Net sales amounted to MSEK 139.1 (120.6) Gross margin amounted to 68 (71) percent EBITDA amounted to MSEK 25,8 (12.0) Earnings per share amounted to SEK 0.14 (-0.07)

Financial overview

	Jul–Sept 2024	Jul–Sept 2023	Jan–Sept 2024	Jan–Sept 2023	Full year 2023
Order intake, MSEK	47.1	23.8	140.5	75.7	150.0
Order backlog, MSEK	73.0	38.4	73.0	38.4	73.3
Net sales, MSEK	56.6	37.6	139.1	120.6	160.7
Capitalized development expenditure, MSEK	3.6	2.5	10.9	6.3	10.0
Gross margin, %	67	71	68	71	70
EBITDA, MSEK	17.3	4.9	25.8	12.0	15.5
EBITDA margin, %	28.7	12.2	17.2	9.5	9.1
Operating profit (EBIT), MSEK	12.8	0.3	12.4	-4.0	-5.3
Profit after tax, MSEK	12.8	0.1	12.4	-5.8	-6.8
Cash flow from operating activities, MSEK	3.2	-2.1	24.7	-12.9	1.7
Solidity, %	60	69	60	69	63
Average number of employees	73	67	70	67	67
Earnings per share, SEK	0.14	0.00	0.14	-0.07	-0.08



A WORD FROM THE CEO

Johan Friberg, CEO and President

The third quarter was unusually strong, driven by both business units of the Group. Order intake doubled to MSEK 47.1 (23.8), while net sales increased by just over 50 percent to MSEK 56.6 (37.6). A beneficial interplay of several factors also resulted in a profit before depreciation, EBITDA, of MSEK 17.3 (4.9). We are incredibly proud of what we have achieved during the quarter, but we do not consider this a level to be reckoned with going forward.

EBITDA for the first nine months of the year amounted to MSEK 25.8 (12.0), a more than twofold increase, mainly thanks to the third quarter.

Operating cash flow has strengthened significantly, allowing us to continue investing for the future.

The RemaSawco business unit delivered customer projects at a rapid pace during the third quarter, which increased net sales and operating profit, but at the same time reduced the outgoing order backlog.

The Motion Analysis business unit saw a continued increase in order intake during the quarter, MSEK 19.2 (7.8), where a significant part is related to subscription services. The order backlog for subscription and support services more than doubled to MSEK 18.6 (8.0).

RemaSawco shows high efficiency

The sawmill market continues to show uncertainties with limited access to raw materials, continued high raw material prices and low demand for sawn timber. As a result, our customers are more cautious about making major investments, and it is difficult to predict when the market will improve for the hard-pressed sawmills.

Despite this, the RemaSawco business unit is demonstrating that the efficiency improvements that have been made are also leading to improvements in results.

As the market gradually recovers, the organization is therefore ready to handle increased sales and deliver products and services that, in turn, increase customers' efficiency.

Motion Analysis significantly increases order intake

The Motion Analysis business unit's decision to transition to selling subscription agreements has been beneficial as market conditions strengthened during the year. Order intake more than doubled in the third quarter and increased by 80 percent in the first nine months of the year compared to the previous year. The product mix is such that the business unit has managed to maintain and increase its net sales even though a larger part of the order intake has not yet been recognized as revenue.

EBITDA has decreased as the business unit continues to invest in both product development and market presence. During the year, a sales office was established in the USA, which positively impacted order intake.

Group business units ready to deliver on their full potential

The development in both the third quarter and the first nine months of the year demonstrates the underlying strength of the Group and its two business units. When market conditions allow the business units to deliver on their full potential, the results of the efficiency measures implemented will be clearly visible. We can, therefore, be confident in our conviction and continue to invest to offer the market the best and most innovative solutions to make our customers more efficient.

THE GROUP'S DEVELOPMENT IN THE THIRD QUARTER

Order intake, net sales and profit

Order intake amounted to MSEK 47.1 (23.8). Order backlog as of September 30, 2024, amounted to MSEK 73.0 (38.4).

Net sales amounted to MSEK 56.6 (37.6). Capitalized development expenditure amounted to MSEK 3.6 (2.5) and relates to both business units.

Gross margin amounted to 67 (71) percent.

EBITDA amounted to MSEK 17.3 (4.9). Other external charges decreased, which mainly is attributable to an increase in capitalized external consultancy costs related to the RemaSawco business unit's product development. An increased share of subscription agreements will, during a transition period, result in lower operating profit for the Motion Analysis business unit, which delivers high-margin services. An expansion of our own operations in North America increased personnel costs slightly.

Depreciation/amortization amounted to MSEK -4.5 (-4.6), and net financial items amounted to MSEK -0.1 (-0.3).

Result after taxes amounted to MSEK 12.8 (0.1).

Financial position, investments and cash flow

The Group's investments in non-current assets during the quarter amounted to MSEK 6.1 (2.8) of which MSEK 3,6 (2.5) was 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 -2.9 (-4.9). Solidity as of September 30, 2024, amounted to 60 (69) percent. Net indebtedness amounted to 0.1 (0.1) times.

Available cash and cash equivalents including the undrawn part of the overdraft facilities amounted to MSEK 21.8 (12.6) as of September 30, 2024.

THE GROUP'S DEVELOPMENT DURING THE INTERIM PERIOD

Order intake amounted to MSEK 140.5 (75.7). Order backlog as of September 30, 2024, amounted to MSEK 73.0 (38.4).

Net sales amounted to MSEK 139.1 (120.6). Capitalized development expenditure amounted to MSEK 10.9 (6.3) and relates to both business units.

Gross margin amounted to 68 (71) percent.

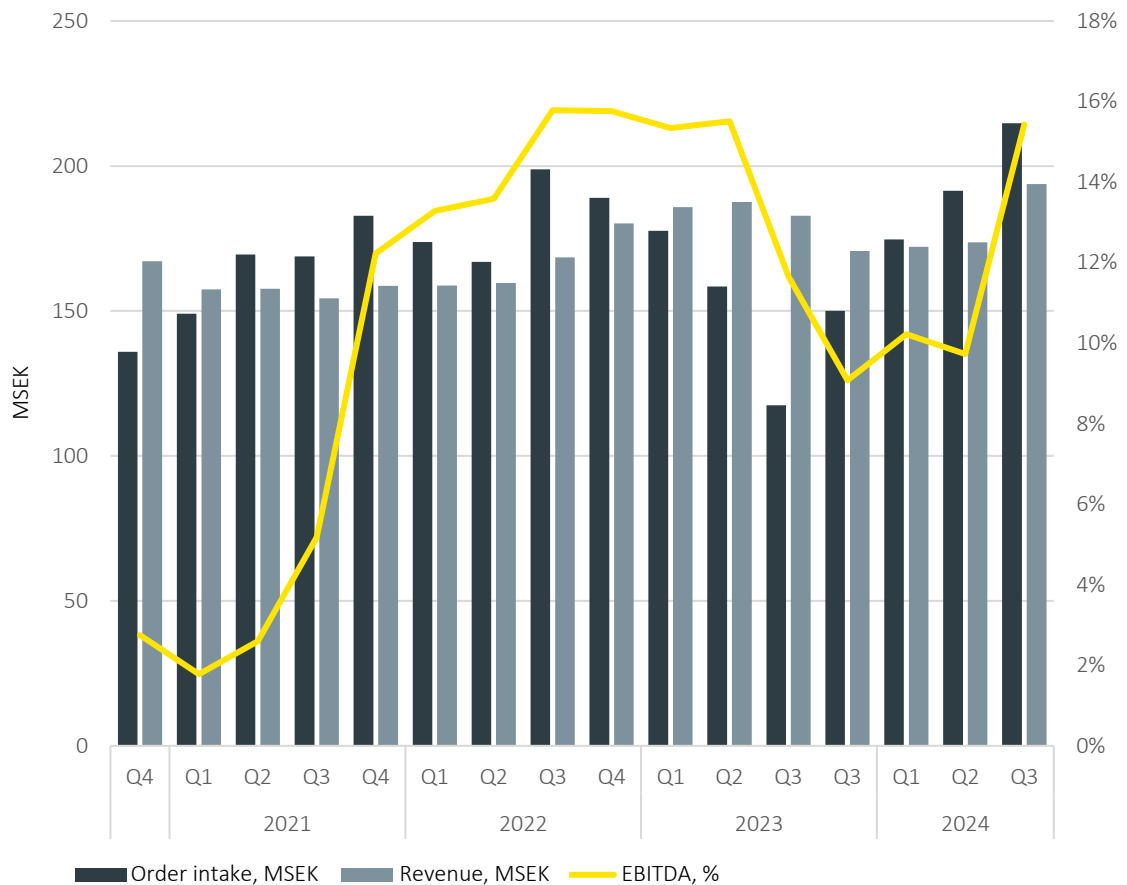
EBITDA amounted to MSEK 25.8 (12.0). Other external charges decreased, which mainly is attributable to an increase in capitalized external consultancy costs related to the RemaSawco business unit's product development. Personnel costs increased as a result of the expansion of our own operations in North America.

Depreciation/amortization amounted to MSEK -13.4 (-16.0). The difference relates mainly to a write-down in the first quarter of 2023 in connection with the termination of a lease contract for office and production premises in Finland.

Net financial items amounted to MSEK -0.4 (-2.2). Most of the difference arises from a one-off item in the first quarter of 2023 related to a write-down of a receivable.

Result after taxes amounted to MSEK 12.4 (-5.8).

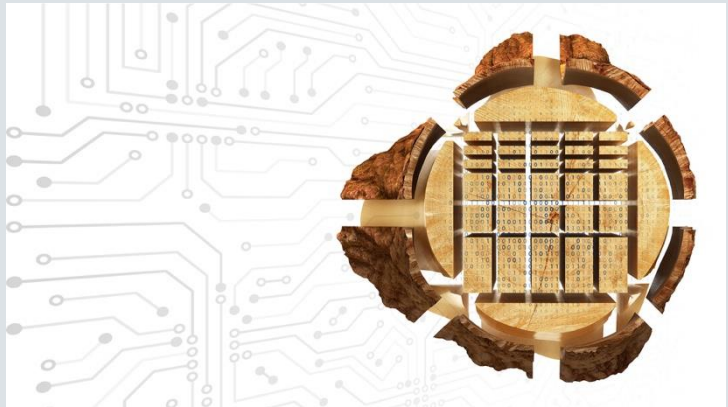
ROLLING 12-MONTH ORDER INTAKE, REVENUE AND EBITDA



The Group's rolling 12-month EBITDA margin during the third quarter amounted to just over 15 percent. The Group's long-term EBITDA target of delivering a stable 15 percent EBITDA margin requires growth in net sales. The pace of the ongoing change in the Motion Analysis business unit, to a higher proportion of subscription and support agreements, may also affect how quickly the long-term goal is achieved. The changed business model will eventually translate into growth in both net sales and EBITDA results.



**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

During the third quarter, the business unit's net sales and EBITDA increased compared to the previous year. This is mainly explained by a sharp increase in deliveries from the order backlog during the quarter. The efficiency measures taken have prepared the organization to handle increasing sales faster and with higher profitability.

The market has been uncertain, with low demand for sawn timber and high raw material prices for sawmills. Limited access to raw materials has further reinforced the market's caution regarding significant investments. RemaSawco's sales strategy has, therefore, been to focus on larger group contracted upgrade programs, resulting in longer business cycles. In the third quarter, however, this work has borne fruit in the form of an increased order intake. Despite the challenges the market is currently facing, the assessment is that demand will gradually recover. However, the timing of this recovery is currently uncertain.

	Jul-Sept 2024	Jul-Sept 2023	Jan-Sept 2024	Jan-Sept 2023	Full year 2023
Order intake, MSEK	27.9	16.0	97.9	52.0	110.6
Net sales, MSEK	44.3	29.2	109.1	93.2	121.2
Capitalized development expenditure, MSEK	1.8	1.0	5.0	2.7	4.0
EBITDA, MSEK	13.7	2.8	22.7	7.5	7.0
EBIDTA margin, %	29.7	9.3	19.9	7.8	5.6

Product development

During the quarter, basic development continued in two areas. In updating existing products, we have focused on our board scanner series, optimization software for timber sorting and sawmill line, updating software for timber measurement, and further developing our new measuring station. The second area covers the new digital solutions for the control and monitoring of the sawmill process. The first release of RS-LogScanner3DX is approaching, with advanced 3D functionality, while X-ray functionality will be gradually introduced.

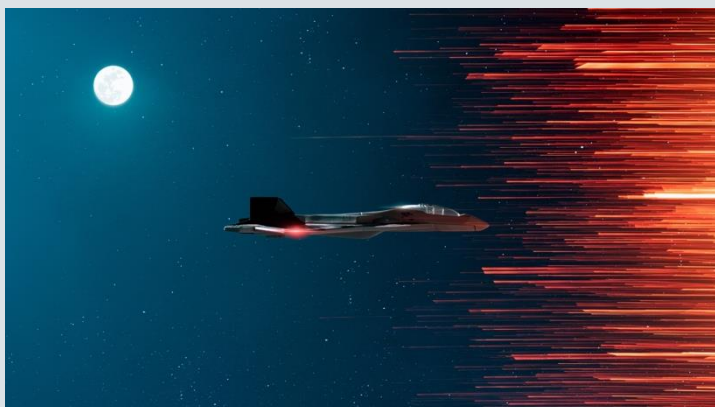
The business unit continues to invest at a high level in product development to achieve scalability and further develop key capabilities for the digitalization and optimization of sawmill processes.

Image 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®.

Performance during the period

The transition to subscription sales has resulted in a strong increase in the business volume of recurring revenues. The order backlog related to subscription and support agreements with future revenue flows amounted to MSEK 18.6 (8.0) at the end of the quarter, which is more than double compared to the previous year. While the transition to subscription typically means lower revenues during a transition period, the market conditions during the quarter have been such that the business unit has managed to increase net sales to MSEK 12.3 (8.4), corresponding to an increase of over 40 percent.

The business unit continued to invest in marketing and sales and accelerated product development during the period. This means that the cost base has gone up and that margins have thus gone down. The business unit's focus on increasing its market presence, both in North America and Asia, has resulted in a strong growth in order intake. During the quarter, the number of orders has risen, while the value has increased by approximately 150 percent compared with the previous year to MSEK 19.2 (7.8).

	Jul-Sept 2024	Jul-Sept 2023	Jan-Sept 2024	Jan-Sept 2023	Full year 2023
Order intake, MSEK	19.2	7.8	42.6	23.7	39.4
Order backlog subscription and support services, MSEK	18.6	8.0	18.6	8.0	8.6
Net sales, MSEK	12.3	8.4	30.0	27.4	39.5
Capitalized development expenditure, MSEK	1.8	1.5	5.9	3.6	6.0
EBITDA, MSEK	4.7	3.3	7.0	8.8	14.2
EBIDTA margin, %	33.3	33.3	19.5	28.4	31.2

Product development

The business unit remains focused on delivering the first commercial release of the new platform by the end of 2024. Implementation of machine learning algorithms in software has begun to adapt products to new requirements while improving product performance effectively.

OTHER INFORMATION

Parent Company

The Parent Company's net sales for the third quarter amounted to MSEK 0.7 (1.0). Operating profit amounted to MSEK -1.1 (-1.2). Result after taxes amounted to MSEK -1.1 (-1.2). Investments in fixed assets amounted to MSEK 0.0 (0.0). The Parent Company's available liquid funds as of September 30, 2024, amounted to MSEK 0.0 (0.0). The Parent Company's equity as of September 30, 2024, amounted to MSEK 104.7 (100.0) and the solidity was 98 (98) percent.

Significant events after the period

After the end of the third quarter, the business area RemaSawco has received 2 orders for a total of approximately SEK 4 million regarding so-called SLA agreements. The order of approximately SEK 2.1 million that was communicated on October 2 was received from the customer on September 30 and is included in the order intake for the third quarter.

A Nomination Committee has been appointed for the 2025 Annual General Meeting, and it consists of Hans Karlsson (representing Tibia Konsult AB), Thomas Wernhoff (own holding), and Hans Malm (own holding). The Nomination Committee has appointed Hans Karlsson as Chairman.

Personnel

The average number of employees was 70 (67). The number of employees at the end of the period was 75.

Number of shares

The number of shares on September 30, 2024, 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 15 and relevant reconciliations on page 14.

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 2023 Annual Report. No significant new or changed risks or uncertainties have been identified during the quarter.

Financial calendar

Year-end report 2024	February 7, 2025
Interim report January-March	April 25, 2025
Annual General Meeting 2025	May 8, 2025
Interim report January-June	July 17, 2025

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

The Board of Directors and the Chief Executive Officer confirm that the interim report provides a true and fair overview of the Parent Company's and the Group's operations, financial position, and performance and describes the material risks and uncertainties facing the Parent Company and the companies included in the Group.

Linköping, Sweden, November 8, 2024

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 08:00 AM on November 8, 2024.

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

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, 2024, 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 on the date indicated by our electronic signature

PricewaterhouseCoopers AB

Andreas Skogh

Authorized Public Accountant

CONDENSED CONSOLIDATED INCOME STATEMENT

MSEK	Jul–Sept 2024	Jul–Sept 2023	Jan–Sept 2024	Jan–Sept 2023	Full year 2023
Net sales	56.6	37.6	139.1	120.6	160.7
Capitalized development expenditure	3.6	2.5	10.9	6.3	10.0
Total revenue	60.2	40.1	150.0	126.9	170.7
Raw materials and consumables	-18.4	-11.0	-44.6	-35.5	-47.9
Other external charges	-7.0	-8.1	-24.4	-27.4	-36.7
Personnel costs	-17.1	-15.9	-54.8	-52.1	-70.0
Depreciation/amortization of fixed intangible and tangible assets	-4.5	-4.6	-13.4	-16.0	-20.8
Other operating income	-	-	-	0.1	-
Other operating costs	-0.4	-0.2	-0.4	-	-0.6
Operating profit	12.8	0.3	12.4	-4.0	-5.3
Net financial items	-0.1	-0.3	-0.4	-2.2	-2.1
Profit/loss before tax	12.7	0.0	12.0	-6.2	-7.4
Tax	0.1	0.1	0.4	0.4	0.6
Profit/loss for the period	12.8	0.1	12.4	-5.8	-6.8
Of which attributable to the Parent Company shareholders	12.8	0.1	12.4	-5.8	-6.8
Earnings per share ¹⁾	0.14	0.00	0.14	-0.07	-0.08
Diluted earnings per share ¹⁾	0.14	0.00	0.14	-0.07	-0.08
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

¹⁾ Calculated on the basis of average number of shares

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

MSEK	Jul–Sept 2024	Jul–Sept 2023	Jan–Sept 2024	Jan–Sept 2023	Full year 2023
Profit/loss for the period	12.8	0.1	12.4	-5.8	-6.8
Other comprehensive income					
Translation differences	0.0	0.0	0.0	0.2	-0.1
Total other comprehensive income	0.0	0.0	0.0	0.2	-0.1
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD					
Of which attributable to Parent Company shareholders	12.8	0.1	12.4	-5.6	-6.9

CONDENSED CONSOLIDATED BALANCE SHEETS

MSEK	Sept 30, 2024	Sept 30, 2023	Dec 31, 2023
Fixed assets			
Goodwill	36.1	36.1	36.1
Customer relations	16.1	20.4	19.3
Capitalized development expenditure	51.4	36.0	38.6
Tangible fixed assets	2.3	1.0	1.1
Right-of-use assets	18.8	10.2	10.0
Deferred tax assets	19.1	19.1	19.1
Total fixed assets	143.8	122.8	124.2
Current assets			
Inventories	14.5	14.2	13.1
Trade receivables	39.2	28.6	33.2
Other receivables	9.1	4.8	5.9
Cash and cash equivalents	6.9	0.7	6.6
Total current assets	69.7	48.3	58.8
TOTAL ASSETS	213.5	171.1	183.0
Equity (attributable in full to Parent Company shareholders)	128.2	117.3	116.0
Non-current liabilities			
Lease liabilities	11.4	4.4	4.2
Deferred tax liabilities	5.1	5.6	5.5
Total non-current liabilities	16.5	10.0	9.7
Current liabilities			
Borrowings from credit institutions	3.6	7.7	5.4
Trade payables	21.3	11.7	12.2
Lease liabilities	6.4	5.0	5.0
Other current payables	37.5	19.4	34.7
Total current liabilities	68.8	43.8	57.3
TOTAL EQUITY AND LIABILITIES	213.5	171.1	183.0

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

MSEK	Sept 30, 2024	Sept 30, 2023	Full year 2023
Opening balance sheet equity	116.0	122.9	122.9
Net profit for the year	12.4	-5.8	-6.8
Other comprehensive income for the period	-0.2	0.2	-0.1
Total comprehensive income for the period	12.2	-5.6	-6.9
Closing balance sheet equity	128.2	117.3	116.0

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

MSEK	Jul-Sept 2024	Jul-Sept 2023	Jan-Sept 2024	Jan-Sept 2023	Full year 2023
Cash flow from operating activities before change in working capital	16.9	4.8	23.8	10.2	13.2
Change in working capital					
Change in inventories	-2.9	3.0	-1.4	-0.6	0.5
Change in receivables	-18.9	-0.4	-9.5	-6.4	-11.8
Change in current liabilities	8.1	-9.5	11.8	-16.1	-0.2
Total change in working capital	-13.7	-6.9	0.9	-23.1	-11.5
Cash flow from operating activities	3.2	-2.1	24.7	-12.9	1.7
Investing activities					
Acquisition of intangible fixed assets	-5.9	-2.6	-17.6	-6.4	-10.8
Acquisition of tangible fixed assets	-0.2	-0.2	-1.3	-0.4	-0.6
Cash flow from investing activities	-6.1	-2.8	-18.9	-6.8	-11.4
Operating cash flow	-2.9	-4.9	5.8	-19.7	-9.7
Financing activities					
Change in borrowings	-1.7	0.5	-1.8	2.4	0.0
Amortization of lease liabilities	-1.3	-1.5	-3.7	-4.5	-6.2
Cash flow from financing activities	-3.0	-1.0	-5.5	-2.1	-6.2
Cash flow for the period	-5.9	-5.9	0.3	-21.8	-15.9
Cash and cash equivalents at the beginning of the year	12.8	6.6	6.6	22.5	22.5
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	6.9	0.7	6.9	0.7	6.6

SEGMENT REPORTING

MSEK	Jul–Sept 2024	Jul–Sept 2023	Jan–Sept 2024	Jan–Sept 2023	Full year 2023
Revenue					
RemaSawco	46.1	30.2	114.1	95.9	125.2
Motion Analysis	14.1	9.9	35.9	31.0	45.5
Parent Company & consolidated items	-	-		-	-
Total revenue	60.2	40.1	150.0	126.9	170.7
EBITDA					
RemaSawco	13.7	2.8	22.7	7.5	7.0
Motion Analysis	4.7	3.3	7.0	8.8	14.2
Admin & consolidated items	-1.1	-1.2	-3.9	-4.3	-5.7
EBITDA total	17.3	4.9	25.8	12.0	15.5
Depreciation/amortization of fixed intangible and tangible assets	-4.5	-4.6	-13.4	-16.0	-20.8
Operating profit	12.8	0.3	12.4	-4.0	-5.3
Net financial items	-0.1	-0.3	-0.4	-2.2	-2.1
Profit/loss before tax	12.7	0.0	12.0	-6.2	-7.4
Tax	0.1	0.1	0.4	0.4	0.6
Profit/loss for the period	12.8	0.1	12.4	-5.8	-6.8

KEY FIGURES

	Jul-Sept 2024	Jul-Sept 2023	Jan-Sept 2024	Jan-Sept 2023	Full year 2023
Order intake, MSEK	47.1	23.8	140.5	75.7	150.0
Order backlog, MSEK	73.0	38.4	73.0	38.4	73.3
Gross margin, %	67	71	68	71	70
EBITDA, MSEK	17.3	4.9	25.8	12.0	15.5
EBITDA margin, %	28.7	12.2	17.2	9.5	9.1
Operating margin, %	21.3	0.7	8.3	-3.2	-3.1
Profit margin, %	21.1	0.0	8.0	-4.9	-4.3
Return on capital employed, %	8.6	0.2	8.3	neg	neg
Return on equity, %	10.0	0.1	9.7	neg	neg
Solidity, %	60	69	60	69	63
Debt/equity ratio	0.1	0.1	0.1	0.1	0.1
Net investments in non-current assets, MSEK	6.1	2.8	18.9	6.8	11.4
Depreciation/amortization of fixed assets, MSEK	4.5	4.6	13.4	16.0	20.8
Average number of employees	73	67	70	67	67
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	0.14	0.00	0.14	-0.07	-0.08
Cash flow per share calculated on the basis of average number of shares, SEK	-0.03	-0.05	0.07	-0.22	-0.14
Equity per share calculated on the basis of number of shares at the end of the period, SEK	1.44	1.31	1.44	1.31	1.30

QUARTERLY OVERVIEW, THE GROUP

Quarterly overview, the Group	2021	2022				2023				2024		
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Order intake, MSEK	51.7	42.7	39.8	64.7	41.8	31.4	20.5	23.8	74.3	56.1	37.3	47.1
Order backlog, MSEK	72.0	83.6	82.7	96.8	81.9	74.9	52.2	38.4	73.3	91.8	83.4	73.0
Net sales, MSEK	42.6	31.6	42.4	43.1	54.0	38.3	44.7	37.6	40.1	38.2	44.3	56.6
Capitalized development costs, MSEK	1.6	2.8	2.6	1.8	1.9	1.7	2.1	2.5	3.7	3.2	4.1	3.6
Gross margin, %	70	70	64	71	64	71	70	71	69	70	67	67
EBITDA, MSEK	7.5	2.2	4.2	12.7	9.3	2.3	4.8	4.9	3.5	4.4	4.1	17.3
EBITDA margin, %	17.0	6.4	9.3	28.3	16.6	5.8	10.3	12.2	8.0	10.6	8.5	28.7
Operating profit (EBIT), MSEK	2.9	-3.1	-0.5	8.1	4.6	-4.6	0.3	0.3	-1.3	0.1	-0.5	12.8
EBIT margin, %	6.6	-9.0	-1.1	18.0	8.2	-11.5	0.6	0.7	-3.0	0.2	-1.0	21.3
Return on equity, %	2.5	neg	neg	6.8	3.7	neg	0.1	0.1	neg	0.0	neg	10.0
Solidity, %	58	58	55	59	63	62	65	69	63	61	59	60
Earnings per share, SEK	0.03	-0.04	-0.01	0.09	0.05	-0.07	0.00	0.00	-0.01	0.00	0.00	0.14
Cash flow per share, SEK	0.06	0.01	0.08	0.01	0.13	-0.08	-0.10	-0.07	0.10	0.04	0.06	-0.03
Equity per share, SEK	1.28	1.24	1.24	1.33	1.38	1.31	1.31	1.31	1.30	1.30	1.30	1.44
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 2024	Jul-Sept 2023	Jan-Sept 2024	Jan-Sept 2023	Full year 2023
Operating profit	12.8	0.3	12.4	-4.0	-5.3
Depreciation/amortization of fixed tangible and intangible assets	4.5	4.6	13.4	16.0	20.8
EBITDA	17.3	4.9	25.8	12.0	15.5

Net debt

MSEK	Sept 30, 2024	Sept 30, 2023	Dec 31, 2023
Cash and cash equivalents	6.9	0.7	6.6
Lease liability	17.8	9.4	9.2
Interest-bearing liabilities	3.6	7.7	5.4
Net debt	14.5	16.4	8.0

DEFINITIONS

Income measures

EBITDA	Operating profit plus depreciation/amortization on tangible and intangible assets.
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Margins

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

Return

Return on capital employed, %	Operating profit plus interest income in relation to capital employed. Capital employed comprises the balance sheet total less non-interest-bearing liabilities.
Return on equity, %	Profit/loss for the period in relation to 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 payable minus cash and cash equivalents.

Other

Net investments in non-current assets, MSEK	Net investments in both intangible and tangible fixed 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	Jul-Sept 2024	Jul-Sept 2023	Jan-Sept 2024	Jan-Sept 2023	Full year 2023
Net sales	0.7	1.0	2.3	3.1	4.0
Other external charges	-1.0	-1.4	-3.5	-4.2	-5.6
Personnel costs	-0.8	-0.8	-2.7	-3.2	-4.1
Other operating costs	-	-	-	-	-
Operating profit	-1.1	-1.2	-3.9	-4.3	-5.7
Net financial items	0.0	0.0	0.0	-0.8	-0.8
Profit/loss before tax	-1.1	-1.2	-3.9	-5.1	-6.5
Appropriations	-	-	-	-	10.0
Tax	-	-	-	-	-
Profit/loss for the period	-1.1	-1.2	-3.9	-5.1	3.5

PARENT COMPANY'S CONDENSED STATEMENT OF COMPREHENSIVE INCOME

MSEK	Jul-Sept 2024	Jul-Sept 2023	Jan-Sept 2024	Jan-Sept 2023	Full year 2023
Profit/loss for the period	-1.1	-1.2	-3.9	-5.1	3.5
Other comprehensive income	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-1.1	-1.2	-3.9	-5.1	3.5

PARENT COMPANY'S CONDENSED BALANCE SHEETS

MSEK	Sept 30, 2024	Sept 30, 2023	Dec 31, 2023
Fixed assets			
Shares in subsidiaries	82.8	82.8	82.8
Deferred tax assets	12.0	12.0	12.0
Total fixed assets	94.8	94.8	94.8
Current assets			
Receivables from Group companies	11.2	5.2	14.2
Other current receivables	1.0	1.6	1.0
Cash and cash equivalents	0.0	0.0	0.0
Total current assets	12.2	6.8	15.2
TOTAL ASSETS	107.0	101.6	110.0
Equity (attributable in full to Parent Company shareholders)	104.7	100.0	108.6
Current liabilities			
Trade payables	0.1	0.6	0.3
Liabilities to Group companies	0.9	-	-
Other current payables	1.3	1.0	1.1
Total current liabilities	2.3	1.6	1.4
TOTAL EQUITY AND LIABILITIES	107.0	101.6	110.0

PARENT COMPANY'S CONDENSED STATEMENT OF CHANGES IN EQUITY

MSEK	Sept 30, 2024	Sept 30, 2023	Full year 2023
Opening balance equity	108.6	105.1	105.1
Profit/loss for the period	-3.9	-5.1	3.5
Other comprehensive income for the period			
Total comprehensive income for the period	-3.9	-5.1	3.5
Closing balance equity	104.7	100.0	108.6

PARENT COMPANY'S CONDENSED CASH FLOW STATEMENTS

MSEK	Jul-Sept 2024	Jul-Sept 2023	Jan-Sept 2024	Jan-Sept 2023	Full year 2023
Cash flow from operating activities before change in working capital	-1.1	-1.2	-3.9	-5.2	3.5
Change in working capital					
Change in receivables	0.2	0.3	0.0	1.4	2.0
Change in current liabilities	0.4	0.7	0.0	-0.1	-0.4
Total change in working capital	0.6	1.0	0.0	1.3	1.6
Cash flow from operating activities	-0.5	-0.2	-3.9	-3.9	5.1
Investing activities					
Change in borrowings to/from subsidiaries	0.3	0.2	3.9	3.6	-5.4
Cash flow from investing activities	0.3	0.2	3.9	3.6	-5.4
Operating cash flow	-0.2	0.0	0.0	-0.3	-0.3
Financing activities					
Change in borrowings	-	-	-	-	-
Cash flow from financing activities	0.0	0.0	0.0	0.0	0.0
Cash flow for the period	-0.2	0.0	0.0	-0.3	-0.3
Cash and cash equivalents at the beginning of the period	0.2	0.0	0.0	0.3	0.3
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	0.0	0.0	0.0	0.0	0.0