

INTERIM REPORT

Image Systems AB (publ)

January–June 2021

Motion Analysis maintains high margins

RemaSawco increases order intake

Second quarter 2021

- Revenue amounted to MSEK 44.1 (43.8).
- EBITDA amounted to MSEK 3.6 (2.3).
- Operating profit amounted to MSEK -0.9 (-2.4).
- Result after taxes amounted to MSEK -1.3 (-1.7).
- Order intake amounted to MSEK 46.7 (26.3).
- Order backlog amounted to MSEK 62.4 (45.9).
- Gross margin amounted to 59 (56) percent.
- Basic and diluted earnings per share amounted to SEK -0.01 (-0.02).

January–June 2021

- Revenue amounted to MSEK 78.4 (87.9).
- EBITDA amounted to MSEK 4.1 (4.6).
- Operating profit amounted to MSEK -5.3 (-4.6).
- Result after taxes amounted to MSEK -5.7 (-5.0).
- Order intake amounted to MSEK 98.4 (64.8).
- Order backlog amounted to MSEK 62.4 (45.9).
- Gross margin amounted to 64 (58) percent.
- Basic and diluted earnings per share amounted to SEK -0.06 (-0.06).

Significant events after the period

- The business unit RemaSawco receives orders of more than MSEK 7 from the Nordic market and more than MSEK 2 from North America. Both orders concern projects relating to the product Boardscanner.

Q2

JANUARY
– JUNE
2021

A WORD FROM THE CEO

It is gratifying to note that Motion Analysis, despite a slightly lower level of net sales, continues to show high margins. Motion Analysis is developing subscription-based sales at a pace that enables continued profitability over a longer transitional period.

RemaSawco's customers, i.e., the sawmills, are seeing their performance improve as a result of the growth in worldwide demand for sawn wood. The market conditions have been uncertain during the pandemic, and our customers have held back on investments. Over the course of the first six months of the year, we have seen investments in RemaSawco's product portfolio increase mainly in the Norwegian and Swedish markets. Net sales and profit still remain below the Group's target as a consequence of the historically low levels in early 2020.

We also welcome Emilien Saindon as the new Business Unit Manager of RemaSawco. Emilien has the background and skills needed to develop the profitability and products and contribute to digitalization in the context of RemaSawco's business.



DEVELOPMENT IN THE SECOND QUARTER

RemaSawco

The second quarter saw a continuation of the positive trend on the market. Raw material prices are low and sales prices high for the sawmills, and the industry is booming. The Finnish market is currently focused on production, but shows a greater willingness to make investments. Demand remains strong in the Board Inspection segment, where RemaSawco's Boardscanner is proving successful both on the domestic market and on export.

Order intake for the quarter is markedly improved over the previous year. Sales revenue during the quarter is at the level of the previous year. At the same time, gross margin is strengthened, which has a positive impact on performance.

Motion Analysis

The activity in the Asian market has continued, and we have received a number of major license orders from Korea, Japan and China. A multi-annual support contract relating to TEMA was concluded in the French market. The company has decided to introduce subscription-based sales at a pace that enables continued profitability over a longer transitional period. Net sales for Motion Analysis is on a par with the preceding year, and margins remain solid and stable.

FINANCIAL INFORMATION

Second quarter

Order intake amounted to MSEK 46.7 (26.3). Order backlog as of June 30, 2021, amounted to MSEK 62.4 (45.9). Revenue amounted to MSEK 44.1 (43.8), of which 1.5 (1.0) related to capitalized development expenses. Gross margin amounted to 59 (56) percent. EBITDA improved by MSEK 1.3 and totaled MSEK 3.6 (2.3). Depreciation/amortization decreased by MSEK 0.3 to MSEK 4.5 (4.7). Net financial items amounted to MSEK -0.5 (0.7). Result after taxes amounted to MSEK -1.3 (-1.7). Revenue and EBITDA per business unit is presented on page 6.

January–June 2021

Order intake amounted to MSEK 98.4 (64.8). Order backlog as of June 30, 2021, amounted to MSEK 62.4 (45.9). Revenue amounted to MSEK 78.4 (87.9), of which 3.7 (2.1) related to capitalized development expenses. Gross margin amounted to 64 (58) percent. EBITDA deteriorated by MSEK 0.5 and totaled MSEK 4.1 (4.6). Depreciation/amortization increased by MSEK 0.2 to MSEK 9.4 (9.2). Net financial items amounted to MSEK -0.7 (-0.6). Comparative amounts for personnel costs are established in conjunction with the table Condensed consolidated income statement on page 5, with a positive effect from COVID-19-related reductions in social security contributions in 2020 and a negative effect of one-off items during the first quarter of 2021. Result after taxes amounted to MSEK -5.7 (-5.0). Revenue and EBITDA per business unit is presented on page 6.

Investments and financial position

The Group's investments in non-current assets amounted to MSEK 4.1 (2.1) of which MSEK 4.0 (2.1) is related to capitalized development projects. Available liquid funds including undrawn overdraft facilities amounted to MSEK 15.1 (9.5) as of June 30, 2021. The operational cash flow amounted to MSEK -5.3 (4.4). Solidity amounted to 54 (56) percent as of June 30, 2021. Net indebtedness amounted to 0.3 (0.4) times.

RESEARCH AND DEVELOPMENT

RemaSawco

RemaSawco carried out two software releases during the period, one for the Boardscanner and one for the Optimization software (RS-OPT). The product updates are now available to our customers.

In the Basajaun project, an EU-funded project where RemaSawco is one of several participants, a mid-term review was conducted with very successful results. The purpose of the project is to analyze digital value chains from forest to building, and it reached the implementation phase some time ago.

The effort to realize synergies arising from range optimizations is ongoing. Among other things, this will manifest in the release of the next-generation 3D measuring frame in the fall of 2021.

The internal project "Connected Sawmill", which aims to provide real-time information, support for decisions, optimization suggestions and various reports to the sawmill in a clear manner, continues. Development efforts and productization will intensify moving forward.

Motion Analysis

During the second quarter, the company prepared the delivery of a larger DIC system to Croatia in parallel with the development of the new software platform. In addition, we have implemented a range of customer-developed new features and algorithms in our standard solutions, and these are now available off the shelf.

THE PARENT COMPANY

The Parent Company's revenue amounted to MSEK 1.7 (2.1). Operating profit amounted to MSEK -1.6 (-2.0). Result after taxes amounted to MSEK -1.4 (-2.3). Investments in fixed assets amounted to MSEK 0.0 (0.0). The Parent Company's available liquid funds amounted to MSEK 0.0 (0.2) as of June 30, 2021. The Parent Company's equity amounted to MSEK 133.3 (134.1) as of June 30, 2020, and solidity amounted to 90 (87) percent.

PERSONNEL

The average number of employees was 84 (91).

NUMBER OF SHARES

The number of shares on June 30, 2021, 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 10 and relevant reconciliations on page 13.

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 2020 Annual Report. The effects of the COVID-19 pandemic will influence the business conditions and the opportunities for travel moving forward, and may delay orders and project execution. We do not consider the long-term effects of COVID-19 to have any material impact on the Group. Aside from the above, no significant new or changed risks or uncertainties have been identified during the quarter.

This interim report has not been reviewed by the Company's auditors.

Linköping, August 20, 2021

Johan Friberg

CEO

Upcoming report dates:

Interim report July-September 2021
Year-end Report, 2021
Interim report January-March 2022
Annual General Meeting 2022

November 12, 2021
February 11, 2022
May 5, 2022
May 5, 2022

The information in this report is disclosed pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out above, on August 20, 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 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

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

CONDENSED CONSOLIDATED INCOME STATEMENT

MSEK	Apr-June 2021	Apr-June 2020	Jan-June 2021	Jan-June 2020	Full year 2020
Sales revenue	42.6	42.8	74.7	85.8	162.7
Capitalized development costs	1.5	1.0	3.7	2.1	4.5
Total revenue	44.1	43.8	78.4	87.9	167.2
Raw materials and consumables	-17.6	-18.8	-27.2	-35.7	-64.5
Other external charges	-5.5	-5.0	-10.5	-11.2	-24.6
Personnel costs *	-17.3	-17.4	-36.6	-36.4	-72.9
Depreciation/amortization of fixed tangible and intangible assets	-4.5	-4.7	-9.4	-9.2	-17.5
Other operating income	-	-	-	-	-
Other operating costs	-0.1	-0.3	0.0	-	-0.6
Operating profit	-0.9	-2.4	-5.3	-4.6	-12.9
Net financial items	-0.5	0.7	-0.7	-0.6	-3.5
Profit before tax	-1.4	-1.7	-6.0	-5.2	-16.4
Tax	0.1	-	0.3	0.2	-1.9
Profit/loss for the period	-1.3	-1.7	-5.7	-5.0	-18.3
Of which attributable to the Parent Company shareholders	-1.3	-1.7	-5.7	-5.0	-18.3
Earnings per share ¹⁾	-0.01	-0.02	-0.06	-0.06	-0.21
Diluted earnings per share ¹⁾	-0.01	-0.02	-0.06	-0.06	-0.21
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

* Personnel costs, comparative amounts

MSEK	Apr-June 2021	Apr-June 2020	Jan-June 2021	Jan-June 2020	Full year 2020
Recognized personnel costs	-17.3	-17.4	-36.6	-36.4	-72.9
Reduction in social security contributions	-	+1.5	-	+2.0	+2.0
Pension costs for the period 2014-2020	-	-	-1.4	-	-
Personnel costs, comparative amounts	-17.3	-18.9	-35.2	-38.4	-74.9

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

MSEK	Apr-June 2021	Apr-June 2020	Jan-June 2021	Jan-June 2020	Full year 2020
Profit/loss for the period	-1.3	-1.7	-5.7	-5.0	-18.3
Other comprehensive income					
Translation differences	0.0	-	0.0	0.1	0.0
Tax relating to attributable items					
Total other comprehensive income	0.0	0.0	0.0	0.1	0.0
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-1.3	-1.7	-5.7	-4.9	-18.4
Of which attributable to Parent Company shareholders	-1.3	-1.7	-5.7	-4.9	-18.4

1) Calculated on the basis of average number of shares

SEGMENT REPORTING

The Group

Revenue and profit per segment	Apr-June 2021	Apr-June 2020	Jan-June 2021	Jan-June 2020	Full year 2020
RemaSawco	37.2	37.0	62.9	69.5	132.6
Motion Analysis	6.9	6.8	15.5	18.4	34.6
Parent Company & consolidated items	-	-	-	-	-
Total revenue	44.1	43.8	78.4	87.9	167.2
EBITDA					
RemaSawco	2.6	1.1	0.6	-1.3	-2.2
Motion Analysis	1.8	1.9	5.1	7.9	12.7
Admin & consolidated items	-0.8	-0.7	-1.6	-2.0	-5.9
EBITDA total	3.6	2.3	4.1	4.6	4.6
Depreciation/amortization of fixed tangible and intangible assets	-4.5	-4.7	-9.4	-9.2	-17.5
Operating profit	-0.9	-2.4	-5.3	-4.6	-12.9
Net financial items	-0.5	0.7	-0.7	-0.6	-3.5
Profit before tax	-1.4	-1.7	-6.0	-5.2	-16.4
Tax	0.1	0.0	0.3	0.2	-1.9
Profit/loss for the period	-1.3	-1.7	-5.7	-5.0	-18.3

CONDENSED CONSOLIDATED BALANCE SHEET

MSEK	June 30 2021	June 30 2020	Dec 31 2020
Non-current assets			
Goodwill	36.1	36.1	36.1
Customer relations	32.2	40.3	36.1
Trademarks	1.5	3.2	2.2
Capitalized development costs	29.3	24.9	26.5
Tangible fixed assets	25.9	23.2	25.5
Deferred tax assets	19.1	21.6	19.1
Total non-current assets	144.1	149.3	145.5
Current assets			
Inventories	13.2	11.3	11.5
Trade receivables	30.0	30.4	17.3
Other receivables	11.9	31.4	15.2
Cash and cash equivalents	2.2	3.2	3.8
Total current assets	57.3	76.3	47.8
TOTAL ASSETS	201.4	225.6	193.3
Equity (attributable in full to Parent Company shareholders)	108.1	127.3	113.8
Non-current liabilities			
Borrowings from credit institutions	3.1	-	-
Lease liabilities	14.8	13.8	15.9
Deferred tax liabilities	6.9	7.5	7.2
Total non-current liabilities	24.8	21.3	23.1
Current liabilities			
Borrowings from credit institutions	12.0	17.2	11.4
Provisions for contingent consideration	-	16.2	-
Trade payables	23.2	15.4	16.3
Lease liabilities	5.2	3.3	3.8
Other current payables	28.1	24.9	24.9
Total current liabilities	68.5	77	56.4
TOTAL EQUITY AND LIABILITIES	201.4	225.6	193.3

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	June 30 2021	June 30 2020	Full year 2020
Opening balance equity	113.8	132.2	132.2
Net profit for the year	-5.7	-5.0	-18.3
Other comprehensive income for the period	0.0	0.1	0.0
Total comprehensive income for the period	-5.7	-4.9	-18.4
Closing balance equity	108.1	127.3	113.8

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

MSEK	Apr-June 2021	Apr-June 2020	Jan-June 2021	Jan-June 2020	Full year 2020
Cash flow from operating activities before change in working capital	3.0	1.6	3.2	2.5	-8.7
Change in working capital					
Increase (-)/Decrease (+) in inventories	-1.0	-0.7	-1.7	-0.9	-1.1
Increase (-)/Decrease (+) in operating receivables	-10.2	2.2	-10.0	7.3	37.9
Increase (+)/Decrease (-) in current liabilities	8.5	-0.6	7.3	-2.4	-2.0
Total change in working capital	-2.7	0.9	-4.4	4.0	34.8
Cash flow from operating activities	0.3	2.5	-1.2	6.5	26.1
Investing activities					
Acquisition of Group companies	-	-	-	-	-12.0
Acquisition of intangible fixed assets	-1.8	-1.0	-4.0	-2.1	-4.8
Acquisition of tangible fixed assets	-0.1	-	-0.1	-	-0.9
Cash flow from investing activities	-1.9	-1.0	-4.1	-2.1	-17.7
Operating cash flow	-1.6	1.5	-5.3	4.4	8.4
Financing activities					
Increase (+) of borrowings	0.3	-	3.7	-	-
Decrease (-) of borrowings	-	-0.6	-	-4.4	-7.8
Cash flow from financing activities	0.3	-0.6	3.7	-4.4	-7.8
Cash flow for the period	-1.3	0.9	-1.6	0.0	0.6
Cash and cash equivalents at the beginning of the period	3.5	2.3	3.8	3.2	3.2
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	2.2	3.2	2.2	3.2	3.8

INDICATORS

The Group	Apr-June 2021	Apr-June 2020	Jan-June 2021	Jan-June 2020	Full year 2020
Order intake, MSEK	46.7	26.3	98.4	64.8	135.9
Order backlog, MSEK	62.4	45.9	62.4	45.9	39.0
Gross margin, %	59	56	64	58	61
Operating margin, %	neg	neg	neg	neg	neg
Profit margin, %	neg	neg	neg	neg	neg
Return on capital employed, %	neg	neg	neg	neg	neg
Return on equity, %	neg	neg	neg	neg	neg
Solidity, %	54	56	54	56	59
Debt/equity ratio	0.3	0.4	0.3	0.4	0.2
Net investments in non-current assets, MSEK	1.9	1.0	4.0	2.1	17.7
Depreciation/amortization of fixed assets, MSEK	4.5	4.7	9.4	9.2	17.5
Average number of employees	84	91	82.5	91	90
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	-0.01	-0.02	-0.06	-0.06	-0.21
Cash flow per share ¹⁾ , SEK	-0.02	0.02	-0.06	0.05	0.09
Equity per share ²⁾ , SEK	1.21	1.43	1.21	1.43	1.28

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

	2021		2020				2019				2018	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
The Group												
Order intake, MSEK	46.7	51.7	37.7	33.4	26.3	38.5	70.3	24.1	43.3	73.3	74.8	27.8
Order backlog, MSEK	62.4	60.4	39.0	41.0	45.9	58.1	64	54.5	84.2	98.5	65.8	40.8
Revenue, MSEK	44.1	34.3	39.8	39.5	43.8	44.1	54.9	61.3	51.4	44.1	48.2	46.3
Gross margin, %	59	72	64	62	56	62	58	51	66	60	59	63
EBITDA, MSEK	3.6	0.5	-3.9	3.9	2.3	2.2	2.6	6.7	2.4	0.9	1.8	5.6
Operating profit (EBIT), MSEK	-0.9	-4.4	-8.4	0.1	-2.4	-2.2	-1.9	1.7	-1.3	-2.9	-1.1	2.2
Operating margin, %	neg	neg	neg	0	neg	neg	neg	2.4	neg	neg	neg	4.8
Return on equity, %	neg	neg	neg	neg	neg	neg	neg	1.1	neg	neg	neg	0.6
Solidity, %	54	57	59	59	56	57	56	55	58	57	62	34
Earnings per share, SEK	-0.01	-0.05	-0.15	0.00	-0.02	-0.04	-0.03	0.02	-0.02	-0.04	0.17	0.01
Cash flow per share, SEK	-0.02	-0.04	-0.02	0.06	0.02	0.03	0.07	-0.18	-0.12	0.12	-0.18	-0.24
Equity per share, SEK	1.21	1.23	1.28	1.42	1.43	1.45	1.48	1.52	1.5	1.52	1.56	1.82
Average number of shares, millions	89.21	89.21	89.21	89.21	89.21	89.21	89.21	89.21	89.21	89.21	55.22	38.23

DEFINITIONS

Income measures

EBITDA

Operating profit plus depreciation/amortization on tangible and intangible assets

Margins

Operating margin, %

Operating profit in relation to net sales.

Profit margin, %

Profit before tax in relation to net sales.

Return

Return on average capital employed, %

Operating profit plus interest income in relation to average capital employed. Capital employed comprises the balance sheet total less non-interest-bearing liabilities.

Return on average equity, %

Profit/loss for the period in relation to average equity.

Capital structure

Solidity, %

Equity at the end of the period in relation to the balance sheet total.

Debt/equity ratio, times

Interest-bearing liabilities at the end of the period minus cash and cash equivalents in relation to equity.

Net debt, MSEK

Interest payable 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	Apr-June 2021	Apr-June 2020	Jan-June 2021	Jan-June 2020	Full year 2020
Revenue	0.8	1.1	1.7	2.1	4.2
Other external charges	-1.0	-0.6	-1.9	-1.7	-4.5
Personnel costs	-0.6	-1.3	-1.4	-2.5	-5.6
Other operating costs	-	0.1	-	0.1	-
Operating profit	-0.8	-0.7	-1.6	-2.0	-5.9
Net financial items	-0.1	0.6	0.2	-0.3	4.2
Profit before tax	-0.9	-0.1	-1.4	-2.3	-1.7
End-of-year adjustments	-	-	-	-	-
Tax	-	-	-	-	-
Profit/loss for the period	-0.9	-0.1	-1.4	-2.3	-1.7

PARENT COMPANY'S CONDENSED STATEMENT OF COMPREHENSIVE INCOME

MSEK	Apr-June 2021	Apr-June 2020	Jan-June 2021	Jan-June 2020	Full year 2020
Profit/loss for the period	-0.9	-0.1	-1.4	-2.3	-1.7
Other comprehensive income	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-0.9	-0.1	-1.4	-2.3	-1.7

PARENT COMPANY'S CONDENSED BALANCE SHEET

MSEK	June 30, 2021	June 30, 2020	December 31, 2020
Non-current assets			
Shares in subsidiaries	131.2	122.1	131.2
Deferred tax assets	10.9	10.9	10.9
Total non-current assets	142.1	133.0	142.1
Current assets			
Trade receivables	-	0.3	-
Receivables from Group companies	0.6	15.4	-
Other current receivables	4.7	4.6	4.1
Cash and cash equivalents	0.0	0.2	0.4
Total current assets	5.3	20.5	4.5
TOTAL ASSETS	147.4	153.5	146.6
Equity (attributable in full to Parent Company shareholders)	133.3	134.1	134.7
Current liabilities			
Provisions for contingent consideration	-	16.2	-
Trade payables	0.2	0.3	0.4
Liabilities to Group companies	13.4	1.0	9.1
Other current payables	0.5	1.9	2.4
Total current liabilities	14.1	19.4	11.9
TOTAL EQUITY AND LIABILITIES	147.4	153.5	146.6

PARENT COMPANY'S CONDENSED STATEMENT OF CHANGES IN EQUITY

MSEK	June 30 2021	June 30 2020	Full year 2020
Opening balance equity	134.7	136.4	136.4
Profit/loss for the period	-1.4	-2.3	-1.7
Other comprehensive income for the period			
Total comprehensive income for the period	-1.4	-2.3	-1.7
Closing balance equity	133.3	134.1	134.7

PARENT COMPANY'S CONDENSED CASH FLOW STATEMENT

MSEK	Apr-June 2021	Apr-June 2020	Jan-June 2021	Jan-June 2020	Full year 2020
Cash flow from operating activities before change in working capital	-0.8	-1.5	-1.6	-1.8	-5.1
Change in working capital					
Increase (-)/Decrease (+) in receivables	0.2	0.5	-0.4	-1.1	-0.6
Increase (+)/Decrease (-) in current liabilities	-1.4	-0.3	-2	-0.2	0.3
Total change in working capital	-1.2	0.2	-2.4	-1.3	-0.3
Cash flow from operating activities	-2.0	-1.3	-4.0	-3.1	-5.4
Investing activities					
Acquisition of subsidiaries					-12.0
Borrowings from (+)/to (-) subsidiaries	2.0	1.5	3.6	3.2	17.7
Cash flow from investing activities	2.0	1.5	3.6	3.2	5.7
Operating cash flow	0.0	0.2	-0.4	0.1	0.3
Financing activities					
Increase (+)/Decrease (-) of borrowings	-	-	-	-	-
Cash flow from financing activities	0.0	0.0	0.0	0.0	0.0
Cash flow for the period	0.0	0.2	-0.4	0.1	0.3
Cash and cash equivalents at the beginning of the period	0.0	0.0	0.4	0.1	0.1
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	0.2	0.0	0.2	0.4

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 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 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	Apr-June 2021	Apr- June 2020	Jan- June 2021	Jan- June 2020	Full year 2020
Operating profit	-0.9	-2.4	-5.3	-4.6	-12.9
Depreciation/amortization of fixed tangible and intangible assets	4.5	4.7	9.4	9.2	17.5
EBITDA	3.6	2.3	4.1	4.6	4.6

NET DEBT

MSEK	June 30 2021	June 30 2020	Dec 31 2020
Cash and cash equivalents	2.2	3.2	3.8
Provisions for contingent consideration	-	16.2	-
Lease liabilities	20.0	17.1	19.7
Interest-bearing liabilities	15.1	17.2	11.4
Net debt	32.9	47.3	27.3