

Q3JANUARY -
SEPTEMBER
2019

Interim Report

Image Systems AB (publ)

JANUARY – SEPTEMBER 2019

Continued good development in Motion Analysis Recovery for RemaSawco

Third quarter 2019

- Revenue amounted to MSEK 61.3 (46.3).
- Operating profit before depreciation and amortisation EBITDA amounted to MSEK 6.7 (5.6).
- Operating profit amounted to MSEK 1.7 (2.2).
- Profit after taxes amounted MSEK 1.4 (0.4).
- Earnings per share was SEK 0.02 (0.01).
- Order bookings amounted to MSEK 24.1 (27.8).
- The order backlog amounted to MSEK 54.5 (40.8).
- The gross margin was 51 (63) percent

January – September 2019

- Revenue amounted to MSEK 156.8 (112.6).
- Operating profit before depreciation and amortisation EBITDA amounted to MSEK 10.0 (6.6).
- The operating result amounted to MSEK –2.5 (–0.8).
- The operating result after taxes amounted to MSEK –4.2 (–4.1).
- Earnings per share was SEK –0.04 (–0.11).
- Order bookings amounted to MSEK 140.7 (88.3).
- The order backlog amounted to MSEK 54.5 (40.8).
- The gross margin was 58 (66) percent

President's statement

We can see that the Group is growing strongly. During the January-September period revenue increased by about 40 percent and the operating profit before depreciation and amortisation grew by more than 50 percent. Business area Motion Analysis is the greater contributor delivering an operating margin of 46 percent for the period January-September, which must be regarded as exceptionally good. Business area RemaSawco completed many deliveries during the third quarter, but we have not been able to fully achieve the expected profitability. The margin in the projects has suffered from a lower gross margin as a consequence of higher time consumption in a number of fixed price projects, which has a negative effect on profitability.

Development during the third quarter

RemaSawco

Order bookings were on a par with the year before, but lower than expected. The market situation for sawmills in our existing markets are suffering from a continued slowdown, but the prospects investments in RemaSawco's product portfolio shows continued major potential and the company has a record-large order backlog.

The lower gross margin during the period is totally attributable to RemaSawco and is due to an unfavourable product mix in the deliveries. The number of hours spent in a number of fixed-price projects has exceeded the calculated hours impairing profitability. A number of projects have been initiated to ensure that we do not exceed calculated costs in the projects.

The Finnish market has been very weak during 2019 and the effects of the acquisition has so far benefitted sales outside Finland. During the period costs have also been adjusted in the Finnish operations attributable to the time before the takeover and this has a positive effect on profitability during the period.

During the period the company has sharp offers of sub-systems for the future digital sawmill, where the basic architecture will allow customers to attach new optimisation tools that utilise the data collected in the different parts of the sawmill. Market interest in our digital concepts is promising.

Motion Analysis

Motion Analysis had another very strong quarter. The period is one of slightly lower seasonal revenue, but the company has managed to maintain a very high margin with an EBITDA margin of approximately 46 percent. The quarter was distinguished by several upgrades of existing installations and a number of new installations of TrackEye as well as TEMA. The company has gradually been introducing a subscription model for certain of its deliveries. This will give rise to a more even revenue stream.

Net revenue and result

Third quarter

Order bookings amounted to MSEK 24.1 (27.8) and the order backlog as of 30 September amounted to MSEK 54.4 (40.8). Net revenue increased to MSEK 61.3 (46.3). The gross margin was 51 (63) percent. The lower gross margin is due to a larger proportion of purchased hardware in RemaSawco with a low gross margin. The operating profit before depreciation and amortisation EBITDA amounted to MSEK 60.7 (5.6). Depreciation according to plan burdened the result by MSEK 5.0 (34), of which amortisation of group surpluses, such as trademarks and customer relationships amounted to MSEK 2.6 (2.6). Taxes amounted to MSEK 0.6 (-1.2). Profit after taxes amounted to MSEK 1.4 (0.4). Revenue and operating result before depreciation and amortisation by business area are reported on page 6.

January – September 2019

Order bookings amounted to MSEK 140.7 (88.3). The order backlog as of 30 September amounted to MSEK 54.4 (40.8). Net revenue amounted to MSEK 156.8 (112.6). The increase is partially due to the acquisition of RemaSawco OY in June 2018. The gross margin was 58 (66) percent and operating profit before depreciation and amortisation, EBITDA, amounted to MSEK 10.0 (6.6). Depreciation according to plan burdened the result by MSEK 12.5 (7.4), of which amortisation of consolidated surplus values amounted to MSEK 7.7 (5.8). Net financial items decreased by MSEK 1.1 to -2.4 (-1.3), due to exchange rate differences. Tax expenses amounted to MSEK 0.7 (-2.0). The result after taxes amounted to MSEK -4.2 (-4.1). Revenue and operating result before depreciation and amortisation by business area are reported on page 6.

Capital expenditures and financial position

The Groups investments in non-current assets amounted to MSEK 13.8 (42.2), of which the acquisition of RemaSawco Oy accounted for MSEK 5.8 (additional consideration) (38.0) and MSEK 4.5 (3.6) refers to capitalisation of development projects. Available cash and cash equivalents, including the unutilized portion of a committed credit facility, stood at MSEK 7.3 (10.9) as of 30 September 2019. The operative cash flow amounted to MSEK -16.1 (-44.9). The equity ratio as of 30 September 2019 stood at 55 percent (34). The net debt to equity ratio was 0.4 (0.8).

Research and development

RemaSawco

During the quarter a new release of our boardscanner software was completed with new functions and updating of the optimisation software for our various products in the field of timber handling. Work also continued on integration and quality improvements of our various timber handling products. Together with Biometria the company has worked with further type certification of our LogProfiler3DX for the Swedish market.

Motion Analysis

After summer focus has continued to be on the two major development projects, based on TrackEye, which are in intensive stages with planned deliveries during the next few months. During the quarter we

have also released a further improved and thoroughly tested version of our core product TrackEye i2019b. with a large amount of bug fixes and improvements. The teams in development and quality control have grown by a few new employees which bodes well for strong future products.

Parent Company

The Parent Company's net revenue amounted to MSEK 3.7 (2.7) and the result after taxes was MSEK -4.9 (-5.4). Investments in non-current assets amounted to MSEK 0.0 (66.0). The Parent Company's available cash and cash equivalents amounted to MSEK 0.0 as of 30 September 2019 (0.0). The Parent Company's equity stood at MSEK 116.6 as of 30 September 2019 (50.9) and the equity ratio was 75 percent (38).

Personnel

The average number of employees was 96 (79). The number of employees at the end of the period was 96.

Number of shares outstanding

The number of shares outstanding as of 30 September 2019 was 89.207.818.

Annual General Meeting

The Annual General Meeting will be held on at 2:00 p.m. on May 7, 2020. at the Company's premises at Snickaregatan 40 in Linköping.

Events after the end of the period under review

RemaSawco has obtained an order for approximately MSEK 3.5 from Stora Enso Veitsiluoto Oy in Kemi, Finland. Motion Analysis has obtained an order for about MSEK 2.2 from the German Armed Forces.

Accounting policies

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

IFRS 16 Leases

IFRS 16 Leases is applied from 1 January 2019. Image Systems has chosen to report the transition to the new standard according to the forward-looking method. The exemption rule not to establish a comparative year have been applied. A discount rate has been set for each country and will be determined on a quarterly basis. Right-of-use agreements shorter than 12 months are recognised as short-term agreements and are therefore not included among reported liabilities or right-of-use agreements. Right-of-use agreements with a cost of less than USD 5.000 are classified a low-cost agreements and are not included in the reported liabilities or right-of-use assets.

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

Effects of the transition to IFRS 16 Leases

The quarterly report as of 30 September is compiled according to the new standard. which means that the assets and liabilities in the balance sheet have been added to by right-of-use relating to leased tangible non-current assets in the amount of MSEK 19.7 and lease liabilities (long-term and current) in a total amount of MSEK 19.7. There is also a change in the income statement as the leasing cost has been reclassified as depreciation and interest expense. which has reduced external costs by MSEK 2.0 and increased depreciation by MSEK 2.0 as well as lowering the finance net by 0.4.

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

Image Systems applies ESMA's (European Securities and Markets Authority) guidelines for alternative key financial indicators. Definitions of key financial indicators are found on page 9 and relevant reconciliations are found on page 11.

Risks and uncertainty factors

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

Linköping. 7 November 2019

Johan Friberg

CEO

Reporting schedule:

Year-end Report 2019	14 February 2020
Annual Report 2019	April 2020
Interim Report January-March 2020	7 May 2020
Annual General Meeting 2020	7 May 2020

The information in this year-end report is such that Image Systems AB is obliged to publish in accordance with EU's Market Abuse Regulation and the Swedish Securities Markets Act. The information herein was provided for publication at 08.00 a.m.. 7 November 2019.

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

Questions will be answered by:

Johan Friberg, CEO. telephone +46-13-200 100. e-mail: johan.friberg@imagesystems.se

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

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

Auditor's Review Report

Image Systems AB (publ) Corporate ID Number 556319-4041

Introduction

We have reviewed the summary financial interim information (Interim Report) of AB Traction (publ) as of 30 September 2019 and the nine-month period ending on that date. The Board of Directors and the President is responsible for the preparation and fair 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.

The focus and scope of the review

We have conducted our review in accordance with International Standard on Review Engagements ISRE 2410 *Review of Interim Financial Information by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. The conclusion expressed based on our review does therefore not have the certainty that a conclusion expressed based on an audit has.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe the Interim Report in all material respects is not prepared for the group in accordance with IAS 34 and the Swedish Annual Accounts Act and for the parent company in accordance with the Swedish Annual Accounts Act.

Stockholm, 7 November 2019

PricewaterhouseCoopers AB

Nicklas Kullberg
Authorised Public Accountant

Summary Consolidated Income Statements

MSEK	Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Full year 2018
Net sales	60.0	46.3	153.1	109.2	156.1
Capitalised development costs	1.3	0.0	3.7	3.4	4.7
Total revenue	61.3	46.3	156.8	112.6	160.8
Raw materials and supplies	-30.0	-17.0	-65.3	-38.8	-58.7
Other external costs	-8.1	-6.9	-23.8	-17.2	-24.6
Personnel costs	-16.6	-16.7	-57.9	-48.4	-67.5
Depreciation and amortisation of and impairment charges against tangible non-current assets	-5.0	-3.4	-12.5	-7.4	-10.3
Other operating income	0.1	-0.1	0.2	0.2	0.2
Other operating costs	-	-	-	-1.8	-1.8
Operating result	1.7	2.2	-2.5	-0.8	-1.9
Net finance items	-0.9	-0.6	-2.4	-1.3	-2.3
Result before taxes	0.8	1.6	-4.9	-2.1	-4.2
Taxes	0.6	-1.2	0.7	-2.0	9.7
Result for the period	1.4	0.4	-4.2	-4.1	5.5
Of which attributable to the Parent Company's equity holders	1.4	0.4	-4.2	-4.1	5.5
Earnings per share ¹⁾	0.02	0.01	-0.04	-0.11	0.13
Earnings per share after dilution ¹⁾	0.02	0.01	-0.04	-0.11	0.13
Average number of shares outstanding	89,207,818	38,231,922	89,207,818	38,231,922	42,479,913
Average number of shares outstanding, after dilution	89,207,818	38,231,922	89,207,818	38,231,922	42,479,913

Summary Consolidated Report of Comprehensive Result

Result for the period	1.4	0.4	-4.2	-4.1	5.5
Other comprehensive result					
Translation differences	0.3	-0.9	0.4	-0.1	-0.5
Taxes related to other comprehensive result	-	-	-	-	-
Total other comprehensive result	0.3	-0.9	0.4	-0.1	-0.5
TOTAL COMPREHENSIVE RESULT FOR THE PERIOD	1.7	-0.5	-3.8	-4.2	5.0
Of which attributable to the Parent Company's equity holders	1.7	-0.5	-3.8	-4.2	5.0

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

Group	Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Full year 2018
Net sales by segment (business area)					
RemaSawco	54.4	38.2	132.6	92.6	133.7
Motion Analysis	6.9	8.1	24.2	20.0	27.1
Consolidation items and Parent Company	-	-	-	-	-
Total	61.3	46.3	156.8	112.6	160.8
EBITDA					
RemaSawco	4.5	4.6	2.4	7.3	8.4
Motion Analysis	3.2	2.7	11.2	5.6	8.0
Consolidation items and Parent Company	-1.0	-1.7	-3.6	-4.5	-6.2
EBITDA, not including acquisition costs	6.7	5.6	10.0	8.4	10.2
Acquisition costs	-	-	-	-1.8	-1.8
EBITDA	6.7	5.6	10.0	6.6	8.4
Depreciation and amortisation of and impairment charges against tangible non-current assets	-5.0	-3.4	-12.5	-7.4	-10.3
Operating result	1.7	2.2	-2.5	-0.8	-1.9
Net finance items	-0.9	-0.6	-2.4	-1.3	-2.3
Result before taxes	0.8	1.6	-4.9	-2.1	-4.2
Taxes	0.6	-1.2	0.7	-2.0	9.7
Result for the period	1.4	0.4	-4.2	-4.1	5.5

Summary Consolidated Balance Sheets

MSEK	30 Sep 2019	30 Sep 2018	31 Dec 2018
Non-current assets			
Goodwill	36.1	32.5	32.5
Customer relationships	46.5	54.7	52.7
Trademarks	4.7	6.6	6.2
Capitalized development costs	23.3	21.4	23.8
Tangible non-current assets	27.1	3.5	4.4
Deferred tax asset	21.6	10.6	22.3
Total non-current assets	159.3	129.3	141.9
Current assets			
Inventories	10.9	10.5	9.9
Trade receivables	37.9	33.9	50.3
Other short-term receivables	37.6	18.0	12.2
Cash and cash equivalents	2.0	10.9	8.2
Total non-current assets	88.4	73.3	80.6
TOTAL ASSETS	247.7	202.6	222.5
Equity (attributable in its entirety to the Parent Company's equity holders)	135.1	69.5	138.9
Long-term liabilities			
Provision related to contingent consideration	10.7	10.3	10.3
Leasing liabilities	16.7	-	-
Deferred tax liabilities	7.9	8.5	8.4
Total long-term liabilities	35.3	18.8	18.7
Current liabilities			
Loans from credit institutions	20.9	63.9	10.9
Provision related to contingent consideration	5.9	11.3	11.3
Leasing liabilities	2.9	-	-
Trade payables	27.8	7.7	17.9
Other current liabilities	19.8	31.4	24.8
Total current liabilities	77.3	114.3	64.9
TOTAL EQUITY AND LIABILITIES	247.7	202.6	222.5

Summary Report of Changes in Consolidated Equity

	30 Sep 2019	30 Sep 2018	Full year 2018
Opening equity according to the balance sheet	138,9	73,7	73,7
Result for the period	-4,2	-4,1	5,5
Other comprehensive result for the period	0,4	-0,1	-0,5
Total comprehensive result for the period	-3,8	-4,2	5,0
New issue		-	60,2
Closing equity according to the balance sheet	135,1	69,5	138,9

Summary Consolidated Cash Flow Statements

MSEK	Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Full year 2018
Cash flow from operating activities before changes in working capital	4.5	2.7	6.9	4.0	4.4
Changes in working capital					
Increase (-) / Decrease (+) in inventories	-1.0	1.8	-1.0	1.6	2.2
Increase (-) / Decrease (+) in receivables	-7.7	13.4	-12.9	9.5	-1.2
Increase (+) / Decrease (-) in current liabilities	-2.7	-26.5	4.7	-17.8	-14.2
Total changes in working capital	-11.4	-11.3	-9.2	-6.7	-13.2
Cash flow from operating activities	-6.9	-8.6	-2.3	-2.7	-8.8
Investment activities					
Acquisition of group company	-5.8	-0.3	-5.8	-38.3	-38.3
Acquisition of intangible non-current assets	-1.3	-0.2	-4.5	-3.6	-6.1
Acquisition of tangible non-current assets	-2.5	-0.1	-3.5	-0.3	-1.5
Cash flow from investment activities	-9.6	-0.6	-13.8	-42.2	-45.9
Operative cash flow	-16.5	-9.2	-16.1	-44.9	-54.7
Financing activities					
New issue	-	-	-	-	60.2
Increase (+) in loans	16.0	12.9	16.0	54.8	60.2
Decrease (-) in loans	-	-	-6.1	-	-58.4
Cash flow from financing activities	16.0	12.9	9.9	54.8	62.0
Cash flow for the period	-0.5	3.7	-6.2	9.9	7.3
Cash and cash equivalents at beginning of period	2.5	7.2	8.2	0.9	0.9
Translation difference in cash and cash equivalents	0.0	0.0	0.0	0.1	0.0
Cash and cash equivalents at end of period	2.0	10.9	2.0	10.9	8.2

Key Financial Indicators

Koncernen	Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Full year 2018
Order bookings, MSEK	24.1	27.8	140.7	88.3	163.1
Order backlog, MSEK	54.4	40.8	54.4	40.8	65.8
Gross margin, %	51	63	58	66	63
Operating margin, %	2.9	4.8	neg	neg	neg
Profit margin, %	2.4	0.1	neg	neg	neg
Return on capital employed, %	1.0	1.8	neg	neg	neg
Return on equity, %	1.1	0.6	neg	neg	neg
Equity ratio, %	55	34	55	34	62
Debt equity ratio	0.4	0.8	0.4	0.8	0.2
Net investments in non-current assets, MSEK	9.6	0.6	13.8	42.2	45.9
Depreciation and impairment of non-current assets, MSEK	5.0	3.4	12.5	7.4	10.3
Average number of employees	98	85	96	79	83
Number of shares outstanding at end of period, million	89.21	38.23	89.21	38.23	89.21
Average number of shares outstanding, million	89.21	38.23	89.21	38.23	42.48
Earnings per share ¹⁾ , SEK	0.02	0.01	-0.04	-0.11	0.13
Cash flow per share ¹⁾ , SEK	-0.18	-0.24	-0.18	-1.17	-1.29
Equity per share ²⁾ , SEK	1.52	1.82	1.52	1.82	1.56

¹⁾ Calculated based on average number of shares outstanding.

²⁾ Calculated based on number of shares outstanding at end of period.

Quarterly Survey

Group	2019				2018				2017	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Order bookings, MSEK	24.1	43.3	73.3	74.8	27.8	32.6	27.4	35.3	28.2	41.1
Revenue, MSEK	61.4	51.4	44.1	48.2	46.3	44.0	22.3	43.3	29.7	31.6
Gross margin, %	51	66	60	59	63	59	83	63	65	63
Operating result before depreciation (EBITDA), MSEK	6.8	2.4	0.9	1.8	5.6	2.5*	-1.5	7.0	2.6	-1.3
Operating result (EBIT), MSEK	1.8	-1.3	-2.9	-1.1	2.2	0.4*	-3.4	5.1	0.7	-3.2
Operating margin, %	2.4	neg	neg	neg	4.8	0.9	neg	11.8	2.4	neg
Return on equity, %	1.1	neg	neg	neg	0.6	neg	neg	24.5	0.9	neg
Equity ratio, %	55	58	57	62	34	33	67	67	56	59
Earnings per share, SEK	0.02	-0.02	-0.04	0.17	0.01	-0.03	-0.09	0.42	0.01	-0.09
Cash flow per share, SEK	-0.18	-0.12	0.12	-0.18	-0.24	-0.87	-0.06	0.24	-0.22	-0.07
Equity per share, SEK	1.52	1.50	1.52	1.56	1.82	1.83	1.84	1.93	1.51	1.50
Average number of shares outstanding, million	89.21	89.21	89.21	55.22	38.23	38.23	38.23	38.23	38.23	38.23

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

Definitions

Performance metric

EBITDA

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

Margins

Operating margin, %

Operating result relative to net revenue.

Profit margin, %

Result before taxes relative to net revenue.

Profitability

Return on average capital employed, %

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

Return on average equity, %

Result for the period relative to average equity.

Capital structure

Equity ratio, %

Equity at end of period relative to balance sheet total.

Net debt equity ratio

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

Net liabilities, MSEK

Interest-bearing liabilities, less cash and cash equivalents

Other

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

Average number of employees

Average number of employees during the period.

Per-share data

Number of shares outstanding at end of period in million

Number of shares outstanding at end of period.

Average number of shares outstanding, million

Average number of shares outstanding during the period.

Earnings per share, SEK

Result after taxes divided by average number of shares outstanding.

Cash flow per share, SEK

Operative cash flow divided by average number of shares outstanding.

Equity per share, SEK

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

Equity per share, SEK

Summary Parent Company Income Statements

MSEK	Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Full year 2018
Revenue	1.3	0.9	3.7	2.7	4.4
Other external costs	-1.1	-1.1	-3.1	-2.9	-4.3
Personnel costs	-1.2	-1.5	-4.2	-4.3	-6.2
Other operating costs	-	-	-	-	-
Operating result	-1.0	-1.7	-3.6	-4.5	-6.1
Net finance items	-0.3	-0.6	-1.3	-0.9	-2.1
Result before taxes	-1.3	-2.3	-4.9	-5.4	-8.2
Year-end appropriations	-	-	-	-	0.2
Taxes	-	-	-	-	13.0
Result for the period	-1.3	-2.3	-4.9	-5.4	5.0

Summary Report of Parent Company Comprehensive Result

Result for the period	-1.3	-2.3	-4.9	-5.4	5.0
Other comprehensive result	-	-	-	-	-
Total other comprehensive result	-	-	-	-	-
TOTAL COMPREHENSIVE RESULT FOR THE PERIOD	-1.3	-2.3	-4.9	-5.4	5.0

Summary Parent Company Balance Sheets

MSEK	30 Sep 2019	30 Sep 2018	31 Dec 2018
Non-current assets			
Shares in subsidiaries	122.1	122.1	122.1
Deferred tax asset	14.9	1.9	14.9
Total non-current assets	137.0	124.0	137.0
Current assets			
Trade receivables	-	-	-
Due from Group companies	13.4	6.8	12.2
Other short-term receivables	4.7	4.7	4.2
Cash and cash equivalents	0.0	0.0	7.3
Total current assets	18.1	11.5	23.7
TOTAL ASSETS	155.1	135.5	160.7
Equity	116.6	50.9	121.5
Long-term liabilities			
Provision related to contingent consideration	10.7	10.3	10.3
Total long-term liabilities	10.7	10.3	10.3
Current liabilities			
Bank loans	-	49.2	-
Provision related to contingent consideration	5.9	11.3	11.3
Trade payables	0.4	0.3	0.7
Due to Group companies	19.6	11.5	14.5
Other current liabilities	1.9	2.0	2.4
Total current liabilities	27.8	74.3	28.9
TOTAL EQUITY AND LIABILITIES	155.1	135.5	160.7

Summary Report of Changes in Parent Company Equity

MSEK	30 Sep 2019	30 Sep 2018	31 Dec 2018
Opening equity according to the balance sheet	121.5	56.3	56.3
Result for the period	-4.9	-5.4	5.0
Other comprehensive result for the period	-	-	-
Total comprehensive result	-4.9	-5.4	5.0
New issue	-	-	60.2
Closing equity according to the balance sheet	116.6	50.9	121.5

Summary Parent Company Cash Flow Statements

MSEK	Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Full year
Cash flow from operating activities before changes in working capital	-0.6	-2.5	-3.1	-5.6	-8.0
Changes in working capital					
Increase (-) / Decrease (+) in receivables	-0.4	1.0	-1.5	0.3	0.7
Increase (+) / Decrease (-) in current liabilities	0.2	-2.0	-0.9	0.6	1.4
Total change in working capital	-0.2	-1.0	-2.4	0.9	2.1
Cash flow from operating activities	-0.8	-3.5	-5.5	-4.7	-5.9
Investment activities					
Acquisition of subsidiary	-	-0.4	-	-44.1	-44.1
Loans from (+) / to (-) subsidiaries	0.8	-4.2	4.0	4.6	2.1
Cash flow from investment activities	0.8	-4.6	4.0	-39.5	-42.0
Operative cash flow	0.0	-8.1	-1.5	-44.2	-47.9
Financing activities					
New issue	-	-	-	-	60.2
Increase (+) in loans	-	8.0	-	44.2	44.2
Decrease (-) in loans	-	-	-5.8	-	-49.2
Cash flow from financing activities	-	8.0	-5.8	44.2	55.2
Cash flow for the period	0.0	-0.1	-7.3	0.0	7.3
Cash and cash equivalents at beginning of period	0.0	0.1	7.3	0.0	0.0
Cash and cash equivalents at end of period	0.0	0.0	0.0	0.0	7.3

Relevant reconciliations with non-IFRS-based key financial indicators

Group

Alternative key financial indicators

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

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

Image Systems' definitions of these measures not defined by IFRS are described on page 7 under the heading Definitions. These terms can be defined in other ways by other companies and are therefore not always comparable to similar metrics used by other companies.

EBITDA

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

Net liabilities

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

Operating result before depreciation, amortisation and interest EBITDA

MSEK	Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Full year 2018
Operating result	1.7	2.2	-2.5	-0.8	-1.9
Depreciation and amortisation of and impairment charges against tangible and intangible non-current assets	5.0	3.4	12.5	7.4	10.3
Operating result before depreciation, amortisation and interest EBITDA	6.7	5.6	10.0	6.6	8.4
Net liabilities		30 Sep 2019	30 Sep 2018	31 Dec 2018	
Cash and cash equivalents		2.0	10.9	8.2	
Provision for contingent consideration		16.6	21.6	21.6	
Leasing liabilities		19.6	-	-	
Interest-bearing liabilities		20.9	63.9	10.9	
Net liabilities		55.1	74.6	24.3	