

INTERIM REPORT

Image Systems AB (publ)

January–September 2021

Result and gross margin continue to improve

Third quarter 2021

- Revenue amounted to MSEK 36.1 (39.5).
- EBITDA amounted to MSEK 7.8 (3.9).
- Operating profit amounted to MSEK 3.2 (0.1).
- Result after taxes amounted to MSEK 3.2 (-0.3).
- Order intake amounted to MSEK 32.7 (33.4).
- Order backlog amounted to MSEK 60.3 (41.0).
- Gross margin amounted to 74 (62) percent.
- Basic and diluted earnings per share amounted to SEK 0.04 (0.00).

January–September 2021

- Revenue amounted to MSEK 114.5 (127.4).
- EBITDA amounted to MSEK 11.9 (8.5).
- Operating profit amounted to MSEK -2.1 (-4.5).
- Result after taxes amounted to MSEK -2.5 (-5.3).
- Order intake amounted to MSEK 131.1 (98.2).
- Order backlog amounted to MSEK 60.3 (41.0).
- Gross margin amounted to 67 (60) percent.
- Basic and diluted earnings per share amounted to SEK -0.03 (-0.06).

Significant events after the period

- The business unit RemaSawco receives an order of approximately MSEK 5 from AB Hilmer Andersson and an order of approximately MSEK 2.3 from a sawmill in Norway.

Q3

JANUARY –
SEPTEMBER
2021

A WORD FROM THE CEO

The Group records a strong quarter and increases the gross margin across its projects, which has a clear positive impact on EBITDA. I note that the initiatives to strengthen profitability and reduce costs that were implemented in the previous year have brought results during the period. Revenue has declined compared with the previous year, both for the period and for the year. This is a consequence of the global pandemic. The sawmill market has returned to normal levels of investment over the course of the year, and our assessment is that this market is poised for continued growth. The RemaSawco business unit has intensified development efforts, and preparations are under way for a number of new product launches next year.

Due to the worldwide travel restrictions, which are an obstacle to efficient meetings with customers, the market of operation of the Motion Analysis business unit continues to see somewhat hampered growth. Nevertheless, Motion Analysis continues to deliver high margins. The effort to transform the business model towards subscription-based sales has had a slight negative effect on revenue in the short term, but is expected to drive stronger margins moving forward.



DEVELOPMENT IN THE THIRD QUARTER

RemaSawco

During the third quarter, the market demonstrated a continuing positive trend where a growing number of investments are under way. Demand remains strong in several of RemaSawco's segments, including the Board Inspection segment. RemaSawco's Boardscanner continues to be successful both on the domestic market and on export. Order intake for the quarter was on par with the previous year. Sales revenue during the quarter is somewhat below the previous year's levels. At the same time, margins have improved, and this has a positive impact on performance.

Motion Analysis

Sales and margins declined somewhat in the business unit compared with the previous year. The Asian market has slowed down somewhat, and this was only partially offset by the business in Europe and America. We see strong prospects for recovery, however. Motion Analysis is proceeding with the introduction of subscription-based agreements. The new business model will, to a limited extent, burden net sales and margins over a longer period of transition. The rate of new customer subscriptions is considered satisfactory in this start-up phase.

FINANCIAL INFORMATION

Third quarter

Order intake amounted to MSEK 32.7 (33.4). Order backlog as of September 30, 2021, amounted to MSEK 60.3 (41.0). Revenue amounted to MSEK 36.1 (39.5), of which 1.2 (1.0) related to capitalized development expenses. Gross margin amounted to 74 (62) percent. EBITDA improved by MSEK 3.9 and totaled MSEK 7.8 (3.9). Depreciation/amortization increased by MSEK 0.8 to MSEK 4.6 (3.8). Net financial items amounted to MSEK -0.1 (-0.6). Result after taxes amounted to MSEK 3.2 (-0.3). Revenue and EBITDA per business unit is presented on page 6.

January–September 2021

Order intake amounted to MSEK 131.1 (98.2). Order backlog as of September 30, 2021, amounted to MSEK 60.3 (41.0). Revenue amounted to MSEK 114.5 (127.4), of which 4.9 (3.1) related to capitalized development expenses. Gross margin amounted to 67 (60) percent. EBITDA improved by MSEK 3.4 and totaled MSEK 11.9 (8.5). Depreciation/amortization increased by MSEK 1.0 to MSEK 14.0 (13.0). Net financial items amounted to MSEK -0.8 (-1.2). Comparative amounts for personnel costs are provided on page 6, below the table Condensed consolidated income statement, as the Group was positively affected by COVID-19-related reductions in social security contributions and negatively affected by a one-off pension cost item for RemaSawco during the first quarter of 2021. Result after taxes amounted to MSEK -2.5 (-5.3). 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 6.3 (3.9) of which MSEK 6.2 (3.4) is related to capitalized development projects. Available liquid funds including undrawn overdraft facilities amounted to MSEK 17.0 (20.1) as of September 30, 2021. The operational cash flow amounted to MSEK 1.8 (10.1). Solidity amounted to 60 (59) percent as of September 30, 2021. Net indebtedness amounted to 0.2 (0.3) times.

RESEARCH AND DEVELOPMENT

RemaSawco

The Swedish organization Biometria, which conducts impartial measurements of the timber flowing from forest to industry, has introduced a new measurement standard for measuring the diameter under bark. This new standard shall be implemented in the Swedish sawmills no later than August 1, 2022. All of RemaSawco's measuring frames are now type-approved for the new standard, and can be upgraded for existing customers. During the year, the Company decided upon development of the next generation of the 3D measuring frame, which will improve performance as well as digital flows.

During the period, RemaSawco made final delivery to the Austrian market, where the system had been adapted to the region of Central and Eastern Europe.

The Basajaun project, an EU-funded project where RemaSawco is one of several participants, is proceeding as planned. The latest report has now been approved by the EU. The purpose of the project is to analyze digital value chains from forest to building, and it reached the implementation phase some time ago.

Motion Analysis

The business unit has entered an intensive phase of development of the novel technology platform, and the initial release to customer will take place in the fourth quarter. This technology platform will then be used as the basis for all product development in the years to come and serve as a basis for a generation shift in many customer applications.

The delivery of a DIC system to Croatia involved new development within the area, which subsequently was implemented in our standard product and put to operational use in the customer's activities.

THE PARENT COMPANY

The Parent Company's revenue amounted to MSEK 2.6 (3.2). Operating profit amounted to MSEK -2.3 (-3.3). Result after taxes amounted to MSEK -1.9 (-3.7). Investments in fixed assets amounted to MSEK 0.0 (0.0). The Parent Company's available liquid funds amounted to MSEK 0.2 (0.1) as of September 30, 2021. The Parent Company's equity amounted to MSEK 132.8 (132.7) as of September 30, 2021, and solidity amounted to 90 (87) percent.

PERSONNEL

The average number of employees was 83 (90).

WARRANTS

The Annual General Meeting 2021 resolved to implement an incentive scheme consisting of 2,000,000 warrants with maturity in August 31, 2024, at an exercise price of SEK 2,00. The subscription price has been set at SEK 0,105 per warrant. Senior executives have subscribed for 1,850,000 warrants, and 150,000 warrants have been reserved for future use.

NUMBER OF SHARES

The number of shares on September 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 11 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 2020 Annual Report. Aside from the above, no significant new or changed risks or uncertainties have been identified during the quarter.

Linköping, November 12, 2021

Johan Friberg

CEO

Upcoming report dates:

Year-end Report 2021	February 11, 2022
Interim report January-March 2022	May 5, 2022
Annual General Meeting 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 November 12, 2021, 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

AUDITOR'S REPORT

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

Introduction

We have reviewed the condensed interim financial information (interim report) for Image Systems AB (publ) as of 30 September 2021 and the nine-month period which ended on this date. The Board of Directors and the CEO are responsible for the preparation and presentation of this interim financial report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of the review

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

Conclusion

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

Stockholm, Sweden, November 12, 2021

PricewaterhouseCoopers AB

Nicklas Kullberg

Authorized Public Accountant

CONDENSED CONSOLIDATED INCOME STATEMENT

MSEK	July-Sep 2021	July-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	Full year 2020
Sales revenue	34.9	38.5	109.6	124.3	162.7
Capitalized development costs	1.2	1.0	4.9	3.1	4.5
Total revenue	36.1	39.5	114.5	127.4	167.2
Raw materials and consumables	-9.0	-14.5	-36.2	-50.2	-64.5
Other external charges	-5.1	-5.5	-15.6	-16.7	-24.6
Personnel costs *	-14.2	-15.3	-50.8	-51.7	-72.9
Depreciation/amortization of fixed tangible and intangible assets	-4.6	-3.8	-14.0	-13.0	-17.5
Other operating income	-	-	-	-	-
Other operating costs	0.0	-0.3	0.0	-0.3	-0.6
Operating profit	3.2	0.1	-2.1	-4.5	-12.9
Net financial items	-0.1	-0.6	-0.8	-1.2	-3.5
Profit before tax	3.1	-0.5	-2.9	-5.7	-16.4
Tax	0.1	0.2	0.4	0.4	-1.9
Profit/loss for the period	3.2	-0.3	-2.5	-5.3	-18.3
Of which attributable to the Parent Company shareholders	3.2	-0.3	-2.5	-5.3	-18.3
Earnings per share ¹⁾	0.04	0.00	-0.03	-0.06	-0.21
Diluted earnings per share ¹⁾	0.04	0.00	-0.03	-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	July-Sep 2021	July-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	Full year 2020
Recognized personnel costs	14.2	-15.3	-50.8	-51.7	-72.9
Reduction in social security contributions	-	-	-	+2.0	+2.0
Pension costs for the period 2014-2020	-	-	-1.4	-	-
Personnel costs, comparative amounts	-14.2	-15.3	-49.4	-53.7	-74.9

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

MSEK	July-Sep 2021	July-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	Full year 2020
Profit/loss for the period	3.2	-0.3	-2.5	-5.3	-18.3
Other comprehensive income					
Translation differences	0.0	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	3.2	-0.3	-2.5	-5.2	-18.4
Of which attributable to Parent Company shareholders	3.2	-0.3	-2.5	-5.2	-18.4

1) Calculated on the basis of average number of shares

SEGMENT REPORTING

The Group

Revenue and profit per segment	July-Sep 2021	July-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	Full year 2020
RemaSawco	28.7	30.2	91.6	99.7	132.6
Motion Analysis	7.4	9.3	22.9	27.7	34.6
Parent Company & consolidated items	-	-	-	-	-
Total revenue	36.1	39.5	114.5	127.4	167.2
EBITDA					
RemaSawco	5.7	1.4	6.3	0.1	-2.2
Motion Analysis	2.9	3.6	8.0	11.5	12.7
Admin & consolidated items	-0.8	-1.1	-2.4	-3.1	-5.9
EBITDA total	7.8	3.9	11.9	8.5	4.6
Depreciation/amortization of fixed tangible and intangible assets	-4.6	-3.8	-14.0	-13.0	-17.5
Operating profit	3.2	0.1	-2.1	-4.5	-12.9
Net financial items	-0.1	-0.6	-0.8	-1.2	-3.5
Profit before tax	3.1	-0.5	-2.9	-5.7	-16.4
Tax	0.1	0.2	0.4	0.4	-1.9
Profit/loss for the period	3.2	-0.3	-2.5	-5.3	-18.3

CONDENSED CONSOLIDATED BALANCE SHEET

MSEK	Sept 30 2021	Sept 30 2020	Dec 31 2020
Non-current assets			
Goodwill	36.1	36.1	36.1
Customer relations	30.4	38.2	36.1
Trademarks	1.3	2.7	2.2
Capitalized development costs	30.7	25.6	26.5
Tangible fixed assets	24.2	27.7	25.5
Deferred tax assets	19.1	21.6	19.1
Total non-current assets	141.8	151.9	145.5
Current assets			
Inventories	12.5	13.4	11.5
Trade receivables	17.5	22.9	17.3
Other receivables	11.2	22.8	15.2
Cash and cash equivalents	3.5	5.2	3.8
Total current assets	44.7	64.3	47.8
TOTAL ASSETS	186.5	216.2	193.3
Equity (attributable in full to Parent Company shareholders)	111.3	127.0	113.8
Non-current liabilities			
Borrowings from credit institutions	2.8	-	-
Lease liabilities	13.7	17.3	15.9
Deferred tax liabilities	6.8	7.4	7.2
Total non-current liabilities	23.3	24.7	23.1
Current liabilities			
Borrowings from credit institutions	6.4	11.1	11.4
Provisions for contingent consideration	-	16.3	-
Trade payables	12.9	11.2	16.3
Lease liabilities	5.0	4.1	3.8
Other current payables	27.6	21.8	24.9
Total current liabilities	51.9	64.5	56.4
TOTAL EQUITY AND LIABILITIES	186.5	216.2	193.3

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Sept 30 2021	Sept 30 2020	Full year 2020
Opening balance equity	113.8	132.2	132.2
Net profit for the year	-2.5	-5.3	-18.3
Other comprehensive income for the period	0.0	0.1	0.0
Total comprehensive income for the period	-2.5	-5.2	-18.4
Closing balance equity	111.3	127.0	113.8

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

MSEK	July-Sep 2021	July-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	Full year 2020
Cash flow from operating activities before change in working capital	3.7	0.6	6.9	3.1	-8.7
Change in working capital					
Increase (-)/Decrease (+) in inventories	0.7	-2.1	-1.0	-3.0	-1.1
Increase (-)/Decrease (+) in operating receivables	13.1	16.0	3.1	23.3	37.9
Increase (+)/Decrease (-) in current liabilities	-8.2	-7.0	-0.9	-9.4	-2.0
Total change in working capital	5.6	6.9	1.2	10.9	34.8
Cash flow from operating activities	9.3	7.5	8.1	14.0	26.1
Investing activities					
Acquisition of Group companies	-	-	-	-	-12.0
Acquisition of intangible fixed assets	-2.2	-1.3	-6.2	-3.4	-4.8
Acquisition of tangible fixed assets	-	-0.5	-0.1	-0.5	-0.9
Cash flow from investing activities	-2.2	-1.8	-6.3	-3.9	-17.7
Operating cash flow	7.1	5.7	1.8	10.1	8.4
Financing activities					
Increase (+) of borrowings	-	-	-	-	-
Decrease (-) of borrowings	-5.9	-3.7	-2.1	-8.1	-7.8
Cash flow from financing activities	-5.9	-3.7	-2.1	-8.1	-7.8
Cash flow for the period	1.2	2.0	-0.3	2.0	0.6
Cash and cash equivalents at the beginning of the period	2.3	3.2	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	3.5	5.2	3.5	5.2	3.8

INDICATORS

The Group	July-Sep 2021	July-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	Full year 2020
Order intake, MSEK	32.7	33.4	131.1	98.2	135.9
Order backlog, MSEK	60.3	41	60.3	41	39.0
Gross margin, %	74	62	67	60	61
Operating margin, %	9%	0%	neg	neg	neg
Profit margin, %	9%	neg	neg	neg	neg
Return on capital employed, %	2%	0%	neg	neg	neg
Return on equity, %	3%	neg	neg	neg	neg
Solidity, %	60	59	60	59	59
Debt/equity ratio	0.2	0.3	0.2	0.3	0.2
Net investments in non-current assets, MSEK	2.2	1.8	6.2	3.9	17.7
Depreciation/amortization of fixed assets, MSEK	4.6	3.8	14.0	13.0	17.5
Average number of employees	83	90	83	90	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	0.04	0.00	-0.03	-0.06	-0.21
Cash flow per share ¹⁾ , SEK	0.08	0.06	0.02	0.11	0.09
Equity per share ²⁾ , SEK	1.25	1.42	1.25	1.42	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

Quarterly overview	2021			2020				2019				2018		
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
The Group														
Order intake, MSEK	32.7	46.7	51.7	37.7	33.4	26.3	38.5	70.3	24.1	43.3	73.3	74.8	27.8	32.6
Order backlog, MSEK	60.3	62.4	60.4	39.0	41.0	45.9	58.1	64	54.5	84.2	98.5	65.8	40.8	59
Revenue, MSEK	36.1	44.1	34.3	39.8	39.5	43.8	44.1	54.9	61.3	51.4	44.1	48.2	46.3	44
Gross margin, %	74	59	72	64	62	56	62	58	51	66	60	59	63	59
EBITDA, MSEK	7.8	3.6	0.5	-3.9	3.9	2.3	2.2	2.6	6.7	2.4	0.9	1.8	5.6	2.5
Operating profit (EBIT), MSEK	3.2	-0.9	-4.4	-8.4	0.1	-2.4	-2.2	-1.9	1.7	-1.3	-2.9	-1.1	2.2	0,4*
Operating margin, %	8.9	neg	neg	neg	0.0	neg	neg	neg	2.4	neg	neg	neg	4.8	0.9
Return on equity, %	2.9	neg	neg	neg	neg	neg	neg	neg	1.1	neg	neg	neg	0.6	neg
Solidity, %	60	54	57	59	59	56	57	56	55	58	57	62	34	33
Earnings per share, SEK	0.04	0.04	-0.05	-0.15	0.00	-0.02	-0.04	-0.03	0.02	-0.02	-0.04	0.17	0.01	-0.03
Cash flow per share, SEK	0.08	0.08	-0.04	-0.02	0.06	0.02	0.03	0.07	-0.18	-0.12	0.12	-0.18	-0.24	-0.87
Equity per share, SEK	1.25	1.25	1.23	1.28	1.42	1.43	1.45	1.48	1.52	1.5	1.52	1.56	1.82	1.83
Average number of shares, millions	89.21	89.21	89.21	89.21	89.21	89.21	89.21	89.21	89.21	89.21	89.21	55.22	38.23	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	July-Sep 2021	July-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	Full year 2020
Revenue	0.9	1.1	2.6	3.2	4.2
Other external charges	-1.0	-1.4	-2.9	-3.1	-4.5
Personnel costs	-0.6	-1.0	-2.0	-3.5	-5.6
Other operating costs	-	-	-	0.1	-
Operating profit	-0.7	-1.3	-2.3	-3.3	-5.9
Net financial items	0.2	-0.1	0.4	-0.4	4.2
Profit before tax	-0.5	-1.4	-1.9	-3.7	-1.7
End-of-year adjustments	-	-	-	-	-
Tax	-	-	-	-	-
Profit/loss for the period	-0.5	-1.4	-1.9	-3.7	-1.7

PARENT COMPANY'S CONDENSED STATEMENT OF COMPREHENSIVE INCOME

MSEK	July-Sep 2021	July-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	Full year 2020
Profit/loss for the period	-0.5	-1.4	-1.9	-3.7	-1.7
Other comprehensive income	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-0.5	-1.4	-1.9	-3.7	-1.7

PARENT COMPANY'S CONDENSED BALANCE SHEET

MSEK	Sept 30 2021	Sept 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	-	0.2	-
Receivables from Group companies	0.9	15.4	-
Other current receivables	4.3	4.4	4.1
Cash and cash equivalents	0.2	0.1	0.4
Total current assets	5.4	20.1	4.5
TOTAL ASSETS	147.5	153.1	146.6
Equity (attributable in full to Parent Company shareholders)	132.8	132.7	134.7
Current liabilities			
Provisions for contingent consideration	-	16.3	-
Trade payables	0.2	0.2	0.4
Liabilities to Group companies	13.6	2.1	9.1
Other current payables	0.9	1.8	2.4
Total current liabilities	14.7	20.4	11.9
TOTAL EQUITY AND LIABILITIES	147.5	153.1	146.6

PARENT COMPANY'S CONDENSED STATEMENT OF CHANGES IN EQUITY

MSEK	Sept 30 2021	Sept 30 2020	Full year 2020
Opening balance equity	134.7	136.4	136.4
Profit/loss for the period	-1.9	-3.7	-1.7
Other comprehensive income for the period			
Total comprehensive income for the period	-1.9	-3.7	-1.7
Closing balance equity	132.8	132.7	134.7

PARENT COMPANY'S CONDENSED CASH FLOW STATEMENT

MSEK	July-Sep 2021	July-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	Full year 2020
Cash flow from operating activities before change in working capital	-0.6	-0.9	-2.2	-2.7	-5.1
Change in working capital					
Increase (-)/Decrease (+) in receivables	0.6	-	0.2	-1.1	-0.6
Increase (+)/Decrease (-) in current liabilities	0.3	-0.3	-1.7	-0.5	0.3
Total change in working capital	0.9	-0.3	-1.5	-1.6	-0.3
Cash flow from operating activities	0.3	-1.2	-3.7	-4.3	-5.4
Investing activities					
Acquisition of subsidiaries					-12.0
Borrowings from (+)/to (-) subsidiaries	-0.1	1.1	3.5	4.3	17.7
Cash flow from investing activities	-0.1	1.1	3.5	4.3	5.7
Operating cash flow	0.2	-0.1	-0.2	0.0	0.3
Financing activities					
Increase (+)/Decrease (-) of borrowings	-	-	-	-	-
Cash flow from financing activities	-	-	-	-	-
Cash flow for the period	0.2	-0.1	-0.2	0.0	0.3
Cash and cash equivalents at the beginning of the period	0.0	-0.1	0.4	0.0	0.1
Exchange rate difference on cash and cash equivalents	0.0	0.2	0.0	0.1	0.0
Cash and cash equivalents at the end of the period	0.2	0.1	0.2	0.1	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	July-Sep 2021	July- Sep 2020	Jan-Sep 2021	Jan-Sep 2020	Full year 2020
Operating profit	3.2	0.1	-2.1	-4.5	-12.9
Depreciation/amortization of fixed tangible and intangible assets	4.6	3.8	14.0	13.0	17.5
EBITDA	7.8	3.9	11.9	8.5	4.6

NET DEBT

MSEK	Sept 30 2021	Sept 30 2020	Dec 31 2020
Cash and cash equivalents	3.5	5.2	3.8
Provisions for contingent consideration		16.3	
Lease liabilities	18.7	21.4	19.7
Interest-bearing liabilities	9.2	11.1	11.4
Net debt	24.4	43.6	27.3