

Protection at work, a better life at home

Investor Conference Call, May 5, 2022
First Quarter 2022
CEO Lars Højgård Hansen

INVISIO[®]

Highlights in Q1 2022

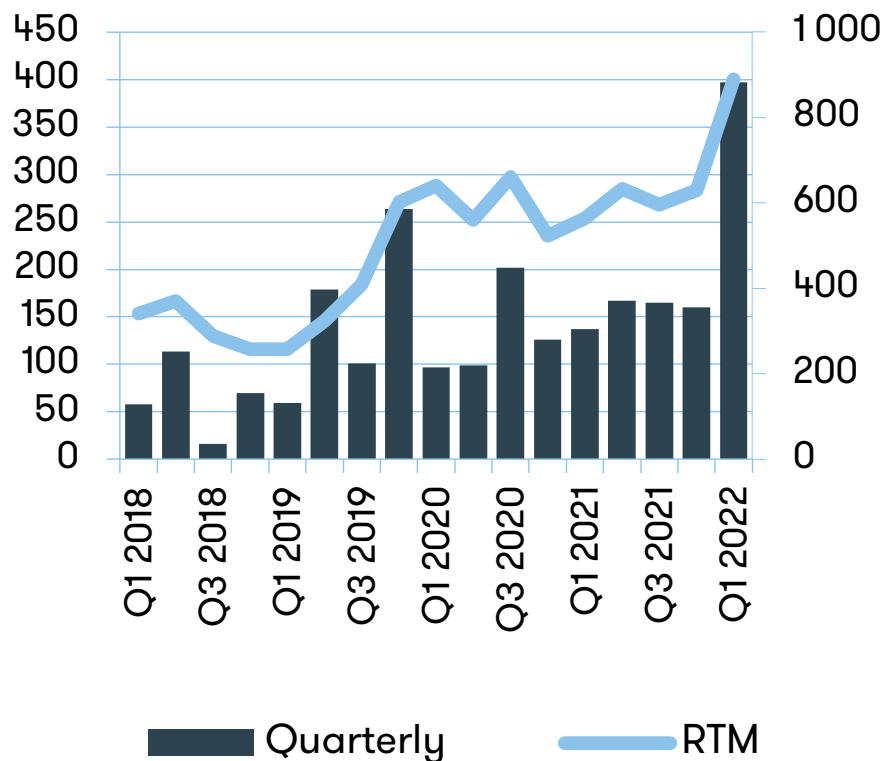
- Record high order intake.
- Strongest order book ever.
- Deliveries still lagging
- New framework agreement and a large first order with a European vehicle program.
- Several substantial orders and a new framework agreement with the UK MoD.
- Larger defense budgets and more soldiers will increase demand.

Financial result Q1, 2022

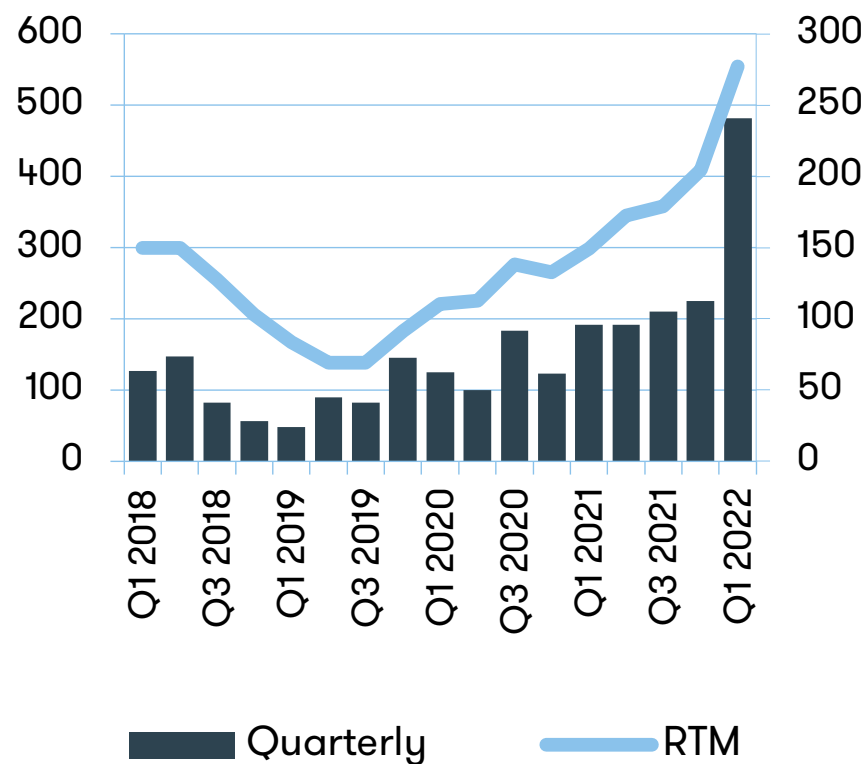
SEK in millions	2022 Jan-Mar	2021 Jan-Mar	Δ %	2021 Full year
Revenue	137.4	143.7	-4	593.0
Gross profit	82.1	82.7	-1	340.4
Gross margin, %	59.7	57.5		57.4
EBITDA	7.8	23.5	-67	69.9
EBITDA margin, %	5.7	16.3		11.8
Operating profit/loss	-3.8	12.8	-130	24.9
Operating margin, %	-2.8	8.9		4.2
Profit/loss for the period	-4.3	6.7	-164	14.5
Earnings per share, SEK	-0.10	0.15	-164	0.33
Cash flow from operating activities	3.3	34.0	-90	91.0
Order intake	396.8	137.3	189	628.1
Order book	481.7	191.5	152	224.7

Record high order intake and order book ...

Order intake per quarter and rolling 12 months
(SEK million)

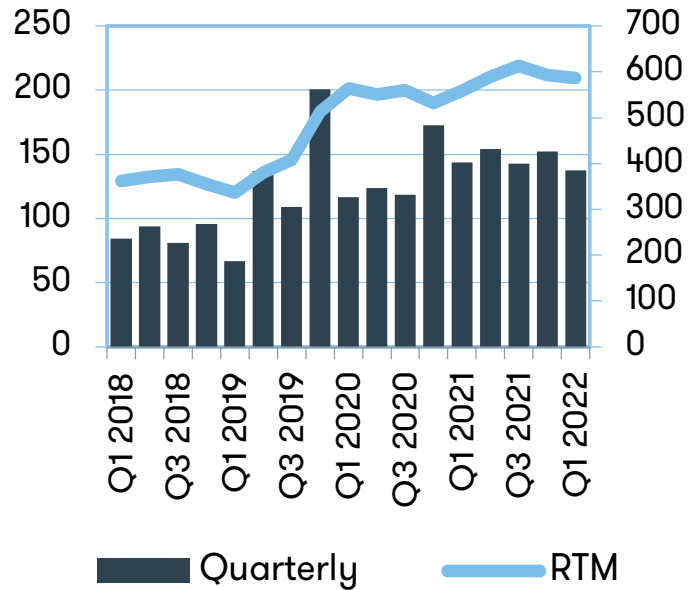


Order book per quarter and rolling 12 months
(SEK million)

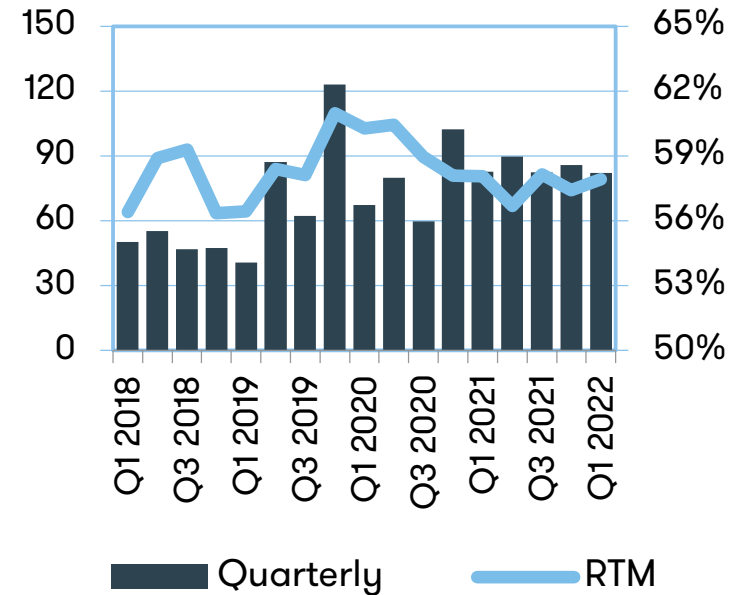


Lagging deliveries affect sales but gross margin at a sound level

Sales per quarter and rolling 12 months (MSEK)

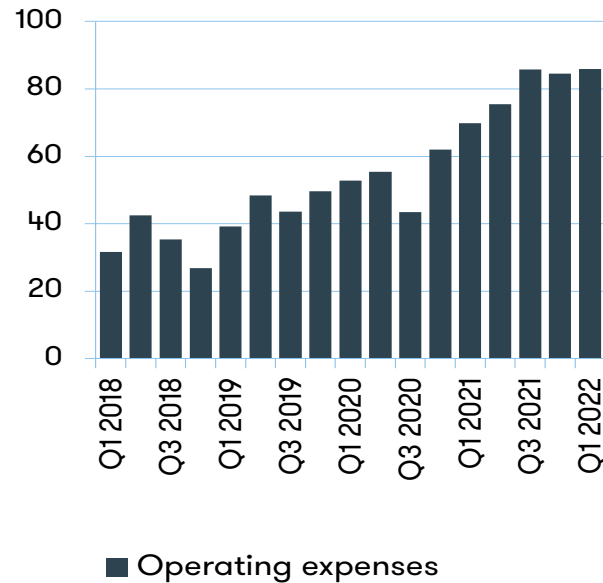


Gross profit per quarter (MSEK) and rolling 12 months (per cent)

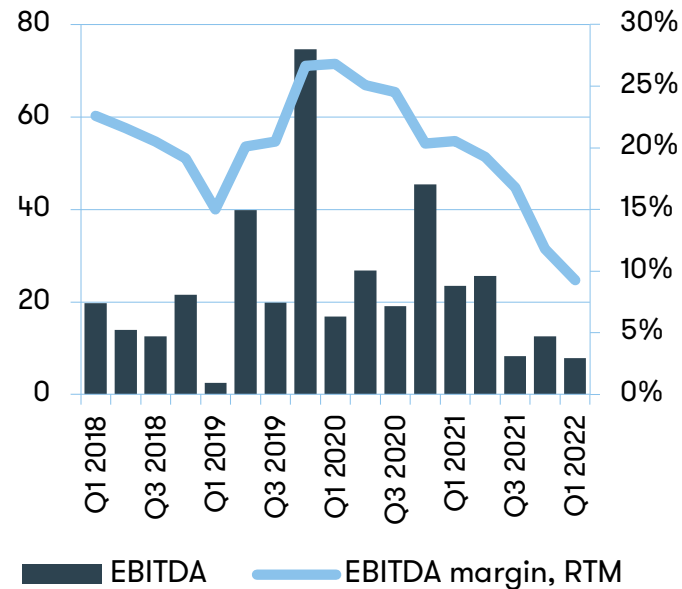


OPEX trending flat but weak sales strain margins

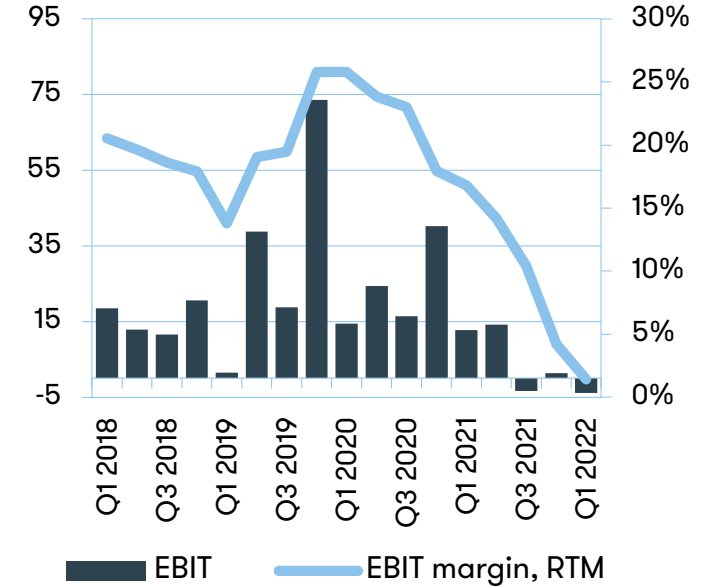
Operating expenses per quarter
(SEK million)



EBITDA per quarter (MSEK)
and rolling 12 months (per cent)



EBIT per quarter (MSEK) and
rolling 12 months (per cent)



5-year framework agreement, worth up to SEK 275 million, and a first order of SEK 91 million

INVISIO has received a first initial order under the five-year framework agreement that the company announced in early 2022.

The contract is with the system integrator of the end-customer's vehicle modernization program.

The order concerns the Racal Acoustics branded new product RA4000 Magna™ headset with accessories.

Shipments are related to vehicle deliveries and ongoing until 2026.



Orders and agreements with UK MoD

- 1) SEK 89 million order for the new INVISIO V-Series Gen II platform for use on armored fighting vehicles.
- 2) Further deliveries to the Tactical Hearing Protection System Dismounted Close Combat Users program. Order value SEK 29 million.
- 3) Long-term contract renewed – a 3+2-year In-Service Support contract.





Greater geopolitical uncertainty

Substantially increased defense budgets in coming years.

- Short term: limited impact on INVISIO.
- Long term: larger budgets and more soldiers will mean an increased demand.

The need for modern communication equipment with hearing protection is great in many countries and larger budgets will allow faster roll out.

We believe in a return to more normal conditions during the year and a continued strong order intake.

Particular focus during 2022 will lie on marketing of our many new products.

We will resume our geographic expansion, mainly in Asia, but also in the Middle East and South America.

We are well positioned to benefit from the increasing defense investments in coming years.





Questions and answers

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Appendix

Condensed consolidated income statement and consolidated statement of comprehensive income

SEK in millions	Note	2022 Jan-Mar	2021 Jan-Mar	2021 Full year
Revenue	2	137.4	143.7	593.0
Cost of goods sold		-55.4	-61.1	-252.6
Gross profit		82.1	82.7	340.4
Operating expenses*	3	-85.9	-69.9	-315.5
Operating profit/loss		-3.8	12.8	24.9
Net financial items		-0.2	-2.1	-1.3
Profit/loss before tax		-4.0	10.7	23.5
Income tax	4	-0.3	-4.0	-9.0
Profit/loss for the period		-4.3	6.7	14.5
OTHER COMPREHENSIVE INCOME				
<i>Items that may subsequently be reclassified to profit and loss</i>				
Translation differences		3.8	12.3	24.1
Comprehensive income for the period		-0.5	19.0	38.6
(Profit/loss attributable to equity holders of the parent company.)				
*Depreciation/amortization incl. in operating expenses	3	-11.6	-10.7	-45.1

Condensed consolidated statement of financial position

SEK in millions

Assets	Note	31/03/2022	31/03/2021	31/12/2021
Goodwill		54.4	54.7	54.5
Capitalized development costs	3	93.6	96.6	92.6
Other intangible assets	3	86.0	104.4	89.3
Property, plant and equipment	3	16.2	19.2	17.1
Right-of-use assets, leases	3	28.9	39.9	33.7
Deposits for rent, long-term		2.5	2.5	2.4
Deferred tax assets	4	2.8	2.6	3.2
Inventories		120.2	131.4	117.5
Trade receivables		106.3	117.2	117.6
Other short-term receivables		30.3	24.1	27.3
Cash and cash equivalents		123.3	103.1	134.8
Total assets		664.4	695.7	690.0
Shareholders' equity and liabilities				
Shareholders' equity		417.9	399.1	417.5
Liabilities to credit institutions		80.0	100.0	85.0
Lease liabilities		29.8	40.2	34.3
Deferred tax liabilities	4	35.2	40.7	35.5
Trade payables		43.4	49.4	34.1
Other current liabilities		58.0	66.2	83.7
Total shareholders' equity and liabilities		664.4	695.7	690.0

Condensed consolidated statement of cash flow

SEK in millions	Note	2022 Jan-Mar	2021 Jan-Mar	2021 Full year
Operating activities				
Profit/loss before tax		-4.0	10.7	23.5
Adjustments for non-cash items		16.3	12.4	47.7
Income tax paid		-1.4	-1.0	-9.0
Cash flow from operating activities before changes in working capital		10.9	22.1	62.2
Changes in inventories		-1.1	6.2	21.5
Changes in operating receivables		4.7	15.7	17.1
Changes in operating liabilities		-11.1	-10.0	-9.9
<i>Cash flow from changes in working capital</i>		-7.5	11.8	28.8
Cash flow from operating activities		3.3	34.0	91.0
Investing activities				
Capitalization of development costs		-5.0	-4.3	-14.9
Changes in other intangible assets		-	-	12.5
Investments in subsidiaries		-	-184.3	-185.6
Acquisition of property, plant, and equipment		-1.4	-1.5	-3.7
Acquisition of financial assets		0.0	-0.2	-0.1
Cash flow from investing activities		-6.5	-190.3	-191.9
Financing activities				
New issues through exercising employee stock options		-	-	26.9
Borrowings		-5.0	100.0	85.0
Changes in lease liabilities		-4.6	-1.9	-8.0
Dividend paid		-	-	-30.9
Cash flow from financing activities		-9.6	98.1	73.0
CASH FLOW FOR THE PERIOD		-12.8	-58.2	-27.9
Cash and cash equivalents at start of period		134.8	157.7	157.7
Translation differences in cash and cash equivalents		1.2	3.7	5.0
Cash and cash equivalents at end of period		123.3	103.1	134.8

Depreciation/amortization

<i>SEK in millions</i>	2022	2021	2021
	Q1	Q1	Full year
Depreciation of capitalized development costs	5.1	4.5	18.9
Amortization of Other intangible assets*	3.3	2.0	11.1
Amortization of Right of use assets, leases	1.8	3.1	9.3
Depreciation of Property, plant and equipment	1.4	1.2	5.7
Total	11.6	10.7	45.1

*Other intangible assets consists of values allocated to intangible assets, such as customer relations, technology and trademarks, in connection with the acquisition of Racal Acoustics.