

25 INVISIO[®]
anniversary_{th}

Protection
at work,
a better life
at home

INVISIO[®]

Corporate Governance Report 2023

Corporate governance report

INVISIO AB (publ.) ("INVISIO") is a Swedish public limited liability company with its registered office in Stockholm. Apart from the parent company, the group consists of the wholly-owned subsidiaries INVISIO A/S (Denmark), INVISIO Communications SAS (France), INVISIO Communications Inc (USA), INVISIO Srl (Italy), Nextlink IPR AB, Nextlink Patent AB, Racal Acoustics Inc. (USA) and Racal Acoustics Ltd (UK). The group's head office is in Copenhagen. INVISIO has applied the Swedish Code of Corporate Governance ("the code") since the shares began trading in May 2015 and reports no deviations from the code for 2023.

Principles for corporate governance

Governance of the company and group is based among other things on the articles of association, the Swedish Companies Act, the Nasdaq Stockholm Rule Book for Issuers and the Swedish Code of Corporate Governance ("the code"), as well as internal regulations and policies.

This corporate governance report is prepared as a separate document from the formal annual report. The responsibility for governance and control of the INVISIO Group is divided between the shareholders at the annual general meeting of shareholders, the board of directors and the CEO. An overview of the group's organization, governance and control, including external and internal policy instruments, is shown in the illustration on the right.

Shareholders

Voting rights

The INVISIO share has been listed on Nasdaq Stockholm since May 2015. The company's share capital at December 31, 2023, was SEK 45,590,194 (45,048,694), divided into 45,590,194 shares (45,048,694), each with a quotient value of 1.00. All shares have equal voting rights and there is no limit to the number of votes each shareholder may use at an annual general meeting.

Ownership structure

As at December 31, 2023, INVISIO had 5,442 shareholders (5,012). The total holding of William Demant Fonden was 16.5 percent of the capital and votes. No other shareholder's holding exceeded 10 percent.

Annual general meeting

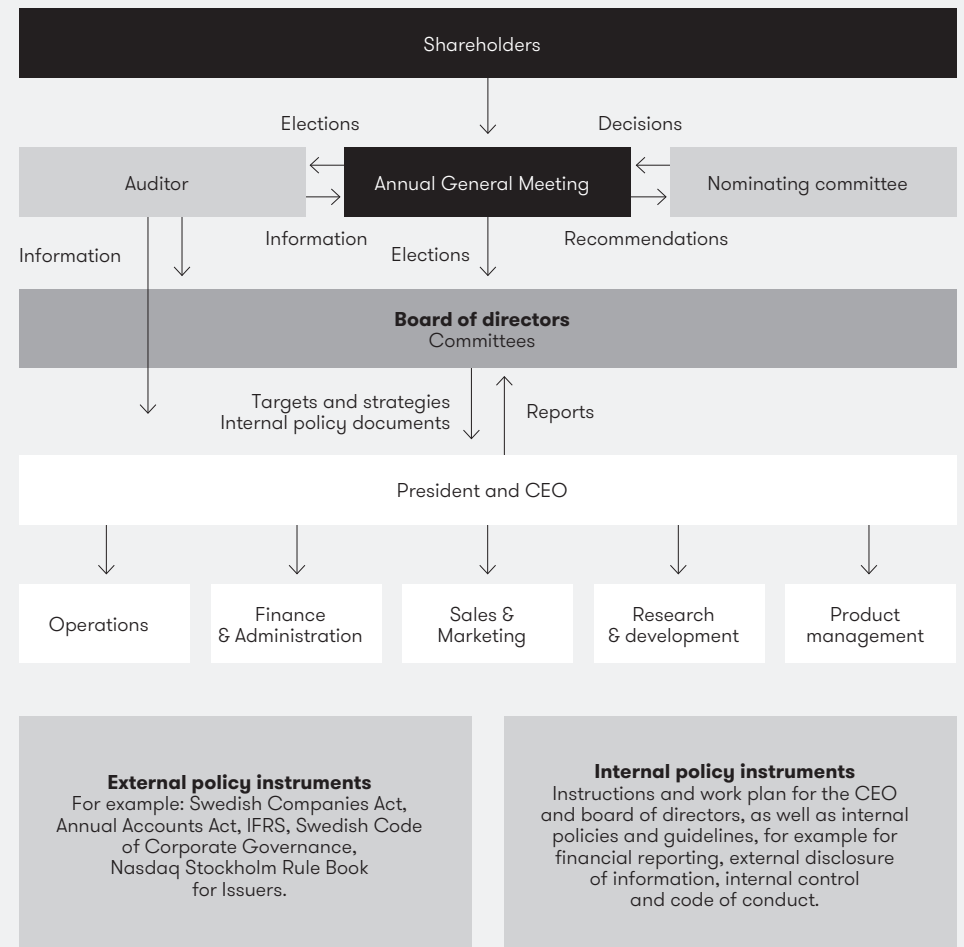
The annual general meeting (AGM) is the company's highest decision-making body. The AGM must be held within six months of the close of the financial year and is usually held in April or May in Stockholm. At the AGM, resolutions are adopted concerning: adoption of the company's income statement and balance sheet; disposition of the company's profit or loss; discharge of the directors and CEO from liability to the company; election of directors, the chair of the board and auditor; the setting of board and auditors' fees; and other items of business that are incumbent upon the AGM pursuant to the Swedish Companies Act, INVISIO's articles of association or the Swedish Code of Corporate Governance. An extraordinary general meeting of shareholders will be held where the board finds reason to do so in accordance with the Swedish Companies Act. The articles of association do not contain any special provisions concerning amendment of the articles by the general meeting of shareholders.

Annual general meeting 2023

The AGM for the 2022 fiscal year was held on May 4, 2023. Participating shareholders and proxies represented 30,689,359 shares, corresponding to 68 percent of the total number of shares and votes. A number of the resolutions that were passed are set out below.

- The AGM adopted the income statement and balance sheet included in the annual report and resolved in accordance with the board's proposed appropriation of earnings and granted discharge from liability to the directors and the CEO.
- The AGM resolved to re-elect Annika Andersson, Martin Krupicka, Ulrika Hagdahl, Charlott Samuelsson

Overview of corporate governance at INVISIO



and Hannu Saastamoinen as directors, and elected Nicklas Hansen as a new director and re-elected Annika Andersson as chair of the board.

- The AGM voted in accordance with the nominating committee’s proposed board fee. For more information, please refer to “Remuneration of the board and committees”, presented below.
- The AGM resolved in accordance with the board’s proposal on guidelines for remuneration to the CEO and other senior executives as presented on pages 52–53.
- The AGM resolved to authorize the board to issue shares corresponding to a maximum dilution of 10 percent, with a view to a possible raising of capital for expansion, investment and company acquisitions.

The minutes of the AGM can be found on the INVISIO website <https://corp.invisio.com/corporate-governance/annual-general-meeting>.

Nominating committee for the 2024 AGM

| Member | Representing | Voting share, % ¹⁾ |
|----------------------------------|------------------------------|-------------------------------|
| Elisabet Jamal Bergström (chair) | SEB Investment Management | 9.7 |
| Casper Lorenzen | William Demant Invest | 16.5 |
| Jesper Birch-Jensen | Swedbank Robur Fonder | 6.5 |
| Annika Andersson | Member as per chair of board | Not applicable |

1) Source: Modular Finance, December 31, 2023.

AGM 2024

INVISIO’s AGM for the 2023 financial year will be held in Stockholm on May 7, 2024, at 16:00.

Nominating committee

The main function of the nominating committee is to present proposals to the AGM on the composition of the board, for approval by the AGM. The work of the nominating committee starts by studying the evaluation of the work of the board as commissioned by the board. The nominating committee then nominates directors and chair for the coming mandate period. Furthermore, the nominating committee presents proposals for the election of auditor and remuneration to the board and auditors.

Composition of the nominating committee

According to a resolution of the 2020 AGM, the nominating committee is to be appointed for the period until a new nominating committee has been appointed, for drafting and presentation of recommendations to the shareholders at the AGM regarding:

- chair of the AGM;
- number of directors;
- election of directors and chair of the board;
- remuneration of the board chair, directors and committee members;
- election of auditor;
- remuneration of the auditor; and
- other matters that may be incumbent on a nominating committee pursuant to the Swedish Code of Corporate Governance.

The nominating committee is to consist of four members and be tasked as follows: INVISIO’s nominating committee is to safeguard all shareholders’ interests and ensure professional preparation of a number of matters that are important for the company’s board work that are resolved by the general meeting of shareholders.

Three nominating committee members are normally to be appointed by the company’s three largest shareholders and the fourth is the board chair. Prior to the AGM, the chair of the board must contact the three largest shareholders, based on shareholder data as at August 31, and call a first meeting of the nominating committee at the latest seven months before the AGM.

If any of the largest shareholders decline to appoint a member to the nominating committee, the chair of the board is to invite the shareholder next in size to appoint a member. The analysis of ownership is to be based on Euroclear’s list of registered shareholders and on any other circumstances that are known to the board chair. In the event that a member voluntarily resigns from the nominating committee, the shareholder that appointed the outgoing member must appoint a successor, provided that the ownership structure has not materially changed.

If the ownership structure of the company is materially changed, the nominating committee can decide to change its composition so that the committee reflects the ownership of the company appropriately.

Even if changes are made to the company’s ownership structure, no changes need to be made to the composition of the nominating committee if the changes are minor or if a change occurs less than three months before the AGM, unless such changes are justified by special circumstances.

The member representing the largest shareholder by voting power is the chair of the nominating committee, unless otherwise agreed by the members. However, neither the chair of the board nor another director may chair the nominating committee.

The nominating committee is encouraged to contact large shareholders that have not appointed a member to the nominating committee as well as representatives of small shareholders to ascertain their views on matters pertaining to the nominating committee.

The nominating committee’s terms of reference apply until a future general meeting of shareholders resolves to amend them.

The members of the nominating committee and the shareholders appointing them are presented in the adjacent table. In 2023 the nominating committee held three meetings and maintained contacts between meetings.

Remuneration of the nominating committee

No remuneration is payable to nominating committee members. However, the nominating committee has the right to charge the company reasonable costs for engaging recruitment consultants, if such consultants are deemed necessary to obtain a suitable selection of board candidates.

Board of directors

The board of directors is responsible for INVISIO’s organization and for the management of the company’s affairs.

Composition of the board of directors

In accordance with the articles of association, INVISIO’s board of directors is to consist of a minimum of three and a maximum of eight members. The directors represent a group with technical, commercial and economic knowledge, with experience of business development, growth, sustainability and internationalization. They are well suited to their role and focused on conducting business sustainably in all respects.

The company applies rule 4.1 of the code as its diversity policy. The rule states that the composition of the board of directors must demonstrate diversity and breadth of qualifications, experience and background. Further, the company is to strive for gender balance. The board of directors is composed of three women and three men, which, in the nominating committee’s opinion, is compatible with the gender balance requirement. For further information on the directors, refer to pages 50–51.

The articles of association do not include any particular provisions on appointment or dismissal of members of the board.

Independence of the board

The composition of the board meets the requirements of the code concerning independent members. The independence assessments for each member are presented on pages 50–51.

The board’s work plan

The board follows an annual work plan. This is adopted at the first board meeting and the plan is thereafter updated as necessary. The work plan describes the responsibilities and duties of the board and its committees and the internal division of duties and working methods, including that between the board and the CEO. The current work plan was adopted on May 4, 2023.

The work of the board

Under the adopted work plan, the board must meet at least six times per year in addition to the first board meeting.

In 2023 the board held nine meetings, including the first meeting. The attendance of the members at the meetings is shown in the table in the corporate governance report.

Standing items at board meetings are business conditions, financial conditions and performance monitoring. Important matters during the year included business objectives, strategic focus, R&D initiatives and organization, and acquisitions.

INVISIO’s CEO and CFO participate regularly in board meetings. Other senior executives attend board meetings as presenters, if necessary. The presenter at board meetings is normally the CEO. The secretary is the CFO.

Evaluation of the work of the board

For 2023, the evaluation took place partly through a questionnaire that was compiled by an independent party, and partly through separate interviews with all directors, conducted by the nominating committee. These interviews were performed by Elisabet Jamal Bergström, representing SEB Investment Management, Jesper Borch-Jensen, representing Swedbank Robur Fonder, and Casper Lorentzen, representing William Demant Invest.

Directors' attendance at board meetings

| Director | Attendance |
|-------------------------|------------|
| Annika Andersson, chair | 9 of 9 |
| Ulrika Hagdahl | 9 of 9 |
| Nicklas Hansen | 5 of 6 |
| Martin Krupicka | 7 of 9 |
| Hannu Saastamoinen | 7 of 9 |
| Charlott Samuelsson | 9 of 9 |

Committees

Audit committee

The first board meeting after the 2023 AGM resolved that the audit committee would consist of a maximum of three directors.

The committee is to meet as necessary, though at least three times per calendar year. Meetings are to be minuted. Directors were elected to the committee as follows: Annika Andersson, Nicklas Hansen and Ulrika Hagdahl (committee chair). The duties and responsibility of the audit committee include:

- monitoring the company's financial reporting and submitting recommendations and proposals to ensure reporting reliability;
- monitoring the effectiveness of the company's internal control and risk management regarding financial reporting;
- staying informed about the audit of the annual accounts and the consolidated accounts, as well as the conclusions of the Supervisory Board of Public Accountants quality control;
- being able to report how the audit contributed to the reliability of financial reporting;
- examining and monitoring the external auditor's impartiality and independence, paying particular

attention to whether the external auditor provides the company with services other than auditing; and

- assisting with the preparation of proposals for the AGM resolution on the election of auditor.

For a new election of auditor, the committee's recommendation must include at least two alternatives for the audit engagement, and the committee must give reasons for its preferred alternative. In its recommendation, the committee must base its reasoning on the results of the compulsory selection procedure arranged by the company in line with the committee's responsibilities.

Remuneration committee

The board at its first meeting after the 2023 AGM appointed a remuneration committee consisting of Annika Andersson (committee chair) and Hannu Saastamoinen. The remuneration committee's duties and responsibilities include preparing matters for board decisions on issues related to remuneration principles, remuneration and other terms of employment for company management, and following and evaluating programs (both current and those completed during the year) for variable remuneration for company management, following and evaluating the application of the guidelines for remuneration of senior executives (which by law must be determined by the AGM) and of remuneration structures and remuneration levels at the company. In 2023 the remuneration committee met three times and in addition maintained contact between meetings. All members participated in these meetings.

Cybersecurity committee

In 2023 the board decided to establish a cybersecurity committee, consisting of Charlott Samuelsson (committee chair), Annika Andersson and Ulrika Hagdahl. The duties and responsibilities of the committee include:

- monitoring the company's IT security work; and
- monitoring the efficiency of the company's security work and IT risk management.

In addition, the committee is tasked with working to make cybersecurity risks a part of strategic decision-making and a priority in business operations, and to raise awareness and understanding of cybersecurity issues among directors.

The cybersecurity committee consists of a maximum of three directors, who appoint a chair. The committee is required to meet as necessary, but no less than three times per calendar year. During the period, three meetings were held and were all minuted.

Remuneration of the board and committees

The 2023 AGM resolved that board fees totaling SEK 675,000 would be paid to the chair of the board and SEK 260,000 to each of the other directors. In addition, a fee of SEK 125,000 was to be payable to the chair of the audit committee and SEK 60,000 to the chair of the remuneration committee and SEK 60,000 each to a maximum of two members of the audit committee and SEK 40,000 to one member of the remuneration committee. The cybersecurity committee chair receives remuneration of SEK 60,000, the other two members SEK 40,000 each. Remuneration of the board is described in more detail in Note 8.

Auditor

INVISIO's auditor audits the annual report, consolidated accounts and bookkeeping, as well as the administration of the board and CEO. The auditor works according to an audit plan and reports any findings to the audit committee at audit meetings and board meetings. At the AGM, the auditor presents the auditor's report, which describes the audit work and the auditor's conclusions. Apart from this, the auditor also normally participates in three audit committee meetings and one board meeting during the autumn and one in the spring. On behalf of the board the auditor also reviewed the interim report for January-September 2023.

The company's audit firm, PricewaterhouseCoopers AB, was re-elected at the 2023 AGM for the period until 2024. The auditor in charge is authorized public accountant Mats Åkerlund.

Remuneration of the auditor

The 2023 AGM resolved that the fee to the auditor would be payable in accordance with an approved invoice. Remuneration of the auditors is described in more detail in Note 6.

President/CEO and management

The President/CEO is responsible for the day-to-day administration of INVISIO in accordance with the

board's guidelines and instructions. The current instruction to the CEO was adopted by the board on May 4, 2023. The CEO prepares information and decision-making documentation for the board meetings.

The CEO is assisted by a group management team consisting of the heads of the company's functions: Finance & Administration, Marketing & Sales, Research & Development, Product Management, and Operations. All members of the management team are based at INVISIO's headquarters in Copenhagen, apart from the SVP of sales North America, who works in the US. Management holds weekly meetings at which operational issues are discussed. A more detailed presentation of the CEO and the management team is given on pages 52-53.

Remuneration to the CEO and other senior executives

The 2020 AGM resolved in accordance with the board's proposal to adopt the following guidelines for remuneration to the CEO and other senior executives, valid until further notice, though not beyond the 2024 AGM.

INVISIO'S ability to recruit and retain talented employees hinges on successful implementation of the company's business strategy and the safeguarding of the company's long-term interest and sustainability.

The group therefore endeavors to offer total remuneration that enables it to attract and retain senior executives.

Remuneration of senior executives, both in the short and long term, must be based on the individual's performance and responsibility, as well as the profitability of INVISIO and its subsidiaries. The interests and rewards of senior executives must also be linked to those of shareholders.

Variable cash remuneration covered by these guidelines must aim to promote the company's business strategy and long-term interests, including its sustainability. Remuneration of senior executives may consist of:

- Fixed salary
- Short-term variable cash remuneration
- Participation in long-term share or share-price related incentive programs
- Pension and other benefits

Senior executives' fixed salaries are revised annually and must be competitive and based on the individual's skills, responsibilities and performance.

Variable cash remuneration is to be based on how well the targets set for the respective areas of responsibility and for INVISIO and its subsidiaries have been met. The outcome is to be linked to measurable targets (qualitative, quantitative, general and individual). The target components, weighting and levels may vary from year to year to reflect business priorities. They generally balance the group's financial targets and non-financial targets (for example, operational, strategic, environmental, social or other sustainability-related targets). The measurement period for variable remuneration is based as a principal rule on performance over a period of about 12 months.

The targets within the senior executives' respective areas of responsibility aim to promote INVISIO's development over the short and long term. When the measurement period for meeting the criteria for payment of variable cash remuneration has been completed, a decision is to be made on the extent to which the criteria have been fulfilled.

The remuneration committee is responsible for the assessment of variable cash remuneration to senior executives. The board of directors has the right to disregard the fulfillment of the criteria and adjust payment of variable remuneration both upwards and downwards on the basis of actual progress during the year. Additional variable cash remuneration may be payable in extraordinary circumstances, provided that such arrangements are made solely at individual level as remuneration for extraordinary work input over and above the individual's ordinary duties. Total variable remuneration may not exceed 60 percent of fixed salary or be used as a basis for calculating pension or vacation pay, to the extent permitted by applicable law.

Remuneration of the CEO and other senior executives is described in more detail in Notes 7 and 8, in the administration report and the remuneration report.

Long-term incentive program

The 2022 and 2023 AGMs resolved, in accordance with a proposal by the board of directors, to establish employee stock option programs 2022/2025 and 2023/2026. During the year the 2020/2023 employee stock option program was closed. A total of 541,500 allocated options were exercised. The programs are described further in Note 7.

Severance

According to his employment contract, the CEO has a 12-month severance period in the event of termination by the company. The severance period in the event of termination by the CEO is eight months.

According to their respective employment contracts, other senior executives have a six-month severance period in the event of termination by the company. In the event that a senior executive issues termination, the severance period is three months.

Internal control and risk management referring to financial reporting

Internal control and risk management in respect of financial reporting is a central component of INVISIO's corporate governance. The objective is to provide reasonable assurance concerning the reliability of interim reports, year-end reports and annual reports and to ensure that these reports are prepared in accordance with applicable laws, accounting standards and other rules.

INVISIO bases risk management and internal control on the Internal Control – Integrated Framework issued in 2013 by the Committee of the Sponsoring Organizations of the Treadway Commission (COSO). According to COSO, internal control is a process with the following components: control environment; risk assessment; control activities; information; and communication and monitoring.

Control environment

The control environment forms the basis of internal control and risk assessment within INVISIO and consists of the values and culture communicated and acted on by the board and management, as well as the company's organizational structure, leadership, authority, decision-making channels, and its employees' expertise. This includes several internal policy documents, which have been adopted by the board. An overview of the company's organization, governance and control, including external and internal policy instruments, can be found on page 46.

The board of directors has overall responsibility for internal control and reporting and is tasked with monitoring INVISIO's financial reporting and the effectiveness of this process. See the previous page under "Audit committee" for more information.

Risk assessment

The board delegates operational responsibility for risk assessment and internal control to management. INVISIO's management group conducts annual systematic risk assessments. This involves assessing the risks that are removed or added, as well as selecting prioritized processes. Process descriptions are prepared as decision-making data for the board. They include information on the purpose, risks, controls and effectiveness of the process. The company's risk management is described further in the administration report and in Note 2.

Control activities

In accordance with the internal control policy, the CFO is responsible for coordination, management and follow-up of internal control, including financial reporting. The CFO, together with the accounting department and others, ensures that process descriptions and internal frameworks are prepared and is responsible for reporting on the progress of internal control and risk management to the board and the audit committee.

To ensure good internal control in financial reporting, the company has established control activities for each main process, aimed at preventing, discovering and correcting errors and non-compliance. Among the areas of control are approval of business transactions, reliability of business systems, compliance with laws and other requirements for listed companies, segregation of duties, application of accounting standards, and other areas that include material elements of assessment.

Information and communication

The board of directors has an information policy for external communications to ensure that the market receives relevant, reliable, correct and current information on the company's development and financial position. The board also has an insider policy to safeguard the integrity of disclosures.

The company's internal policy instruments in the form of policies, guidelines and manuals for internal and external communication are regularly updated and communicated internally via relevant channels, such as intranet, internal meetings, email and the company's document management system.

Monitoring

The CFO has the operational responsibility for monitoring risk management and internal control with respect to financial reporting. This includes monitoring monthly financial reports against targets and plans, monitoring the CEO's business reports to the board and monitoring reports from the company's auditor. In addition, the main processes and associated control activities are regularly evaluated to ensure adequacy and effectiveness. The results are reported to the board and the audit committee.

INVISIO does not have a dedicated internal audit function. The board of directors has evaluated the need for this function and concluded that it is not warranted by the size of the organization and the scope of its activities.

Events and activities in 2023

During the year the board worked actively on the overall strategy for innovation and product development, which is of utmost importance to strengthen the company's future prospects and ensure continued profitable growth.

As part of this work the board visited the Harrow office to study closely the development of the Racal Acoustics brand and how the operations have been successfully integrated into the group.

The board and the audit committee also conducted an active dialogue with management on environment and social governance. Supported by external expertise, the board and audit committee ran an extensive project to develop sustainability targets and create readiness for future reporting under the new Corporate Sustainability Reporting Directive (CSRD).

In parallel with these initiatives, the cybersecurity committee was involved in safeguarding digital infrastructure and protecting important information. Its work was crucial in creating a strong line of defense against cyber threats, strengthening the security culture and maintaining high preparedness for action in the event of any such future incident.

Board of directors



Annika Andersson

Chair of the Board since 2019

Member since 2014
Born: 1958

Annika Andersson is a professional board director. She has longstanding experience of the financial industry, including from the Fourth Swedish National Pension Fund where she worked as portfolio manager and held responsibility for shareholder issues, information and sustainability.

Other engagements

Chair of the board of Sequitor Engineering AB and director of the First Swedish National Pension Fund.

Education

MSc Business Administration and Economics, Stockholm School of Economics.

Holding¹⁾

24,500 shares.

Independence

Independent in relation to the company, its management and major shareholders.

Member of the audit committee and cybersecurity committee and chair of the remuneration committee.

¹⁾ Source: Modular Finance, INVISIO, December 31 2023



Ulrika Hagdahl

Director since 2018
Born 1962

Ulrika Hagdahl previously built up and successfully ran Orc Software, where she held the position of CEO among other roles from 1990 to 2000.

Other engagements

Member of the board of Resolution Games AB, AB Idre Golf Ski & Spa and WallToWall AB.

Education

MSc (Engineering), Royal Institute of Technology, Stockholm.

Holding¹⁾

3,400 shares.

Independence

Independent in relation to the company, its management and major shareholders.

Chair of the audit committee and member of the cybersecurity committee.



Nicklas Hansen

Director since 2023
Born 1986

Nicklas Hansen works as Investment Director at William Demant Invest A/S.

Other engagements

Director of Jeudan A/S and board observer at Vision RT Ltd. Dependent.

Education

MSc Finance and Accounting, Copenhagen Business School.

Holding¹⁾

0 shares

Independence

Independent in relation to the company and its management. William Demant Invest A/S and William Demant fonden owned 16.7 percent of the shares in INVISIO at the close of 2022. Nicklas Hansen is Investment Director at William Demant Invest A/S and is thus not independent in relation to one of the company's major shareholders.

Member of the audit committee.



Martin Krupicka

Director since 2018
Born 1962

Since 2009 Martin Krupicka has been CEO of Brokk Group, which is part of Lifco AB. He has previously worked on company strategy and mobile services at Microsoft in the US and as management consultant at Connecta and Accenture.

Other engagements

CEO of Brokk Group. Director of Ahlberg Cameras AB, Aquajet Systems AB and Darda GmbH.

Education

MSc (Engineering) Linköping Institute of Technology, MBA Harvard Business School.

Holding¹⁾

500 shares.

Independence

Independent in relation to the company, its management and major shareholders.

¹⁾ Source: Modular Finance, INVISIO, December 31 2023



Hannu Saastamoinen

Director since 2022
Born 1960

Hannu Saastamoinen is a professional board director and works as a senior advisor at Investment AB Latour in Finland. From 2013 to 2020 he was CEO of Swegon Group. Before that, he held leading positions at Munters, Huurre Group, TAC Svenska, United Technologies Carrier Corp and Electrolux, among others.

Other engagements

Chair of board of Rototec Group AB and MTC Flextex Oy. Director of Nordic Waterproofing Holding AB, Oy VEHO AB, M&G Group BV and Bemsiq AB.

Education

Master's degree from Helsinki School of Economics.

Holding¹⁾

1,500 shares.

Independence

Independent in relation to the company, its management and major shareholders.

Member of the remuneration committee



Charlott Samuelsson

Director since 2019
Born 1963

Charlott Samuelsson is senior vice president and head of the Pattern Generators business area at Mycronic AB, a company where she has held various leading positions since 2000.

Other engagements: —

Education: MSc (Engineering) Chalmers University of Technology.

Holding¹⁾ 4,000 shares.

Independence: Independent in relation to the company, its management and major shareholders.

Chair of the cybersecurity committee.

Auditor

PricewaterhouseCoopers AB

Mats Åkerlund

Authorized public accountant
INVISIO's auditor since 2017

Management



Lars Højgård Hansen

President and Chief Executive Officer since 2007

Hired 2006

Born 1963

Lars Højgård Hansen has longstanding experience of international sales and marketing, mainly in technology companies and has previously held several leading marketing positions at Sony Ericsson Group and GN.

Education: Graduate Diploma (HD) Copenhagen Business School, Executive MBA Lund University School of Economics and Management.

Holding¹⁾: 431,511 shares and 48,000 options.



Thomas Larsson

CFO

Hired 2012

Born 1964

Thomas Larsson has extensive experience of various financial and accounting roles both in listed and private companies at different development phases, including Pharmacia and Doro Nordic. His most recent role was CFO of Systemtextgruppen.

Education: MSc (Business Administration) Växjö University.

Holding¹⁾: 265,038 shares and 24,000 options.



Carsten Agesen

SVP Global Sales & Marketing

Hired 2007

Born 1968

Carsten Agesen has wide-ranging experience of international sales and marketing from leading positions at GN and Apple, among others. His previous roles include marketing director at GN's mobile division and marketing manager at Apple Nordic & Benelux.

Education: Cand.merc. (MSc in Economics and Business Administration) Marketing and Strategic Management, Copenhagen Business School.

Holding¹⁾: 37,58 shares and 24,000 options.

1) Source: Modular Finance, INVISIO, December 31, 2023



Joakim Birgersson

SVP Operations

Hired 2018
Born 1964

Joakim Birgersson has many years' experience of the safety and hearing protection industry and has held leading positions in small and large manufacturing companies, such as Sordin and Peltor. His most recent position was corporate vice president and general manager Europe at MSA Safety.

Education: Mechanical engineer. University studies. Diploma in Marketing.

Holding¹⁾: 42,000 shares and 24,000 options.



Ray Clarke

SVP Sales North America

Hired 2017
Born 1961

Ray Clarke has many years of experience in the defense and security sector, where he has held various leading positions. He has led global sales, marketing and business development teams in technology-intensive companies such as Draeger, Mine Safety Appliances and Revision Military.

Education: BSc, West Virginia University.

Holding¹⁾: 11,114 shares and 24,000 options.



Jan Larsen

SVP R&D

Hired 2007
Born 1962

Jan Larsen has broad experience of product development for various types of hearing and acoustics applications and has held a number of leading positions in R&D at GN, Oticon A/S, Bernafon AG, UnoMedical A/S and Ortofon A/S.

Education: Electrical engineer with Diploma degree, Technical University of Denmark, Copenhagen and Graduate Diploma (HD-O) Copenhagen Business School.

Holding¹⁾: 69,255 shares and 24,000 options.

¹⁾ Source: Modular Finance, INVISIO, December 31, 2023

Statement by the auditor on the corporate governance statement

To the general meeting of the shareholders of INVISIO AB (publ),
corporate identity number 556651-0987

Engagement and responsibility

It is the board of directors that is responsible for the corporate governance statement for the year 2023 on pages on pages 46–53 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination has been conducted in accordance with FAR's auditing standard RevR 16, Auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with international standards on auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

Opinions

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6, second paragraph points 2–6, the Annual Accounts Act, and chapter 7 section 31, second paragraph, are consistent with the annual accounts and the consolidated accounts and in accordance with the Annual Accounts Act.

Malmö, April 5, 2024
PricewaterhouseCoopers AB

Mats Åkerlund
Authorized Public Accountant

Auditor's statement on the statutory sustainability report

To the annual general meeting of the shareholders of INVISIO AB (publ),
corporate identity number 556651-0987

Engagement and responsibility

It is the board of directors that is responsible for the statutory sustainability report for the year 2023 on pages 30–43 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination has been conducted in accordance with FAR's auditing standard RevR 12, Auditor's opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is substantially different and less in scope than an audit conducted in accordance with international standards on auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

Opinion

A statutory sustainability report has been prepared.

Malmö, April 5, 2024
PricewaterhouseCoopers AB

Mats Åkerlund
Authorized Public Accountant

Remuneration report

Introduction

This remuneration report gives an account of how the guidelines for remuneration of senior executives adopted by the 2020 AGM were implemented in 2023. The report also gives an account of details of remuneration to the CEO and contains a summary of INVISIO's outstanding incentive programs. The report was prepared in accordance with the Swedish Companies Act (2005:551) and the Swedish Code of Corporate Governance.

Further information on remuneration of senior executives required under chapter 5, sections 40-44 of the Annual Accounts Act (1995:1554) can be found in Note 8. For more information about the work of the remuneration committee in 2023, refer to the corporate governance report.

Remuneration of the board of directors is not covered by this report. That remuneration is decided annually by the AGM and reported in Note 8.

Development of the company

The development of the company and significant events for the year are described in the CEO's presentation on pages 5-6.

INVISIO's remuneration principles and application of guidelines in 2023

The company's ability to recruit and retain qualified personnel hinges on successful implementation of INVISIO's business strategy and the safeguarding of the company's long-term interests and sustainability. For this purpose INVISIO needs to offer competitive total remuneration. The company's guidelines for remuneration make it possible to offer senior executives such remuneration. Under the guidelines, remuneration to the CEO and other senior executives must be competitive and based on the individual's expertise, responsibilities and performance and may consist of the following components: fixed salary; short-term variable cash remuneration; the opportunity to participate in long-term share-price related incentive

programs; and pension and other benefits. The variable cash remuneration is to be based on how well the targets set for the respective senior executive's areas of responsibility and for INVISIO and its subsidiaries are met. The outcome is to be linked to measurable targets (qualitative, quantitative, general and individual). The target components, weighting and levels may vary from year to year to reflect business priorities and they generally balance the group's financial targets and non-financial targets (for example operational, strategic, environmental, social or other sustainability-related targets).

The guidelines can be found on pages 60-61. The remuneration guidelines, adopted unani- mously by the 2020 AGM, have been fully com- plied with. No deviations from the guidelines have been approved, no remuneration has been repaid, and no exceptions to the guidelines' pro- cedures have been applied. The auditor's state- ment on compliance with the guidelines is avail- able on INVISIO's website.

Option program

The 2020, 2022 and 2023 AGMs resolved, in accordance with a proposal by the board of directors, to establish an employee stock option program 2020/2023, an employee stock option program 2022/2025 and an employee stock option program 2023/2026. The programs were issued without charge and the right to subscribe for shares in INVISIO under the provi- sions of the employee options (through stock options) is exercised at a price corresponding to the average INVISIO share price in a given measurement period. All employees of the com- pany and its subsidiaries are included in the programs.

The purpose of the employee stock option programs is to link remuneration of employees, including the CEO, to INVISIO's long-term per- formance and value creation for shareholders and in that way connect the long-term incen- tives of the employees and CEO to shareholder interests.

For all employee stock options to entitle the holder to acquire INVISIO shares it is a require- ment that the holder be employed throughout the vesting period and that the share price for INVISIO exceeds SIXPRX by 20 percentage points. If the INVISIO share price exceeds SIXPRX by 10 percentage points, half of the employee stock options will confer entitlement to acquire shares in INVISIO. If the INVISIO share price exceeds SIXPRX by more than 10 but less than 20 percentage points, the stock options will entitle the holder to acquire shares

Total remuneration to the CEO

| 2023, SEK million | Fixed salary | Other benefits ¹⁾ | Variable remuneration | Multi-year variable remuneration ²⁾ | Pension | Total remuneration | Percentage fixed/variable remuneration (%) |
|-----------------------------------|--------------|------------------------------|-----------------------|--|------------|--------------------|--|
| Lars H. Hansen, President and CEO | 3.2 | 0.0 | 2.7 | 4.3 | 0.2 | 10.5 | 33/67 |
| Total | 3.2 | 0.0 | 2.7 | 4.3 | 0.2 | 10.5 | |

1) Refers to health insurance and mobile telephony.

2) Multi-year variable remuneration consists of option programs. During the year 35,000 options were exercised, see the table Employee stock option program for the CEO on the next page for details.

in INVISIO on a linear basis between 50 and 100 percent. If the INVISIO share price does not exceed SIXPRX by 10 percentage points, all stock options will lapse. For more information on the option programs refer to Note 7.

During the year the 2020/2023 employee stock option program was closed. A total of 541,500 allocated options, of which 35,000 referred to the CEO were exercised. The weighted exercise price was SEK 108.20 per share and the weighted average share price during the exercise period was SEK 232.00.

Performance criteria

The CEO's annual variable cash remuneration is based on how well targets have been met. The targets aim to promote INVISIO's development in both the short and long term. The measurement period for variable remuneration is based as a principal rule on performance over a period of 12 months. Annual variable remuneration may not exceed 60 percent of the fixed salary or be used as a basis for calculation of pension or vacation pay, to the extent permitted by applicable law. The performance criteria in 2023 were order intake and operating margin and applied to all INVISIO employees.

In 2023 both performance criteria were exceeded and the maximum variable remuneration was allocated.

For details of performance criteria and outcomes please refer to the table on the right.

Employee stock option program for the CEO

| Employee stock option program | Exercise price (SEK) | Share price on allocation date | Allocation date | Vesting period | Exercise date | Opening balance options (number) | Allocated options for the year (number/value ¹⁾) | Exercised options for the year (number/value ²⁾) | Closing balance options (number) |
|-------------------------------|----------------------|--------------------------------|-----------------|---------------------------|------------------------------|----------------------------------|--|--|----------------------------------|
| 2020/2023 | 108.00 | 108.00 | May 7, 2020 | May 7, 2020 – May 9, 2023 | May 15, 2023 – June 30 2023 | 35,000 | - | 35,000 / SEK 4.3 million | - |
| 2022/2025 | 184.10 | 154.40 | May 6, 2022 | May 6, 2022 – May 8, 2025 | May 15, 2025 – June 30, 2025 | 24,000 | - | - | 24,000 |
| 2023/2026 | 219.40 | 228.00 | May 9, 2023 | May 9 2023 – May 8, 2026 | May 15, 2026 – June 30, 2026 | - | 24,000 / SEK 0 million | - | 24,000 |
| Total | | | | | | 59,000 | 24,000 / SEK 0 million | 35,000 / SEK 4.3 million | 48,000 |

1) The value of allocated options is calculated through the difference between share price on the allocation date and the exercise price.

2) The value of exercised options is calculated through the difference between weighted average share price during the exercise period and the exercise price.

Variable remuneration to the CEO

| | Criteria | Weighting | Threshold | Maximum level | Outcome | Allocated bonus |
|---------------------|------------------|-----------|-----------------|-------------------|-------------------|-----------------|
| Lars H. Hansen, CEO | Order intake | 60% | SEK 990 million | SEK 1,210 million | SEK 1,273 million | SEK 1,6 million |
| | Operating margin | 40% | 13.5% | 17.5% | 19.6% | SEK 1.1 million |

Annual change in remuneration and company's profit and loss, five-year review

| | 2019 vs 2018 | 2020 vs 2019 | 2021 vs 2020 ¹⁾ | 2022 vs 2021 ²⁾ | 2023 vs 2022 | 2023 (SEK million) |
|--|--------------|--------------|----------------------------|----------------------------|--------------|--------------------|
| Group's operating profit | 109% | -28% | -74% | 162% | 273% | 242.9 |
| Order intake | 132% | -17% | 19% | 82% | 12% | 1,273.5 |
| Remuneration of CEO | 31% | -24% | 134% | 0% | 28% | 10.5 |
| Average remuneration to employees in the group | 22% | -6% | 21% | 3% | 17% | 1,6 |

1) In 2021 a total of 442,000 options was exercised, of which 35,000 related to the CEO. The value of exercised options is calculated through the difference between weighted average share price during the exercise period and the exercise price. Excluding the options, remuneration of the CEO and other employees increased by 6 percent and 9 percent respectively in relation to the previous year.

2) In 2022 a total of 508,200 options was exercised, of which 35,000 related to the CEO. The value of exercised options is calculated through the difference between weighted average share price during the exercise period and the exercise price. Excluding the options, remuneration of the CEO and other employees increased by 61 percent and 16 percent respectively in relation to the previous year.

3) In 2023 a total of 541,500 options was exercised, of which 35,000 related to the CEO. The value of exercised options is calculated through the difference between weighted average share price during the exercise period and the exercise price. Excluding the options, remuneration of the CEO and other employees increased by 16 percent and 11 percent respectively in relation to the previous year.

INVISIO AB
PO Box 151
SE 201 21 Malmö
Sweden

INVISIO A/S
Stamholmen 157
DK 2650 Hvidovre
Denmark

You can find INVISIO at www.invisio.com

