

Back on the growth track – record high sales

SEK in millions	2022	2021	Δ %	2022	2021	Δ %
	Q4	Q4		Full year	Full year	
Revenue	289.2	152.2	90	775.5	593.0	31
Gross profit	166.0	85.8	93	449.7	340.4	32
Gross margin, %	57.4	56.4		58.0	57.4	
EBITDA	72.5	12.6	476	113.0	69.9	62
EBITDA margin, %	25.1	8.3		14.6	11.8	
Operating profit/loss	59.8	1.3	4,481	65.2	24.9	162
Operating margin, %	20.7	0.9		8.4	4.2	
Profit/loss for the period	42.7	1.3	3,307	44.5	14.5	207
Earnings per share, SEK	0.95	0.03	3,268	0.99	0.33	204
Cash flow from operating activities	26.1	23.1	13	41.7	91.0	-54
Order intake	296.4	160.0	85	1,141.6	628.1	82
Order book	624.7	224.7	178	624.7	224.7	178

“There was a strong close to the year. Order intake in the last quarter amounted to almost SEK 300 million and sales to about SEK 290 million, the latter being the highest ever in a single quarter. The company is starting 2023 with a record-high order book of more than SEK 625 million. At the same time profitability has strengthened, the operating margin exceeds 20 per cent. The extensive forward-looking investments carried out in recent years relating to broadening the product portfolio, acquiring Racal Acoustics and strengthening both the R&D and sales organizations, have resulted in INVISIO today being considerably stronger. This, combined with the current market conditions, means that we predict continued strong sales and order intake in 2023.”

Lars Højgård Hansen, CEO

IMPORTANT EVENTS DURING THE QUARTER

- INVISIO received an order worth SEK 40 million for the company’s latest and most advanced personal system from an existing customer.
- Record high order book with orders to the value of SEK 624.7 million (224.7).

IMPORTANT EVENTS AFTER THE QUARTER

- The Board of Directors proposes a dividend of SEK 0.70 per share (0.70).
- INVISIO received its largest order to date for the Intercom system from a European NATO country. Order value approximately SEK 40 million.
- The company received a breakthrough order on the North American market for the new RA4000 Magna headset. The order value amounts to SEK 42 million.

Back on the growth track – record high sales

There was a strong close to the year. Sales in the quarter were SEK 289.2 million (152.2), which is almost a doubling compared with the corresponding period of the previous year, and the highest ever in a single quarter. Order intake in the quarter amounted to SEK 296.4 million (160.0), an increase of 85 per cent compared with the corresponding period in the previous year. For the year as a whole sales amounted to SEK 775.5 million (593.0), which corresponds to growth of 31 per cent.

Order intake for the full year amounted to as much as SEK 1,141.6 million (628.1), which is the highest ever. A clear trend during the year is that the medium-sized orders are increasing in number – a direct consequence of the broader product portfolio and an increasingly large customer base. In addition to increased sales, it also contributes to greater stability in order intake, which is positive.

All in all, this means that we enter 2023 with a well-filled order book worth SEK 624.7 million (224.7). The demand for our products is strong and the availability of components is also improving. After a few difficult years in the shadow of the pandemic, we are now back on the growth track.

Strengthened profitability

The gross margin improved somewhat compared with the corresponding quarter in 2021 and was 57.4 per cent (56.4). Both for the quarter and the full year it was charged with relatively extensive component purchases on the spot market, at a higher price than normal.

The increased sales helped to strengthen the operating margin (EBIT). In the quarter it was 20.7 per cent (0.9) and for the full year 8.4 per cent (4.2).

The increase in operating expenses for the quarter is due to the augmentation of the R&D and sales organization, as well as an incentive program that was triggered by the strong order intake. The program included all employees.

The EBITDA margin was 25.1 per cent (8.3) in the quarter and 14.6 (11.8) for the full year.

Order worth SEK 40 million from existing customer

The single largest order in the quarter came from an existing customer and was for our latest and most advanced personal system for communication and hearing protection. Most of the deliveries will be made in the first half of 2023.

Breakthrough order for Racal Acoustics in the USA

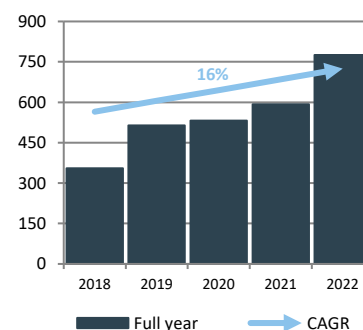
After the end of the period, INVISIO was awarded a first major American order for the new RA4000 Magna headset. The order, amounting to SEK 42 million, represents a breakthrough for the Racal Acoustics brand on the North American market.

The customer is a large defense contractor to the US Department of Defense. The products are to be used in military vehicles under critical and extremely noisy conditions, which places high demands on both communication skills and hearing protection functionality. Deliveries are planned to take place monthly until September 2023.



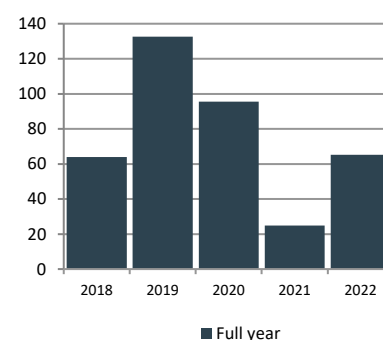
Lars Højgård Hansen, CEO

Sales (SEK million)



CAGR refers to the past 20 quarters.

EBIT (SEK million)



The average EBIT margin for the past 20 quarters was 14 per cent.

Racal Acoustics receives a breakthrough order in the North American market.

The increasing activity level in the market for military vehicles has clearly stepped-up demand for products adapted for extremely noisy environments, sold under the Racal Acoustics brand. Moreover, the position of the brand in the market has been further strengthened, particularly in the USA, as a consequence of the decision by one of the major actors to discontinue its competing product line.

Record order for the Intercom system

The largest order to date was received for the Intercom system after the close of the quarter. The order value amounts to approximately SEK 40 million and is a follow-up order from a European NATO country that has previously placed two major announced orders. In all, the value of the three orders is almost SEK 70 million. This is clear confirmation that the solution meets the highest requirements of a NATO country for a modern communication system.

The system is currently being evaluated both by several customers in Europe and the USA, and by manufacturers and equippers of transport vehicles, boats and helicopters.

Three major Intercom orders from one and the same customer.

Successes in the law enforcement and security market

Penetration of the law enforcement and security market continued during the quarter. Interest is great and the previously completed reinforcement of our sales organization and increased number of distribution partners is starting to yield results. Looking at the year as a whole, we have enhanced cooperation with the Swedish Police Authority and signed a two-year framework agreement with the Danish police and received the first order. During the year we also strengthened our position in the American and European market by means of several orders from various police units.

Increased focus on security due to geopolitical uncertainty

The war in Ukraine and a substantially more uncertain geopolitical situation, particularly in Europe, continues to put defense and security high on the agenda. The need for modern communication equipment with hearing protection is already great in many countries and demand is now expected to rise more, due to a greater focus on defense and generally higher appropriations.

Positive expectations for 2023

The extensive forward-looking investments carried out in recent years relating to broadening the product portfolio, acquiring Racal Acoustics and strengthening both the R&D and sales organizations have resulted in INVISIO today being considerably stronger.

This, combined with a substantial order book and the current market conditions, means that we predict continued strong sales and order intake in 2023. It is now time to harvest the fruits of the investments made in recent years.

We predict continued high order intake and sales in 2023.

Lars Højgård Hansen, CEO

Order intake, sales and earnings

Fourth quarter 2022

The order intake in the quarter amounted to SEK 296.4 million (160.0). The order book at the close of the year included orders to the value of SEK 624.7 million (224.7). The order book is the highest in the history of the company.

Sales in the quarter amounted to SEK 289.2 million (152.2), which is an increase of 90 per cent compared with the corresponding period in the previous year. In comparable currencies sales increased by 79 per cent.

Gross profit was SEK 166.0 million (85.8) and the gross margin was 57.4 per cent (56.4). Gross profit is charged with somewhat increased costs for component purchases that were made outside the customary channels. The gross margin is mainly governed by the product mix and share of direct sales versus sales via distribution partners.

Operating expenses in the quarter were SEK 106.2 million (84.5). The increase is attributable to augmented resources, above all in the R&D and sales organizations. The number of employees increased by 21 during the year. The cost increase also includes an incentive program, where the variable remuneration is linked to the strong order inflow.

EBITDA was SEK 72.5 million (12.6), which resulted in a margin of 25.1 per cent (8.3).

During the quarter development costs of SEK 9.0 million (4.0) were capitalized. The increase comes from a continued high level of activity in product development.

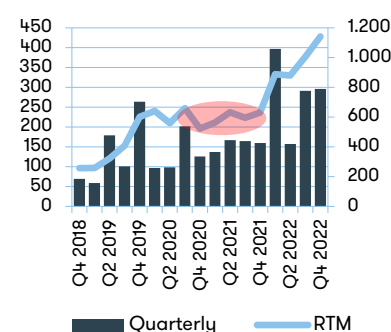
Depreciation/amortization in the quarter amounted to SEK 12.7 million (11.3). Depreciation on completed development projects amounted to SEK 5.6 million (4.9). Of the remaining SEK 7.0 million (6.4), SEK 3.1 million (3.0) refers to amortization of other intangible assets. Amortization of rights of use (leases) of SEK 2.4 million (2.0) is also included, as well as depreciation of property, plant and equipment of SEK 1.5 million (1.4). See Note 3 for further information.

The operating profit (EBIT) was SEK 59.8 million (1.3). The operating margin was 20.7 per cent (0.9). The profit increase is mainly explained by increased sales. The average operating margin for the last 20 quarters was 14 per cent, despite slower sales during the pandemic.

Net financial income was SEK -4.3 million (0.8). The decrease is largely due to foreign exchange effects.

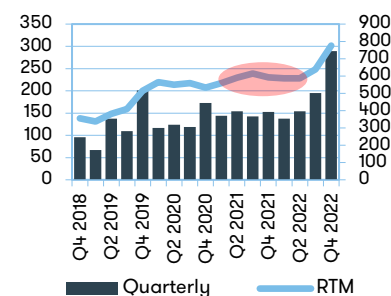
Profit before tax amounted to SEK 55.5 million (2.1) and profit for the period was SEK 42.7 million (1.3). Earnings per share were SEK 0.95 (0.03).

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

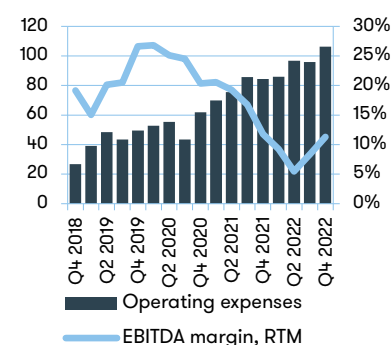


The pandemic had a clearly negative impact on order intake and sales.

Sales per quarter and rolling 12 months (SEK million)



Operating expenses per quarter (SEK million) and EBITDA margin rolling 12 months (per cent)



Full year 2022

Sales for the full year 2022 amounted to SEK 775.5 million (593.0), an increase of 31 per cent compared to the full year 2021. In comparable currencies sales increased by 23 per cent.

The order intake for the full year for the first time exceeded SEK 1 billion, amounting to SEK 1,141.6 million (628.1).

Gross profit was SEK 449.7 million (340.4) and the gross margin was 58.0 per cent (57.4). During the year INVISIO has had increased costs for some components, which had to be purchased on the spot market due to the strong order intake.

Operating expenses for the period were SEK 384.5 million (315.5). The increase mainly refers to the strengthening of R&D and the sales organization and increased market activities. During the year INVISIO was augmented with 21 people and took part in more than 60 trade fairs.

EBITDA was SEK 113.0 million (69.9), which resulted in a margin of 14.6 per cent (11.8).

During the period development costs of SEK 23.9 million (14.9) were capitalized. Operating expenses include depreciation of capitalized development costs of SEK 21.0 million (18.9).

Operating profit for the period was SEK 65.2 million (24.9) and the operating margin was 8.4 per cent (4.2). Increased sales, which mainly took place in the second half of the year, strengthened the operating profit. However, the margin is below INVISIO's financial target, which over time should exceed 15 percent per year.

Net financial income was SEK -2.7 million (-1.3).

Profit before tax amounted to SEK 62.5 million (23.5) and profit for the period was SEK 44.5 million (14.5). Earnings per share were SEK 0.99 (0.33).

15%

Investments in R&D for 2018-2022 amounted to an average of 15 per cent of the company's total annual revenue.

Cash flow, investments and financial position

Cash flow and investments

The Group's cash flow for the full year 2022 was SEK -17.0 million (-27.9), of which cash flow from operating activities was SEK 41.7 million (91.0). The weaker cash flow from operating activities, compared with the previous year, is due to increased trade receivables, coming from higher sales at the end of the fourth quarter.

Cash flow from investing activities amounted to SEK -33.5 million (-191.9). The explanation for the difference is that in 2021 INVISIO acquired Racal Acoustics. Cash flow from financing activities was SEK -25.1 million (73.0).

Capitalized development costs were SEK -23.9 million (-14.9) and net investment in property, plant and equipment amounted to SEK -9.6 million (-3.7).

The inventory value amounted to SEK 144.4 million (117.5) at the close of the period. The increase in inventories is mainly due to impending deliveries in the first quarter of 2023.

Cash and cash equivalents and financial position

INVISIO has a sound financial position. The Group's cash and cash equivalents at the close of the quarter amounted to SEK 127.1 million (134.8).

Group equity on the same date amounted to SEK 510.0 million (417.5), which gave an equity/assets ratio of 65 per cent (61).

Parent company

Net sales for the parent company for the full year amounted to SEK 0.1 million (0.1). The operating profit was SEK -11.6 million (-8.8). Net financial income was SEK 37.0 million (23.8).

At year-end the parent company's cash and bank balances amounted to SEK 5.0 million (41.8). Equity amounted to SEK 281.9 million (247.2), which gave an equity/assets ratio of 80 per cent (71). The number of employees of the parent company was 1 person (1).

Employees

The number of employees in the Group, restated as full-time positions, was 208 (187) at the close of the period. Of the employees, 169 were men (154) and 39 women (33).

Other information

Material risks and uncertainties

INVISIO's business and earnings are affected by a number of external and internal factors. A continuous process is conducted to identify all existing risks and to assess how each respective risk is to be managed. The risks can be divided into market-related, operational, sustainability and climate-related, as well as financial risks. For a more detailed description of these risks, please refer to INVISIO's annual report for 2021.

Financial instruments

The fair value of the Group's financial assets and liabilities is estimated to be equal to the book value.

Dividend

The Board of Directors proposes to the Annual General Meeting that a dividend of SEK 0.70 per share (0.70) be distributed for the 2022 business year. According to the dividend policy adopted by the Board, the dividend size must take into account INVISIO's long-term growth and earnings trend as well as capital needs, taking financial targets into consideration. It is INVISIO's objective that dividend over time is to be between 25 and 50 per cent of profit after tax.

In the latest five-year period SEK 157 million has been distributed to shareholders, equivalent to a dividend payout ratio of 55 per cent of INVISIO's total profit after tax of SEK 288 million. Including the year's proposed dividend, the dividend payout ratio is 57 per cent.

Review

This year-end report has not been reviewed by the company's auditors.

Annual General Meeting for the 2022 financial year

INVISIO's Annual General Meeting for the 2022 financial year will be held in Stockholm on May 4, 2023 at 13:00. Shareholders wishing to have a matter considered at the Annual General Meeting can send a written request by email to ir@invisio.com or by ordinary mail addressed to: The Board of Directors, INVISIO AB, P O Box 151, SE 201 21 Malmö. Any request must have been received at least seven weeks before the Meeting in order to be included in the notice to attend and thus the agenda of the Annual General Meeting.

Financial calendar

Interim report January - March 2023	May 4, 2023
Annual General Meeting 2023	May 4, 2023
Half-year report January – June 2023,	July 21, 2023
Interim report January-September 2023	October 25, 2023

The annual report for the 2022 financial year will be available on the website www.invisio.com at the latest three weeks before the Annual General Meeting.

Interim reports and annual reports are available at www.invisio.com.

Stockholm, February 13, 2023.

Lars Højgård Hansen
President/CEO

For further information, please contact

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Public disclosure

This information is information that INVISIO AB (publ) is obliged to disclose under the EU Market Abuse Regulation. The information was released for public disclosure, through the agency of the President/CEO, on February 13, 2023, at 14.00 CET.

Address

INVISIO AB | PO Box 151 | SE 201 21 Malmö

INVISIO AB is a Swedish limited company listed on Nasdaq Stockholm. The company's share is traded under the ticker name IVSO and the ISIN code is SE0001200015.

Invitation to conference call

INVISIO invites the media, investors and analysts to a conference call on Tuesday, February 14, at 10.00 CET, when the President and CEO Lars Højgård Hansen will present INVISIO's year-end bulletin for 2022.

The conference call will be held in English, starting with a brief presentation of the report followed by a question-and-answer session.

A link will be published on INVISIO's website to a recording and the presentation shown, about an hour after the end of the conference call.

Registration

Pre-registration is required for participation in the conference call. After registration a telephone number and PIN code will be provided. It is also possible to use a "call me function".

Please complete registration 5-10 minutes prior to the scheduled starting time to facilitate a timely start to the conference call.

Registration link

<https://register.vevent.com/register/B18a8e87979c7f4b9a8458f5c0d6a599a6>

Webcast

To follow the presentation online, use the link below:

<https://edge.media-server.com/mmc/p/y4njv5px>

For further information, please contact

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INVISIO in brief

The core of INVISIO's business is to develop and market, on the basis of good customer understanding and innovative capacity, advanced communication systems that help professionals in noisy and mission critical environments to work more safely and effectively while protecting their hearing.

The personal system and Intercom solution

INVISIO's offer consists of both personal communication systems for use in the field and in vehicles, and an Intercom system for use in various forms of transport. The personal equipment reduces high noise levels and enables disruption-free communication in noisy and mission critical environments. The Intercom system makes it possible for users of the personal equipment to communicate within the group and with others while on the move. The products are marketed under the INVISIO and Racal Acoustics brands.

A structurally growing niche market

INVISIO mainly addresses customers in defense as well as law enforcement and security, in the USA and Europe and selected countries in Asia. The company estimates that the annual value of the total addressable market for personal equipment and the Intercom system amounts to about SEK 14 billion.

At present about 85 per cent of revenue comes from European and American defense customers. However, the company sees steadily increasing business opportunities in the law enforcement and security market as well as new geographical markets.

Sales primarily through own channels

Sales are from the headquarters in Copenhagen and via our own sales offices in the USA, France, Italy, the United Kingdom and Thailand. Sales are also via a global network of partners and resellers. Major business transactions are normally via procurements, which are often time-consuming due to extensive administrative processes and customer tests. INVISIO has long-term framework agreements with customers in the USA, Canada, the United Kingdom, Australia, Sweden and Denmark, among others.

Uneven order flow and sales and varying delivery times

Order intake and sales can fluctuate between quarters and the company's development should therefore be evaluated in a longer time perspective than an individual quarter or year.

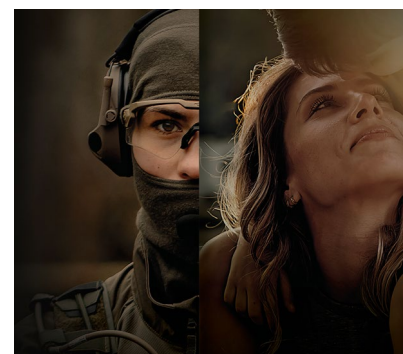
For products under the INVISIO brand deliveries are usually within 2-6 months, while for Racal Acoustics solutions it is not unusual for an initial part-delivery to be made within six months and the remaining deliveries to be made only after 1-3 years, in line with the customers' roll-out plans and vehicle deliveries.

An organizational structure focused on core business

INVISIO focuses on development and sales, while European contract manufacturers are responsible for most of the manufacturing. Outsourcing this to external partners ensures the flexibility to be able to manage variations in order volumes.

High growth with sound profitability

INVISIO is a distinct growth company with the financial targets of an average sales increase of 20 per cent per year and an operating margin that exceeds 15 per cent. In the five-year period 2018-2022 average sales have grown annually by about 16 per cent and the average operating margin has been about 14 per cent. The share is listed on Nasdaq Stockholm and is in the Mid Cap segment.



By enabling safe communication and hearing protection in critical situations INVISIO creates value for both individuals and society as a whole.

Users

- Safer work environment
- Increased operational capacity
- Prevents lifelong hearing loss and related problems

Society

- Higher efficiency
- Lower costs for rehabilitation and compensation for hearing loss

Condensed consolidated income statement and consolidated statement of comprehensive income

SEK in millions	Note	2022 Q4	2021 Q4	2022 Full year	2021 Full year
Revenue	2	289.2	152.2	775.5	593.0
Cost of goods sold		-123.2	-66.4	-325.7	-252.6
Gross profit		166.0	85.8	449.7	340.4
Operating expenses*	3	-106.2	-84.5	-384.5	-315.5
Operating profit/loss		59.8	1.3	65.2	24.9
Net financial items		-4.3	0.8	-2.7	-1.3
Profit/loss before tax		55.5	2.1	62.5	23.5
Income tax	4	-12.8	-0.9	-18.0	-9.0
Profit/loss for the period		42.7	1.3	44.5	14.5
OTHER COMPREHENSIVE INCOME					
<i>Items that may subsequently be reclassified to profit and loss</i>					
Translation differences		4.7	8.8	38.7	24.1
Comprehensive income for the period		47.4	10.0	83.2	38.6
<i>(Profit/loss attributable to equity holders of the parent company.)</i>					
*Depreciation/amortization incl. in operating expenses	3	-12.7	-11.3	-47.8	-45.1
Per-share data					
Earnings per share, SEK		0.95	0.03	0.99	0.33
Earnings per share after dilution, SEK		0.95	0.03	0.99	0.32
Shareholders' equity per share, SEK		11.32	9.37	11.32	9.37
Shareholders' equity per share after dilution, SEK		11.32	9.26	11.32	9.26
Equity ratio, %		65	61	65	61
Number of shares, thousand		45,049	44,540	45,049	44,540
Average number of outstanding shares, thousand		45,049	44,540	44,838	44,358
Average number of outstanding shares after dilution, thousand		45,049	45,098	45,049	45,098
Share price at end of period, SEK		164.60	163.80	164.60	163.80

Condensed consolidated statement of financial position

SEK in millions

Assets	Note	31/12/2022	31/12/2021
Goodwill		56.2	54.5
Capitalized development costs	3	103.5	92.6
Other intangible assets	3	79.2	89.3
Property, plant and equipment	3	20.8	17.1
Right-of-use assets, leases	3	22.8	33.7
Deposits for rent, long-term		2.7	2.4
Deferred tax assets	4	3.6	3.2
Inventories		144.4	117.5
Trade receivables		194.5	117.6
Other short-term receivables		28.9	27.3
Cash and cash equivalents		127.1	134.8
Total assets		783.9	690.0

Shareholders' equity and liabilities

Shareholders' equity		510.0	417.5
Liabilities to credit institutions		65.0	85.0
Lease liabilities		24.8	34.3
Deferred tax liabilities	4	34.6	35.5
Trade payables		63.7	34.1
Other current liabilities		85.9	83.7
Total shareholders' equity and liabilities		783.9	690.0

Condensed consolidated statement of changes in equity

	2022	2021
	Full year	Full year
Opening balance	417.5	378.9
New issue through exercising employee stock options	36.0	26.9
Employee stock option program	4.5	3.9
Dividend	-31.2	-30.9
Comprehensive income for the period	83.2	38.6
Closing balance	510.0	417.5

Condensed consolidated statement of cash flow

SEK in millions	Note	2022 Q4	2021 Q4	2022 Full year	2021 Full year
Operating activities					
Profit/loss before tax		55.5	2.1	62.5	23.5
Adjustments for non-cash items		17.3	11.8	57.4	47.7
Income tax paid		-8.9	-6.7	-19.0	-9.0
Cash flow from operating activities before changes in working capital					
		64.0	7.2	100.9	62.2
Changes in inventories		11.1	1.7	-13.9	21.5
Changes in operating receivables		-49.3	20.4	-77.5	17.1
Changes in operating liabilities		0.3	-6.3	32.1	-9.9
<i>Cash flow from changes in working capital</i>		-37.8	15.8	-59.2	28.8
Cash flow from operating activities					
		26.1	23.1	41.7	91.0
Investing activities					
Capitalization of development costs		-9.0	-4.0	-23.9	-14.9
Changes in other intangible assets		-	0.4	-	12.5
Investments in subsidiaries		-	-	-	-185.6
Acquisition of property, plant, and equipment		-3.3	-0.3	-9.6	-3.7
Acquisition of financial assets		0.0	0.0	-0.1	-0.1
Cash flow from investing activities					
		-12.3	-3.9	-33.5	-191.9
Financing activities					
New issues through exercising employee stock options		-	-	36.0	26.9
Borrowings		-5.0	-5.0	-20.0	85.0
Changes in lease liabilities		-2.2	-2.0	-9.9	-8.0
Dividend paid		-	-	-31.2	-30.9
Cash flow from financing activities					
		-7.2	-7.0	-25.1	73.0
CASH FLOW FOR THE PERIOD					
		6.6	12.2	-17.0	-27.9
Cash and cash equivalents at start of period		118.5	120.9	134.8	157.7
Translation differences in cash and cash equivalents		1.9	1.7	9.2	5.0
Cash and cash equivalents at end of period		127.1	134.8	127.1	134.8

Condensed parent company income statement

SEK in millions	2022 Q4	2021 Q4	2022 Full year	2021 Full year
Revenue	0.0	0.0	0.1	0.1
Operating expenses	-2.6	-2.4	-11.7	-8.9
Operating profit/loss	-2.6	-2.4	-11.6	-8.8
Net financial items**	39.3	26.2	37.0	23.8
Profit/loss before tax	36.7	23.8	25.4	15.0
Income tax	-	-	-	-
Profit/loss for the period	36.7	23.8	25.4	15.0
**Of which, dividend from subsidiaries	40.0	26.8	40.0	26.8

Condensed parent company balance sheet

SEK in millions

Assets	31/12/2022	31/12/2021
Participations in Group companies	308.5	304.0
Receivables from Group companies	38.3	-
Other current receivables	0.4	0.4
Cash and bank balances	5.0	41.8
Total assets	352.2	346.2
Shareholders' equity and liabilities		
Restricted shareholders' equity	66.6	66.1
Non-restricted shareholders' equity	215.3	181.1
Liabilities to credit institutions	65.0	85.0
Trade payables	0.3	0.5
Liabilities to Group companies	2.6	11.4
Other current liabilities	2.4	2.0
Total shareholders' equity and liabilities	352.2	346.2
Parent company changes in shareholders' equity	2022 Full year	2021 Full year
Opening balance	247.2	232.3
New issues through exercising employee stock options	36.0	26.9
Employee stock option program	4.5	3.9
Dividend	-31.2	-30.9
Profit/loss for the period**	25.4	15.0
Closing balance	281.9	247.2
**Of which, dividend from subsidiaries	40.0	26.8

Notes

Note 1. Accounting policies and valuation principles

The interim report for the Group was prepared in accordance with IAS 34, the Swedish Financial Reporting Board's Recommendation RFR 1, Supplementary Accounting Rules for Groups, and the Annual Accounts Act. The parent company's accounts were prepared in accordance with RFR2, Accounting for Legal Entities and the Swedish Annual Accounts Act. The accounting policies applied are consistent with the policies described in INVISIO's annual report for 2021.

New standards

None of the new standards and amendments of interpretations and existing standards which are effective for financial years starting on or after January 1, 2022 are expected to have any significant impact on the Group's financial statements.

Note 2. Revenue by geographical area

	2022	2021	2022	2021
SEK in millions	Q4	Q4	Full year	Full year
Sweden	6.9	19.7	26.0	36.6
Europe	173.1	48.2	425.4	218.8
North America	77.2	59.3	247.8	253.3
Rest of the world	32.1	25.0	76.3	84.3
Total	289.2	152.2	775.5	593.0

Note 3. Depreciation/amortization

	2022	2021	2022	2021
SEK in millions	Q4	Q4	Full year	Full year
Depreciation of Capitalized development costs	5.6	4.9	21.0	18.9
Amortization of Other intangible assets*	3.1	3.0	12.9	11.1
Amortization of Right of use assets, leases	2.4	2.0	8.4	9.3
Depreciation of Property, plant and equipment	1.5	1.4	5.5	5.7
Total	12.7	11.3	47.8	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 Rascal Acoustics.

Note 4. Taxes

Deferred tax assets referring to tax loss carry forwards are recognized to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilized. An individual assessment is made of each company with reference to historical performance and possibilities of utilizing loss carry-forwards.

The Group's total loss carry-forwards as at December 31, 2022 were SEK 150.2 million (135.5), of which none are capitalized. Unutilized loss carry-forwards refer mainly to the parent company and cannot be capitalized at present. All loss carry-forwards have an unlimited life.

SEK in millions	31/12/2022	31/12/2021
Deferred tax assets		
Receivables attributable to other temporary differences	3.6	3.2
Closing balance	3.6	3.2
Deferred tax liabilities		
Liabilities attributable to capitalized development costs in Denmark	-20.8	-19.9
Liabilities attributable to temporary differences in other intangible assets	-14.1	-16.1
Receivables attributable to other temporary differences in Denmark	0.4	0.4
Closing balance	-34.6	-35.5

Financial key figures, alternative performance measures and other definitions

INVISIO's financial statements include financial key figures that are specified in current financial reporting rules, alternative performance measures in accordance with ESMA's definition and other key figures related to the business. The alternative performance measures are regarded as relevant for an investor who wants to understand the company's results and financial position better. Definitions and reconciliation of the alternative performance measures that are not directly reconcilable with the financial statements can be found below. Reconciliation is against the closest comparable IFRS financial measure.

Gross margin

Gross profit as a percentage of total income.

Operating margin

Operating profit as a percentage of total revenue.

Profit margin

Profit for the year as a percentage of total revenue.

EBITDA

Operating profit before depreciation/amortization and impairment losses.

EBIT (Operating profit)

Operating profit after depreciation/amortization and impairment losses. INVISIO defines EBIT (earnings before interest and tax) in the same way as Operating profit.

Operating expenses

Selling and marketing costs, Administrative expenses and Development costs.

Net financial items

Financial income less Financial expenses.

Equity/assets ratio

Equity divided by total assets (balance sheet total).

Number of shares

Number of outstanding shares at the close of the period.

Number of shares after dilution

Number of outstanding shares at the close of the period plus the number of shares that would be added if all potential dilutive shares were converted to shares.

Only the option programs whose issue price is less than the average market price of the shares during the period can lead to a dilutive effect.

Average number of outstanding shares

Weighted average of the number of outstanding shares during the period.

Average number of outstanding shares after dilution

Weighted average of the number of outstanding shares during the period plus a weighted number of shares that would be added if all potential dilutive shares were converted to shares. Only the option programs whose issue price is less than the average market price of the shares during the period can lead to a dilutive effect.

Earnings per share

Profit for the year divided by the average number of outstanding shares.

Earnings per share after dilution

Profit for the year in relation to the number of shares outstanding after dilution.

Equity per share

Equity divided by the number of outstanding shares adjusted for non-registered issues.

Shareholders' equity per share after dilution

Shareholders' equity divided by the number of outstanding shares after dilution.

Number of employees at close of period

The number of employees on the date of the last monthly salary payment for the period.

Reconciliation of alternative performance measures

SEK in millions		2022 Q4	2021 Q4	2022 Full year	2021 Full year
Gross profit	A	166.0	85.8	449.7	340.4
Operating expenses	B	106.2	84.5	384.5	315.5
EBIT (Operating profit)	A-B	59.8	1.3	65.2	24.9
EBIT (Operating profit/loss)	A	59.8	1.3	65.2	24.9
Depreciation, amortization and impairment losses	B	12.7	11.3	47.8	45.1
EBITDA	A+B	72.5	12.6	113.0	69.9

SEK in millions		31/12/2022	31/12/2021
Equity	A	510.0	417.5
Number of shares, thousands	B	45,049	44,540
Shareholders' equity per share, SEK	A/B	11.32	9.37
Equity	A	510.0	417.5
Number of shares after dilution, thousands	B	45,049	45,098
Shareholders' equity per share after dilution, SEK	A/B	11.32	9.26

Overview - last eight quarters

	2021	2021	2021	2021	2022	2022	2022	2022
SEK in millions	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Revenue	143.7	154.3	142.7	152.2	137.4	153.7	195.1	289.2
Cost of goods sold	-61.1	-64.8	-60.3	-66.4	-55.4	-65.3	-81.8	-123.2
Gross profit	82.7	89.6	82.4	85.8	82.1	88.4	113.3	166.0
Operating expenses	-69.9	-75.4	-85.7	-84.5	-85.9	-96.7	-95.8	-106.2
Operating profit/loss	12.8	14.2	-3.4	1.3	-3.8	-8.3	17.5	59.8
Net financial items	-2.1	-1.1	1.0	0.8	-0.2	0.3	1.5	-4.3
Profit/loss before tax	10.7	13.0	-2.3	2.1	-4.0	-8.0	19.0	55.5
Income tax	-4.0	-3.7	-0.5	-0.9	-0.3	0.6	-5.6	-12.8
Profit/loss for the period	6.7	9.4	-2.8	1.3	-4.3	-7.3	13.5	42.7
Cash flow from operating activities	34.0	25.4	8.5	23.1	3.3	8.1	4.1	26.1
Gross margin, %	57.5	58.0	57.7	56.4	59.7	57.5	58.1	57.4
Operating margin, %	8.9	9.2	-2.4	0.9	-2.8	-5.4	9.0	20.7
Profit margin %	4.7	6.1	-2.0	0.8	-3.1	-4.8	6.9	14.8
Equity ratio, %	57	59	58	61	63	63	61	65
Earnings per share, SEK*	0.15	0.21	-0.06	0.03	-0.10	-0.16	0.30	0.95
Shareholders' equity per share, SEK*	9.05	9.08	9.13	9.37	9.38	9.61	10.24	11.32

* Before dilution