

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 headquarters are in Copenhagen. INVISIO has applied the Swedish Code of Corporate Governance ("the Code") since the shares started to be traded in May 2015 and reports no deviations from the Code for 2022.

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 President/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, 2022 amounted to SEK 45.0 million (44.5), divided into 45,048,694 shares (44,540,494), 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, 2022, INVISIO had 5,012 shareholders (6,132). Shareholder William Demant Invest A/S and William Demand Fonden's holdings totaled 16.7 percent of capital and votes, where William Demant Invest A/S owns 10.2 percent. No other shareholder's holding exceeded 10 per cent.

Annual General Meeting

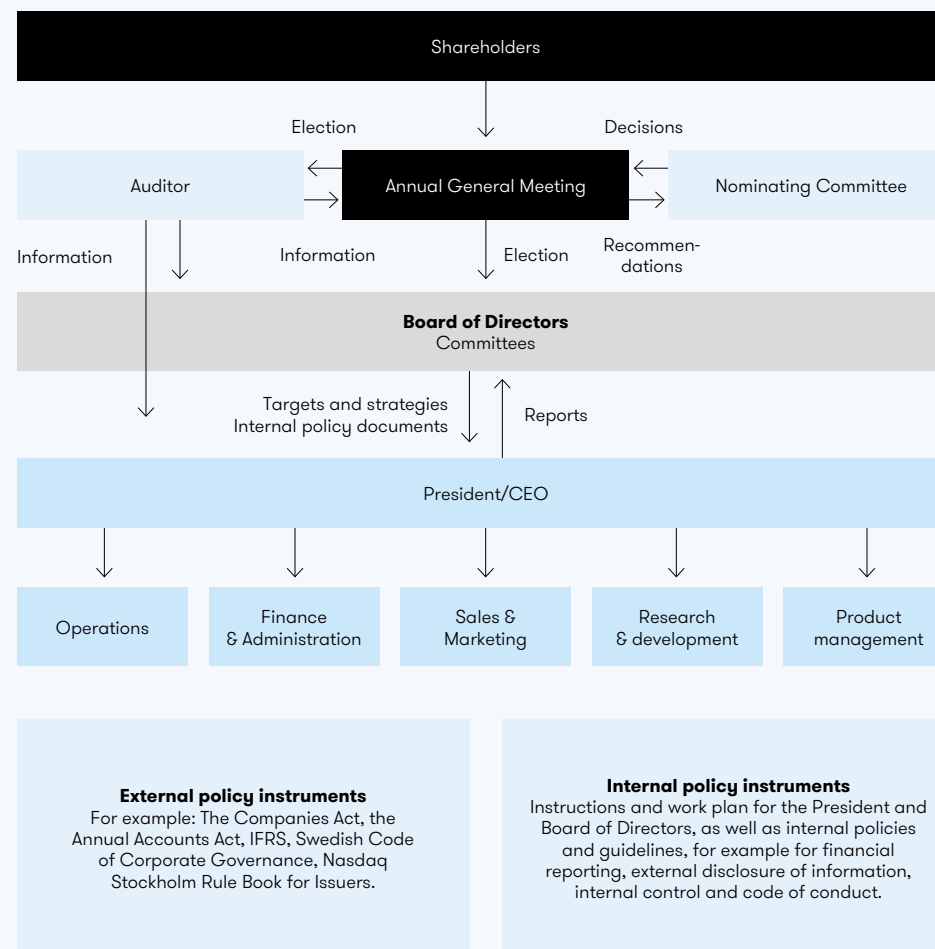
The Annual General Meeting is the company's highest decision-making body. The Annual General Meeting must be held within six months of the close of the financial year and is usually held in April or May in Stockholm. At the Annual General Meeting, resolutions are adopted concerning adoption of the company's income statement and balance sheet, disposition of the company's profit or loss, discharge of the board members and CEO from liability to the company, election of members of the Board, 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, the Articles of Association or the Swedish Code of Corporate Governance. An extraordinary annual 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 2022

The Annual General Meeting for the 2021 financial year was held on May 4, 2022. Participating shareholders and proxies represented 30,689,359 shares, corresponding to 68 per cent of the total number of shares and votes. A number of the resolutions that were passed are set out below.

- The Annual General Meeting adopted the income statement and balance sheet included in the

Overview of corporate governance at INVISIO



annual report and resolved in accordance with the Board's proposed appropriation of earnings and granted discharge from liability to the members of the Board and the President/CEO.

- The Annual General Meeting resolved to re-elect Annika Andersson, Lage Jonason, Martin Krupicka, Ulrika Hagdahl and Charlott Samuelsson as members of the Board, and elected Hannu Saastamoinen as a new member and re-elected Annika Andersson as Chair of the Board. Charlotta Falvin had declined re-election.
- In October 2022 Lage Jonason decided to resign from the Board for personal reasons.
- The Annual General Meeting 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 Annual General Meeting resolved in accordance with the Board's proposal on guidelines for remuneration to the President/CEO and other senior executives as presented on page 46.

The minutes of the Annual General Meeting can be found on the INVISIO website www.invisio.com/investors.

Nominating Committee for the Annual General Meeting in 2023

Member	Representing	Voting share, % ¹⁾
Elisabet Jamal Bergström (Chair)	SEB Investment Management	7.2
Casper Lorenzen	William Demant Invest	16.7
Lennart Francke	Swedbank Robur funds	6.9
Annika Andersson	Member by virtue of being Chair of the Board	Not applicable

¹⁾ Source: Euroclear Sweden, INVISIO December 31, 2022

Annual General Meeting 2023

INVISIO's Annual General Meeting for the 2022 financial year will be held in Stockholm on May 4, 2023 at 13:00.

Nominating Committee

The main function of the Nominating Committee is to present proposals to the Annual General Meeting on the composition of the Board, for approval by the Annual General Meeting. The work of the Nominating Committee starts by studying the evaluation of the work of the Board that the Board has commissioned. The Nominating Committee then nominates Board Members 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 by the Annual General Meeting in 2020 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:

- the Chair of the AGM,
- the number of Board members,
- election of Board members and Chair of the Board,
- remuneration of the Board Chair, Board members 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, to be appointed 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 of the members of the Nominating Committee are normally to be appointed by the company's three largest shareholders and the fourth is the Board Chair. Ahead of the next Annual General Meeting, the Chair of the Board must contact the three largest shareholders of the company, based on shareholder data as at August 31, and call a first meeting of the Nominating Committee at the latest seven months before the Meeting.

If any of the largest shareholders refrain from appointing 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 shall 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 the ownership structure has not materially changed.

If the ownership structure in 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 in the ownership structure of the company, no changes need to be made to the composition of the Nominating Committee where the changes are minor or where a change occurs less than three months before the Annual General Meeting unless it is justified as a result of 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 Board member may chair the Nominating Committee.

The Nominating Committee is encouraged to contact both large shareholders that have not appointed a member to the Nominating Committee and representatives of small shareholders, to ascertain their assessments of the matters that concern the Nominating Committee.

The terms of reference for the Nominating Committee 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 table adjacent. In 2022 the Nominating Committee held three meetings as well as maintaining contacts between meetings.

Remuneration of the Nominating Committee

No remuneration is payable to the members of the Nominating Committee. 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 candidates for the Board.

Board of Directors

The Board of Directors is responsible for INVISIO's organization and 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 members of the Board represent a group with technical, commercial and economic knowledge, with experience of business development, growth, sustainability and internationalization. They are well suited and focused on conducting business in all respects in a sustainable way.

The company has applied rule 4.1 of the Code as its diversity policy, which states that the composition of the Board of Directors must exhibit 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 two men, which in the opinion of the Nominating Committee is compatible with the gender balance requirement. For further information on the Board members, please refer to pages 48-49.

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 48-49.

The Board's Work Plan

Every year the Board adopts a work plan for its work. This is done at the time of the inaugural board meeting and the work plan is thereafter updated as necessary. The work plan describes the responsibilities and duties of the Board and its Committees, their internal division of duties and working methods, as well as distribution between the Board and the President/CEO. The current work plan was adopted on May 4, 2022.

The work of the Board

Under the adopted work plan, the Board must meet at least six times in addition to the inaugural board meeting.

In 2022 the Board held ten meetings, including the inaugural meeting. The attendance of the members at the meetings is shown in the table in the Corporate Governance Report.

Standing items at the meetings are the business situation, financial situation and performance monitoring. Important matters during the year included business

objectives, strategic focus, R&D initiatives and organization, as well as acquisitions.

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

Evaluation of the work of the Board

According to the Board's Work Plan, the Chair of the Board is responsible for ensuring that the Board's work is evaluated each year in a systematic and structured process designed to develop the Board's work forms and effectiveness. For 2022 evaluation took place partly through a questionnaire that was compiled by an independent party, and partly through separate interviews with all members of the Board conducted by the Nominating Committee. These interviews were held with Elisabet Jamal Bergström, representing SEB Investment Management and Lennart Francke, representing Swedbank Robur Fonder.

Board members' attendance at Board meetings

Member	Attendance
Annika Andersson, Chair	10 of 10
Hannu Saastamoinen	6 of 6
Lage Jonason	6 of 8
Martin Krupicka	9 of 10
Ulrika Hagdahl	10 of 10
Charlott Samuelsson	10 of 10
Charlotta Falvin	4 of 4

Committees

Audit Committee

At the inaugural board meeting after the 2022 Annual General Meeting it was resolved that the Audit Committee is to consist of a maximum of three Board members.

The Committee is to meet as necessary, though at least three times per calendar year, and the meetings must be minuted. The following Board members were elected to the Committee: Annika Andersson, Lage Jonason 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 reliability of reporting;

- with regard to the financial reporting, monitoring the effectiveness of the company's internal control and risk management;
- 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 resolution of the Annual General Meeting of shareholders 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 the alternative preferred by the Committee. In its recommendation the Committee must base its reasoning on the results of the compulsory selection procedure arranged by the company under the responsibility of the Committee.

Remuneration Committee

In connection with the inaugural Board meeting after the Annual General Meeting in 2022 the Board 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 Annual General Meeting) and of remuneration structures and remuneration levels at the Company. In 2022 the Remuneration Committee met three times and in addition maintained contact between meetings. All members participated in these meetings.

Cybersecurity Committee

In 2022 the Board decided to set up a committee for cybersecurity, consisting of Charlott Samuelsson

(Committee Chair), Annika Andersson and Ulrika Hagdahl. The duties and responsibility 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 to work to make cybersecurity risks a part of strategic decisions and a priority in business operations, as well as contributing to increased understanding of related issues in the company's Board.

The Cybersecurity Committee consists of a maximum of three Board members who appoint a Chair. The Committee is 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 2022 Annual General Meeting resolved that board fees totaling SEK 650,000 will be paid to the Chair of the Board and SEK 250,000 to each of the other Board members. In addition, a fee of SEK 125,000 is 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 by the Board and President/CEO. The auditor works according to an audit plan and reports any findings to the Audit Committee at audit meetings and Board meetings. The auditor participates at the Annual General Meeting in order to present 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 has also reviewed the interim report for January–September 2022.

The Company's firm of auditors, PricewaterhouseCoopers AB, was re-elected at the 2022 Annual General

Meeting for the period until 2023. The auditor in charge is authorized public accountant Mats Åkerlund.

Remuneration of the auditor

The Annual General Meeting in 2022 resolved that the fee to the auditor shall 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 President/CEO was adopted by the Board on May 4, 2022. The President/CEO prepares information and decision-making documentation for the Board meetings.

The President/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 are based at INVISIO's headquarters in Copenhagen, apart from the SVP sales North America who works in the USA. The management holds weekly meetings at which operational issues are discussed. A more detailed presentation of the President/CEO and the management group is given on pages 50–51.

Remuneration to the President/CEO and other senior executives

The 2020 Annual General Meeting resolved in accordance with the Board's proposal to adopt the following guidelines for remuneration to the President/CEO and other senior executives, valid until further notice, though no longer than until the 2024 Annual General Meeting.

Successful implementation of the company's business strategy and safeguarding the company's long-term interest, including its sustainability, assume the ability of INVISIO to recruit and retain qualified employees.

INVISIO must therefore endeavor to offer total remuneration that enables the Group 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 earnings of INVISIO and its subsidiaries and it must link the interests and rewards of the senior executives with those of the 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,
- the opportunity to participate in long-term share or share-price related incentive programs, as well as
- pension and other benefits.

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

The 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 target 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 measurement period for variable remuneration is based as a principal rule on performance over a period of about twelve months.

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

The Remuneration Committee is responsible for the assessment concerning 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 extraordinary arrangements are made solely at individual level as remuneration for extraordinary work input in addition to the individual's ordinary duties. The total variable remuneration shall not exceed 60 per cent of the fixed salary and shall not be used as a basis for calculation

of pension or vacation pay, to the extent permitted by applicable law.

Remuneration of the President/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 2019, 2020 and 2021 Annual General Meetings resolved in accordance with a proposal by the Board of Directors, to establish employee stock option programs 2019/2022, 2020/2023 and 2022/2025. During the year the 2019/2022 employee stock option program was closed. A total of 508,200 allocated options were exercised. The programs are described further in Note 7.

Period of notice

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

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

Internal control and risk management referring to financial reporting

Internal control and risk management referring to financial reporting is a central component of INVISIO's corporate governance. The process aims 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's risk management and internal control are based 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 con-

sists of the values and the culture communicated and acted on by the Board and management, as well as the organization structure, leadership, authority, decision-making channels and 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 44.

The Board of Directors has the overall responsibility for internal control and reporting with the task of and responsibility for monitoring INVISIO's financial reporting and monitoring the effectiveness of this process. See the previous page under the heading "Audit Committee" for more information.

Risk assessment

The Board has delegated the operative responsibility for risk assessment and internal control to the management group. INVISIO's management group conducts annual systematic risk assessments. This means that the company management assesses 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, is to ensure that process descriptions and internal frameworks are prepared and be responsible for reporting on the work concerning internal control and risk management in INVISIO to the Board and the Audit Committee.

To ensure good internal control concerning 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 placed on 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 drawn up an information policy for external provision of information that is to ensure that the market receives relevant, reliable, correct and current information on the development and financial position of the company. The Board has also drawn up an insider policy aimed at safeguarding the integrity of information disclosure.

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 operative 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 President/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 has not set up a dedicated internal audit function. The Board of Directors has evaluated the need for this function and concluded that the size of the organization and scope of its activities do not justify such a function.

Events and activities in 2022

During the year INVISIO continued work on continual improvement of internal control and governance as the business grows and demands increase, for example by means of greater integration and automation of flows in the business system.

During the year particular effort has gone into improving IT security. As part of this work a special committee was set up with responsibility for issues related to cybersecurity.

During the year the Board increased its focus and discussions relating to ESG issues, which also involved the company management. The outcome of the discussion was to give the issues greater space in the work of the Board in 2023 and onwards.

Board of Directors



Annika Andersson

Chairman of the Board since 2019

Member since 2014

Born: 1958

Annika Andersson is a professional board director. She has long experience of the financial industry, including the Fourth Swedish National Pension Fund as portfolio manager and responsible for shareholder issues, information, and sustainability.

Other engagements

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

Education

M.Sc. in 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 the Cybersecurity Committee and Chair of Remuneration Committee.



Ulrika Hagdahl

Member since 2018

Born: 1962

Ulrika Hagdahl previously successfully built up and ran Orc Software, where, among other roles, she acted as CEO, from 1990 to 2000.

Other engagements

Member of the board of Beijer Electronics Group AB, Resolution Games AB, AB Idre Golf Ski & Spa and tbd30 AB.

Education

M. Sc. (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.



Martin Krupicka

Member since 2018

Born: 1962

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

Other engagements

CEO of the Brokk Group. Member of the boards of Ahlberg Cameras AB, Aquajet Systems AB, and Darda GmbH.

Education

M.Sc. (Engineering), Linköping Institute of Technology, MBA from Harvard Business School.

Holding¹⁾

0 shares

Independence

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

¹⁾ Source: Euroclear Sweden, INVISIO December 31, 2022

Board of Directors, cont.



Hannu Saastamoinen

Member since 2022
Born: 1961

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

Other engagements

Board Chair of Rototex Group AB and MTC Flextex Oy.
Board member of Nordic Waterproofing Holding AB, Oy VEHO AB, M&G Group B.V. and Bemsiq AB.

Education

Master's degree from the Helsinki School of Economics.

Holding¹⁾

0 shares

Independence

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

Member of the Remuneration Committee.



Charlott Samuelsson

Member since 2019
Born: 1963

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

Other engagements

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Education

M.Sc. in Engineering, Chalmers University of Technology.

Holding¹⁾

3,000 shares.

Independence

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

Chair of the Cybersecurity Committee.

¹⁾ Source: Euroclear Sweden, INVISIO December 31, 2022

Auditor

PricewaterhouseCoopers AB

Mats Åkerlund

Authorized Public Accountant
INVISIO's auditor since 2017

Management



Lars Højgård Hansen

President and Chief Executive Officer since 2007

Employed: 2006

Born: 1963

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

Education

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

Holding¹⁾

431,511 shares and 59,000 options.



Thomas Larsson

CFO

Employed: 2012

Born: 1964

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

Education

M.Sc. (Business Administration), Växjö University.

Holding¹⁾

262,038 shares and 29,000 options.



Carsten Aagesen

SVP Global Sales & Marketing

Employed: 2007

Born: 1968

Carsten Aagesen has long experience of international sales and marketing from leading positions at GN and Apple, among others. Previous experience includes 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⁾

37,058 shares and 29,000 options.

¹⁾ Source: Euroclear Sweden, INVISIO December 31, 2022

Management, cont.



Joakim Birgersson

SVP Operations

Employed: 2018
Born: 1964

Joakim Birgersson has many years' experience of the safety and hearing protection industry and has held leading positions in both small and large manufacturing companies, such as Sordin and Peltor. His most recent position was as Corporate Vice President and General Manager Europe at MSA Safety.

Education

Mechanical engineer. University studies. Diploma in Marketing.

Holding¹⁾

32,000 shares and 29,000 options.



Ray Clarke

SVP Sales North America

Employed: 2017
Born: 1961

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

Education

Bachelor of Science, West Virginia University.

Holding¹⁾

3,114 shares and 29,000 options.



Jan Larsen

SVP R&D

Employed: 2007
Born: 1962

Jan Larsen has many years' experience of product development of 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⁾

89,921 shares and 29,000 options.

¹⁾ Source: Euroclear Sweden, INVISIO December 31, 2022

Auditor's report 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 who is responsible for the corporate governance statement for the year 2022 on pages 44–51 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 The 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.

Opinion

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

Malmö, April 4, 2023
PricewaterhouseCoopers AB

Mats Åkerlund
Authorized Public Accountant

Auditor's report 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 who is responsible for the statutory sustainability report for the year 2022 on pages 28–39 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 The 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 4, 2023
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 Annual General Meeting have been implemented in 2022. The report also gives an account of details of remuneration to the President/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 2022 please 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 Annual General Meeting 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 2022

Successful implementation of INVISIO's business strategy and safeguarding the company's long-term interests, including its sustainability, assumes the company's ability to recruit and retain qualified personnel. For this purpose INVISIO is to offer competitive total remuneration. The company's guidelines for remuneration make it possible for the company to offer senior executives such remuneration. Under the guidelines, remuneration to the President/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, as well as 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 have been met. The outcome is to be linked to measurable targets [qualitative, quantitative, general and individual]. The target components, weighting and target 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 58-59. The remuneration guidelines, adopted unanimously by the 2020 Annual General Meeting, have been fully complied with. No deviations from the guidelines have been approved, no remuneration has been repaid, and no exceptions to the guidelines' procedures have been applied. The auditor's statement on compliance with the guidelines is available on INVISIO's website.

Option program

The 2019, 2020 and 2022 Annual General Meetings resolved in accordance with a proposal by the Board of Directors, to establish an employee stock option program 2019/2022, an employee stock option program 2020/2023 and an employee stock option program 2022/2025. The programs were issued without charge and the right to subscribe for shares in INVISIO under the provisions 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 company and its subsidiaries are included in the programs.

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

For all employee stock options to entitle the holder to acquire INVISIO shares it is a requirement, apart from employment throughout the vesting period, 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 in INVISIO on a linear basis between 50 and 100 per cent. 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 please refer to Note 7.

TOTAL REMUNERATION TO THE PRESIDENT/CEO

2022, 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/CEO Group	3.2	0.0	1.8	2.9	0.2	8.2	42/58
Total	3.2	0.0	1.8	2.9	0.2	8.2	

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.

During the year the 2019/2022 employee stock option program was closed. A total of 508,200 allocated options, of which 35,000 referring to the President/CEO, were exercised. The weighted exercise price was SEK 70.82 per share and the weighted average share price during the exercise period was SEK 153.41.

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 twelve months. The annual variable remuneration shall not exceed 60 percent of the fixed salary and shall not be used as a basis for calculation of pension or vacation pay, to the extent permitted by applicable law. The performance criteria in 2022 were order intake and operating margin and applied to all INVISIO employees. The threshold must be reached for both criteria for remuneration to be payable.

The performance criteria for 2022 were exceeded as regards order intake, while the threshold value for the EBIT margin was not achieved. Due to current circumstances, with component shortages and delivery delays outside the company's control, the Board has decided to make an exception to the model's requirement that both performance criteria must be met and to pay out the part relating to order intake. The decision was made in accordance with INVISIO's remuneration guidelines, which allow the Board of Directors to adjust payment of variable remuneration, both upwards and downwards, based on actual progress during the year. For details of performance criteria and outcomes please refer to the table on the right.

EMPLOYEE STOCK OPTION PROGRAM FOR THE PRESIDENT/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)
2019/2022	70.90	70.70	May 7 2019	May 7 2019 – May 9, 2022	May 15 2022 – June 30 2022	35,000	-	35,000 / SEK 2.9 m	0
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
2022/2025	184.10	154.40	May 6, 2022	May 6, 2022- May 8, 2025	May 15 2025 – June 30 2025	0	24,000 / SEK 0 m	-	24,000
Total						70,000	24,000 / SEK 0 m	35,000 / SEK 2.9 m	59,000

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 PRESIDENT/CEO

	Criteria	Weighting	Threshold	Maximum level	Outcome	Allocated bonus
Lars H. Hansen, President/CEO Group	Order intake	70%	SEK 706 million	SEK 863 million	SEK 1,142 million	1.8
	Operating margin	30%	12%	17%	8%	-

ANNUAL CHANGE IN REMUNERATION AND COMPANY'S PROFIT/LOSS, FIVE-YEAR REVIEW

	2018 vs 2017	2019 vs 2018	2020 vs 2019	2021 vs 2020 ¹⁾	2022 vs 2021 ²⁾	2022 (SEK million)
Group's operating profit	-19%	109%	-28%	-74%	162%	65.2
Order intake	-31%	132%	-17%	19%	82%	1,141.6
Remuneration of President/CEO	-79%	31%	-24%	134%	0%	8.2
Average remuneration to employees in the Group	-62%	22%	-6%	21%	3%	1.3

1) In 2021 a total of 442,000 options were exercised, of which 35,000 referring to the President/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 President/CEO and other employees increased by 6 per cent and 9 per cent respectively in relation to the previous year.

2) In 2022 a total of 508,200 options were exercised, of which 35,000 referring to the President/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 President/CEO and other employees increased by 61 per cent and 16 per cent respectively in relation to the previous year.