

## Year-end Bulletin 2017

### INVISIO closes the year with strong sales in the USA

SEK in millions	2017 Q4	2016 Q4	Δ %	2017 Full year	2016 Full year	Δ %
Revenue	118.1	81.3	45	365.7	330.0	11
Gross profit	71.1	40.4	76	202.3	171.0	18
Gross margin, %	60.2	49.7		55.3	51.8	
EBITDA	28.3	20.6	38	82.9	97.8	-15
Operating profit/loss	27.3	16.9	61	78.6	90.4	-13
Operating margin, %	23.1	20.8		21.5	27.4	
Profit/loss for the period	15.0	16.3	-8	62.3	91.8	-32
Earnings per share, SEK	0.34	0.38	-10	1.42	2.14	-34

“Our efforts during the year have further strengthened our position and improved our market opportunities. The year’s successes with our own sales offices, contracts won, stronger relations with our customers, as well as an entirely new product category for communication in vehicles, give us a good starting position for the future. To enable the company’s growth ambitions the investments are continuing in 2018, but at a slightly calmer pace.”

Lars Højgård Hansen, CEO

#### IMPORTANT EVENTS IN THE FOURTH QUARTER

- INVISIO received two orders totaling SEK 30 million for deliveries to the US Army’s new specialist unit, the Security Force Assistance Brigades (SFAB).
- An existing defense customer ordered communication and hearing protection systems for just over SEK 30 million.
- The order book at the close of the quarter was SEK 153.4 million (136.5).

#### IMPORTANT EVENTS AFTER THE YEAR END

- INVISIO increased its management group with a new executive position. Sigge Frolov was appointed as SVP Product Management.
- INVISIO and the Danish Defence Acquisition and Logistics Organization (DALO) signed a 5-year framework agreement for communication equipment for the Danish Army.
- The Board of Directors proposes a dividend of SEK 0.60 per share (0.50).

## Own US office contributed to strong sales

Our efforts during the year have further strengthened our position and improved our market opportunities. The year's successes with our own sales offices, contracts won, stronger relations with our customers, as well as an entirely new product category for communication in vehicles, give us a good starting position for the future. To enable the company's growth ambitions the investments are continuing this year, but at a slightly calmer pace.

After a strong close to the year, sales for 2017 increased by 11 per cent from SEK 330.0 million to SEK 365.7 million. Sales for the fourth quarter was given a special boost by a large delivery to a contract customer in the USA and delivery of some deferred orders from the third quarter due to an agreed color change of products.

The gross margin for the full year was 55.3 per cent (51.8). The higher gross margin is partly explained by a higher percentage of direct sales in the USA.

The operating profit was SEK 78.6 million (90.4), corresponding to an operating margin of 21.5 per cent (27.4). The above-mentioned growth investments, mainly the increase in R&D and sales personnel, will depress operating profit somewhat in the short perspective, but will ensure the long-term objectives to increase sales and earnings. The profit also included non-recurring costs of SEK 11.7 million related to the discontinuation of the relationship with our previous main reseller in the American market. The discontinuation is now completed and most sales in the USA in the future will go directly via our own organization.

At year-end, the order book totaled SEK 153.4 million (136.5).

### Increased market penetration in existing markets

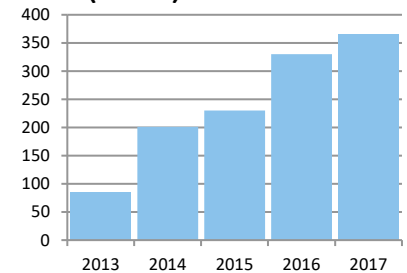
An important part of our growth strategy is to increase the market share in existing markets, which we have been successful with in 2017. We continued to receive orders from our existing contract customers in the USA, Canada, the United Kingdom and Australia, won two new contracts and received small orders on a regular basis from other army customers and special forces, mainly in NATO.

To strengthen relations with customers and partners, during the year we built up our own sales teams in the USA, France and Italy. Among other things, the efforts in the USA led to a 2-year contract with the American Department of Defense as well as two strategically important orders from the army's new specialist unit, the Security Force Assistance Brigades (SFAB). This business confirms our strong position with one of the most demanding and well-reputed defense customers in the world.

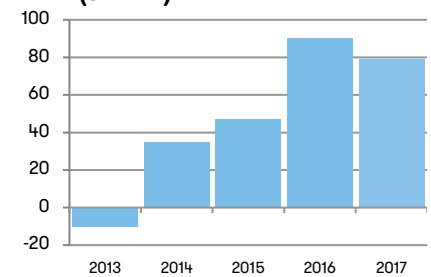
In the United Kingdom, we also won another procurement contract and signed a 5-year contract with the Ministry of Defence through our partner MCL.

Our delivery of systems to several of our customers' different operational activities is very positive for our long-term relations with customers in these two important markets. It demonstrates our growing importance as a supplier.

Sales (SEK m)



EBIT (SEK m)



### Growth with high gross margin

### Strengthened position in the USA and other NATO countries



At the same time, demand for our solutions increased from specialist police units. The target group is currently a small, but growing customer category at INVISIO.

In January 2018, after the close of the reporting period, the Danish defense forces again entrusted us with a 5-year framework agreement for communication equipment for the Danish army.

### **Geographical expansion**

INVISIO's growth plan also includes expansion to new geographical markets. INVISIO is continuing its long-term marketing activities in selected emerging economies in Asia, the Middle East and South America and during the year entered into several more partnership agreements with resellers. The efforts resulted in a number of small initial orders that we expect to lead to expanded business in the long term, but as always in our industry the selling-in processes are long.

**Future business opportunities on growth markets**

### **Broader product portfolio through innovative development**

An important step towards becoming an even broader supplier to customers in defense and security was the announcement of an entirely new product category for easily accessible and simple communication in vehicles. The new intercom system was developed for use together with INVISIO's personal communication equipment. In the later part of 2018 the system will be available to customers and we expect the market for this product in the long term will be at least as great as for our existing products.

**Great market potential for the new intercom system**

We have also broadened our product portfolio for individual communication systems with the battery powered dual com control unit, INVISIO V50. The product was developed on the same technology platform as other control units in the INVISIO V series and can be combined with our other products.

**Extended product portfolio for individual communication systems**

### **Strengthened position to drive growth and profitability**

Developments in 2017 are in line with our strategic plans and provide support for our continued expansion and profitable growth in coming years. We are continuing our ambitious endeavors to become a considerably larger company in terms of sales, customer groups, product portfolio and market presence.

**The Board of Directors proposes a dividend of SEK 0.60**

The Board of Directors proposes a dividend of SEK 0.60 per share for 2017.

*Lars Højgård Hansen, CEO*

## INVISIO in brief

INVISIO develops and sells advanced communication systems with hearing protection that enable professionals in noisy and mission critical environments to communicate and work effectively. The systems consist of headsets and control units that connect for example to an external group radio or a vehicle's intercom system.

The systems give operational advantages and increased safety for military and security personnel. They also contribute to reducing the costs of hearing loss for individuals and society.

## Innovative product development

Product development in the Group is based on a good understanding of the users' and units' work environment and their specific needs. By combining different technologies and skills in acoustics, electronics, mechanics and software, INVISIO creates innovative and customized solutions that are better than traditional communication systems. Manufacturing is done mainly by contract manufacturers.

## New product category for communication in vehicles

An intercom system for fixed or portable use in vehicles is currently being completed. The system has been developed for stand-alone use or together with INVISIO's existing communication systems and is intended to make communication simpler and more effective for users whose movements alternate between being inside and outside of vehicles. The new intercom system is expected to be commercially available in the latter part of 2018.

## Growing niche market

INVISIO's current customers are primarily in defense and police forces. At present, more than 90 per cent of INVISIO's income is from military customers. Industry statistics show that globally there are about 50 million soldiers, of which about 20 million are deemed to be active. The largest number of soldiers are in countries in Asia, but their defense forces do not yet invest in advanced communication and hearing protection systems.<sup>2</sup>

Technologically mature countries with awareness of hearing protection issues, and whose soldiers have access to advanced radio communication in operations constitute INVISIO's primary target group. About two million potential users are serving in these countries' defense forces.<sup>3</sup>

The percentage of radio users is growing continually and is mainly driven by the increased operational capacity, safety and efficiency requirements of defense forces. In addition, INVISIO drives growth by developing new, innovative solutions that gradually raise the industry's performance, functionality and user experience requirements.

<sup>1</sup> Researchers evaluate true effects of hearing loss for Soldiers, United States Army website, Dec 2015. | The 2015 Annual Benefits Report, US Department of Veteran Affairs, Veteran Benefits Administration. | Bullerskador ökar bland officerare (Hearing impairment due to high noise levels increasing among officers), Officerstidningen, No 1 2014.

<sup>2</sup> The Military Balance, the International Institute for Strategic Studies. 2017.

<sup>3</sup> Countries Ranked by Military Strength (2017). Global Firepower. 2017. | The Global Information Technology Report 2015, World Economic Forum. | Democracy Index 2016, The Economist Intelligence Unit.



**INVISIO's solutions reduce harmful noise while amplifying weak sounds and retaining the user's perception of sound direction.**

**Users retain situational awareness and can act according to what is going on around them.**



**Hearing loss is a common problem for employees of the armed forces. Soldiers serving abroad suffer in particular.**

**Statistics show that the problems cost the American defense forces billions every year (USD).<sup>1</sup>**

### **Current target market**

Defense customers normally invest in INVISIO's systems when they modernize their communication equipment. The value of the global market for INVISIO's current products is estimated to be about SEK 20 billion. As a rule, our customers carry out procurements at four-year intervals, which means that the average annual target market for INVISIO's products is about SEK 5 billion. Consequently, there is great potential for continued growth in the target market.

The current target market does not include the coming product category for communication in vehicles. The new category broadens INVISIO's product offer to the defense and security industry and the company considers that it has the potential to make a material contribution to the company's future development. The company considers that the market for the new intercom system in the long term can be at least as great as the markets we have addressed to date with existing products.

### **Sales**

Sales are primarily via a global network of partners and resellers, as well as from the headquarters in Copenhagen and our own sales offices in the USA, France and Italy. The business is normally conducted via procurements. The Group has long-term framework contracts with defense authorities in the USA, the UK, Canada, Australia and Denmark, among others.

### **Uneven order flow and sales**

INVISIO's market is characterized by large procurements, often with long lead times due to extensive processes with customer tests both in laboratories and among end users. This means that the order intake and sales for individual quarters may vary and have an effect on the full year figures.

### **Financial targets and strategies**

The company's sales are to increase on average by 20 per cent per year. The operating margin must be at least 15 per cent. To achieve the financial targets INVISIO uses the following strategies:

- Increase market share in existing markets in Europe, North America and Oceania.
- Geographical expansion to emerging markets with long-term potential, including Asia and parts of the Middle East and South America.
- Product development referring to both new and further developed products for current target groups.
- Cost effectiveness in the company and in manufacturing.



**Hearing and communication are important components of critical operations and have been subject to modernization for a number of years, mainly in the defense forces but also in police services.**

## Sales and profit

### Full year 2017

Sales for 2017 were SEK 365.7 million (330.0), an increase of 11 per cent in comparison with the same period in the previous year. In comparable currencies sales increased by 13 per cent.

Sales on international markets are mainly in USD, EUR and GBP. INVISIO hedges large orders to offset currency fluctuations in the short term.

At the close of the period the order book amounted to SEK 153.4 million (136.5). INVISIO's market is characterized by large procurements, often with long lead times due to extensive processes with customer tests, both in laboratories and among users. This means that the order intake and sales for individual quarters may vary and have an effect on the full year figures.

Gross profit was SEK 202.3 million (171.0) and the gross margin was 55.3 per cent (51.8).

Operating expenses for the period were SEK 123.7 million (80.6). The increase refers to the larger organization and increased activities in accordance with INVISIO's growth strategy. Non-recurring costs of SEK 11.7 million were included. These referred to the discontinuation of the main distributor relationship in the USA.

During the period development costs of SEK 12.6 million (6.8) were capitalized. Depreciation of capitalized development costs of SEK 3.1 million (7.0) were included in operating expenses.

Operating profit for the period was SEK 78.6 million (90.4) and the operating margin was 21.5 per cent (27.4).

Net financial income was SEK -5.1 million (-0.1). Net financial income for the period was negatively impacted by foreign exchange effects.

Profit before tax amounted to SEK 73.5 million (90.3) and profit for the year was SEK 62.3 million (91.8). Earnings per share were SEK 1.42 (2.14).

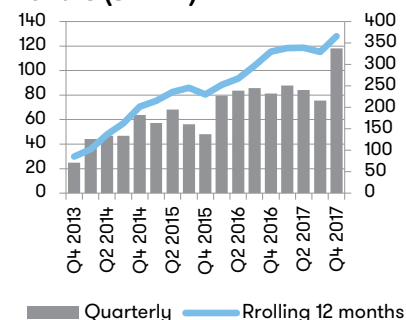
### Fourth quarter 2017

Sales in October–December 2017 amounted to SEK 118.1 million (81.3), an increase of 45 per cent compared with the corresponding period in the previous year. The strong sales were mainly achieved through deliveries to a contract customer in the USA and delivery of some deferred orders from the third quarter due to an agreed color change of products. In comparable currencies sales increased by 44 per cent.

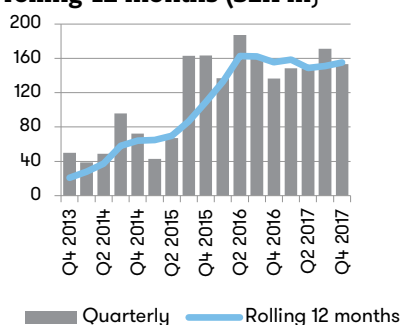
Gross profit was SEK 71.1 million (40.4), which corresponds to a gross margin of 60.2 per cent (49.7). Gross margin may vary between the quarters depending on the product mix and the share of direct sales to end-customers. During the quarter, the share of direct sales in the USA was high.

Operating expenses for the quarter were SEK 43.8 million (23.5). The increase mainly refers to higher personnel costs due to a number of new recruitments and a

Sales per quarter and rolling 12 months (SEK m)



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



non-recurring payment of SEK 11.7 million in connection with the discontinuation of the relationship with a previous main distributor in the USA.

During the quarter development costs of SEK 3.2 million (2.2) were capitalized. Operating expenses include depreciation of capitalized development costs of SEK 0.6 million (3.4).

The operating profit for the quarter was SEK 27.3 million (16.9), which corresponds to an operating margin of 23.1 per cent (20.8).

Net financial income was SEK -2.4 million (0.0). Net financial income for the period was negatively impacted by foreign exchange effects.

Profit before tax amounted to SEK 24.9 million (16.9) and profit for the period was SEK 15.0 million (16.3). Earnings per share were SEK 0.34 (0.38).

## Cash flow, investments and financial position

### Cash flow and investments

The Group's cash flow for 2017 was SEK -22.5 million (101.5), of which cash flow from operating activities was SEK 10.9 million (105.8). Changes in operating receivables were SEK -86.4 million (1.1) during the period. Strong sales in December resulted in high trade receivables, which had a negative impact on cash flow. Cash flow from investing activities amounted to SEK -15.0 million (-10.5). Cash flow from financing activities was SEK -18.3 million (6.2), of which SEK 21.7 million was dividend paid.

During the period, the Group's investments amounted to SEK 15.0 million (10.5), of which SEK 12.6 million (6.8) was capitalized development costs and SEK 2.4 million (3.1) was net investment in property, plant and equipment.

### Cash and cash equivalents and financial position

The Group's cash and cash equivalents at the close of the period amounted to SEK 113.2 million (133.2). INVISIO has sound financial strength and the Group had no loans at the close of the period.

Group equity at the close of the period amounted to SEK 259.9 million (209.5), which gave an equity/assets ratio of 76 per cent (80). During the year SEK 3.4 million was added to equity through exercising stock options in connection with the employee stock option program 2013/2017 Tranche 3. The employee stock option program is thereby closed. The employee stock option program is presented in INVISIO's annual report for 2016, on page 57, Note 8.

### Income tax

Capitalized deferred tax assets in the balance sheet, disclosed net, are SEK 25.9 million, of which SEK 31.4 million is attributable to tax loss carry forwards in the Danish subsidiary. 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 subsidiary with reference to historical performance and possibilities of utilizing the loss carry-forwards. Danish legislation limits the yearly utilization of loss carry-forwards, which means that the

Danish subsidiary will pay tax in 2017. Total loss carry-forwards as at December 31, 2017 were SEK 245 million, of which SEK 143 million are capitalized. The remaining unutilized loss carry-forwards amounted to SEK 102 million and refer to other companies and cannot be capitalized at present. All loss carry-forwards have an unlimited life.

### **Parent Company**

Net sales for the parent company for the full year 2017 amounted to SEK 0.1 million (0.1). The operating result was SEK -5.4 million (-6.9). Profit for the year was SEK 88.9 million (23.1), of which dividends from subsidiaries amounted to SEK 95.0 million (30.0).

At the close of the period the parent company's cash and bank balances amounted to SEK 28.3 million (28.2). Equity amounted to SEK 182.9 million (112.3), which gave an equity/assets ratio of 97 per cent (98). The number of employees in the parent company was 1 (1).

### **Employees**

The number of employees in the Group, restated as full-time positions, was 73 (52) at the close of the period. Of the employees, 58 were men (41) and 15 women (11).

### **Other information**

#### **Accounting policies**

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 that are described in INVISIO's 2016 Annual Report have been applied.

#### *New standards*

Two new standards came into force on January 1, 2018: IFRS 9 Financial Instruments and IFRS 15 Revenue from contracts with customers. Based on the analysis of effects that INVISIO carried out during 2017 the implementation of the new standards will not have any material impact on the Group's financial statements other than the new disclosure requirements.

The transition to IFRS 9 will not have any impact on the Group's financial position as IFRS 9 does not affect the measurement of the Group's financial instruments. Based on the methodology of IFRS 9 and INVISIO's history, the implementation will not have any material impact on credit loss reserves either. IFRS 9 will be implemented using a prospective transition method, but will not affect the opening balances as at January 1, 2018.

The Group has carried out an analysis of the effects of IFRS 15 for material revenue streams. No revenue streams were identified where IFRS 15 is expected to have any material effect on INVISIO's financial statements. The transition to IFRS 15 will be made using a retrospective approach, which means restatement of comparative periods.



For more details on the new standards, please refer to 2016 INVISIO's annual report.

### **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 anticipated risks and to assess how each respective risk is to be managed. Risks can be divided into market, operational, and financial risks. For a more detailed description of these risks, please refer to pages 39–40 in INVISIO's annual report for 2016.

### **Financial key figures, alternative performance measures and other definitions**

INVISIO's financial statements include both financial key figures that are specified in current financial reporting rules, alternative performance measures ("APM") in accordance with ESMA's definition and other key figures related to the business. The APMs are regarded as relevant for an investor who wants to understand the company's results and financial position better. Definitions and reconciliation of the APMs that are not directly reconcilable with the financial statements can be found on the company's website: [www.invisio.com/IR](http://www.invisio.com/IR). Reconciliation is against the closest comparable IFRS financial measure.

### **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 0.60 per share be distributed for 2017 (0,50).

### **Review**

This interim report has not been reviewed by the company's auditor.

### **Annual General Meeting 2018**

INVISIO's Annual General Meeting in 2018 will be held on April 26, 2018 at 13.00 in IVA's premises at Grev Turegatan 16 in Stockholm.

Shareholders wishing to have a matter considered at the Annual General Meeting can send a written request by email to [ir@invisio.com](mailto:ir@invisio.com) or by ordinary mail addressed to: The Board of Directors, INVISIO Communications 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 2018	April 26, 2018
Annual General Meeting 2018	April 26, 2018
Interim report January - June 2018	August 17, 2018
Interim report January-September 2018	October 26, 2017
Year-end report 2018	February 15, 2018

Interim reports and annual reports are available at [www.invisio.com](http://www.invisio.com). The annual report for 2017 will be available on the website in week 12 (March 19-25).

---

Stockholm, February 16, 2018

Lars Højgård Hansen  
President/CEO

**For further information, please contact**

Lars Højgård Hansen, CEO  
+45 5372 7722 | [lh@invisio.com](mailto:lh@invisio.com)

Thomas Larsson, CFO  
+45 5372 7735 | [thl@invisio.com](mailto:thl@invisio.com)

**Publication**

This information is information that INVISIO Communications AB (publ) is obliged to disclose under the EU Market Abuse Regulation and the Securities Market Act. The information was released for public disclosure, through the agency of the President/CEO, on February 16, 2018, at 08.30 CET.

**Address**

INVISIO Communications AB | P O Box 151 | SE 201 21 Malmö

INVISIO Communications 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.

## Condensed consolidated income statement and consolidated statement of comprehensive income

SEK in millions	2017 Q4	2016 Q4	2017 Full year	2016 Full year
Revenue	118.1	81.3	365.7	330.0
Cost of goods sold	-47.0	-40.9	-163.4	-159.0
<b>Gross profit</b>	<b>71.1</b>	<b>40.4</b>	<b>202.3</b>	<b>171.0</b>
Operating expenses*	-43.8	-23.5	-123.7	-80.6
<b>Operating profit/loss</b>	<b>27.3</b>	<b>16.9</b>	<b>78.6</b>	<b>90.4</b>
Net financial items	-2.4	0.0	-5.1	-0.1
<b>Profit/loss before tax</b>	<b>24.9</b>	<b>16.9</b>	<b>73.5</b>	<b>90.3</b>
Income tax	-10.0	-0.6	-11.2	1.5
<b>Profit/loss for the period</b>	<b>15.0</b>	<b>16.3</b>	<b>62.3</b>	<b>91.8</b>
<b>OTHER COMPREHENSIVE INCOME</b>				
<i>Items that may subsequently be reclassified to profit and loss</i>				
Translation differences	6.4	-1.4	6.3	5.7
<b>Comprehensive income for the period</b> (Profit/loss attributable to equity holders of the parent company.)	<b>21.3</b>	<b>14.9</b>	<b>68.6</b>	<b>97.4</b>
*Depreciation incl. in operating expenses	-1.0	-3.7	-4.4	-7.5
<b>Per-share data</b>	<b>2017 Q4</b>	<b>2016 Q4</b>	<b>2017 Full year</b>	<b>2016 Full year</b>
Earnings per share, SEK	0.34	0.38	1.42	2.14
Earnings per share after dilution, SEK	0.34	0.37	1.41	2.08
Shareholders' equity per share, SEK	5.89	4.82	5.89	4.82
Shareholders' equity per share after dilution, SEK	5.89	4.75	5.89	4.75
Equity ratio, %	76	80	76	80
Number of shares, thousand	44,098	43,449	44,098	43,449
Average number of outstanding shares, thousand	44,098	43,317	43,881	42,781
Average number of outstanding shares after dilution, thousand	44,098	44,112	44,098	44,112
Share price at year-end, SEK	79.25	63.75	79.25	63.75

# Condensed consolidated statement of financial position

SEK in millions

<b>Assets</b>	<b>31/12/2017</b>	<b>31/12/2016</b>
Capitalized development costs	27.7	17.5
Equipment	4.5	3.3
Deposits for rent, long-term	1.5	1.5
Deferred tax assets	25.9	34.3
Inventories	36.3	25.9
Trade receivables	121.1	39.4
Other short-term receivables	12.1	5.9
Cash and cash equivalents	113.2	133.2
<b>Total assets</b>	<b>342.2</b>	<b>260.9</b>

## Shareholders' equity and liabilities

Shareholders' equity	259.9	209.5
Trade payables	49.7	26.0
Other short-term liabilities	32.7	25.4
<b>Total shareholders' equity and liabilities</b>	<b>342.2</b>	<b>260.9</b>

## Condensed consolidated statement of changes in equity

	<b>2017</b>	<b>2016</b>
	<b>Full year</b>	<b>Full year</b>
Opening balance	209.5	105.6
New issue through exercising employee stock options	3.4	6.2
Employee stock option program	0.1	0.2
Dividend	-21.7	-
Comprehensive income for the period	68.6	97.4
<b>Closing balance</b>	<b>259.9</b>	<b>209.5</b>

## Condensed consolidated statement of cash flow

SEK in millions	2017 Q4	2016 Q4	2017 Full year	2016 Full year
<b>Operating activities</b>				
Profit/loss before tax	24.9	16.9	73.5	90.3
Adjustments for non-cash items	3.3	9.8	7.3	13.2
Income tax paid	-2.1	-4.9	-2.7	-5.1
<b>Cash flow from operating activities before changes in working capital</b>	<b>26.1</b>	<b>21.8</b>	<b>78.1</b>	<b>98.4</b>
Changes in inventories	-7.5	6.9	-9.5	-4.9
Changes in operating receivables	-35.4	18.7	-86.4	1.1
Changes in operating liabilities	30.3	-0.5	28.7	11.2
<i>Cash flow from changes in working capital</i>	<i>-12.5</i>	<i>25.2</i>	<i>-67.2</i>	<i>7.5</i>
<b>Cash flow from operating activities</b>	<b>13.7</b>	<b>46.9</b>	<b>10.9</b>	<b>105.8</b>
<b>Investing activities</b>				
Capitalization of development costs	-3.2	-2.2	-12.6	-6.8
Acquisition of property, plant, and equipment	-0.6	-2.2	-2.4	-3.1
Acquisition of financial assets	0.0	-0.6	0.0	-0.6
<b>Cash flow from investing activities</b>	<b>-3.8</b>	<b>-5.0</b>	<b>-15.0</b>	<b>-10.5</b>
<b>Financing activities</b>				
New issues through exercising employee stock options	-	3.1	3.4	6.2
Dividend	-	-	-21.7	-
<b>Cash flow from financing activities</b>	<b>-</b>	<b>3.1</b>	<b>-18.3</b>	<b>6.2</b>
<b>CASH FLOW FOR THE PERIOD</b>	<b>9.8</b>	<b>45.0</b>	<b>-22.5</b>	<b>101.5</b>
Cash and cash equivalents at start of period	100.7	88.3	133.2	29.4
Translation differences in cash and cash equivalents	2.7	-0.1	2.4	2.3
Cash and cash equivalents at end of period	113.2	133.2	113.2	133.2

## Condensed Parent Company Income Statement

SEK in millions	2017 Q4	2016 Q4	2017 Full year	2016 Full year
Revenue	0.0	0.0	0.1	0.1
Operating expenses	-1.6	-2.2	-5.4	-7.0
<b>Operating profit/loss</b>	<b>-1.6</b>	<b>-2.2</b>	<b>-5.4</b>	<b>-6.9</b>
Net financial items**	94.5	30.0	94.3	30.0
<b>Profit/loss before tax</b>	<b>92.9</b>	<b>27.8</b>	<b>88.9</b>	<b>23.1</b>
Income tax	-	-	-	-
<b>Profit/loss for the period</b>	<b>92.9</b>	<b>27.8</b>	<b>88.9</b>	<b>23.1</b>
**Of which, dividend from subsidiaries	95.0	30.0	95.0	30.0

## Condensed Parent Company Balance Sheet

SEK in millions

Assets	31/12/2017	31/12/2016
Participations in Group companies	83.4	83.2
Receivables from Group companies	75.3	2.5
Other short-term receivables	0.5	0.5
Cash	28.3	28.2
<b>Total assets</b>	<b>187.6</b>	<b>114.4</b>
<b>Shareholders' equity and liabilities</b>		
Restricted shareholders' equity	65.7	65.0
Non-restricted shareholders' equity	117.2	47.2
Trade payables	0.1	0.6
Liabilities to Group companies	2.8	0.1
Other short-term liabilities	1.8	1.4
<b>Total shareholders' equity and liabilities</b>	<b>187.6</b>	<b>114.4</b>

Parent company changes in shareholders' equity	2017 Full year	2016 Full year
Opening balance	112.3	82.7
New issues through exercising employee stock options	3.4	6.2
Employee stock option program	0.1	0.2
Dividend	-21.7	-
Profit/loss for the period**	88.9	23.1
<b>Closing balance</b>	<b>182.9</b>	<b>112.3</b>
**Of which, dividend from subsidiaries	95.0	30.0

## Overview - past eight quarters

SEK in millions	2016 Q1	2016 Q2	2016 Q3	2016 Q4	2017 Q1	2017 Q2	2017 Q3	2017 Q4
Revenue	79.5	83.6	85.6	81.3	87.9	84.2	75.5	118.1
Cost of goods sold	-37.3	-40.4	-40.5	-40.9	-39.7	-43.7	-33.1	-47.0
<b>Gross profit</b>	<b>42.2</b>	<b>43.2</b>	<b>45.1</b>	<b>40.4</b>	<b>48.2</b>	<b>40.5</b>	<b>42.4</b>	<b>71.1</b>
Operating expenses	-18.7	-21.0	-17.4	-23.5	-25.5	-26.2	-28.2	-43.8
<b>Operating profit/loss</b>	<b>23.5</b>	<b>22.2</b>	<b>27.7</b>	<b>16.9</b>	<b>22.7</b>	<b>14.3</b>	<b>14.3</b>	<b>27.3</b>
Net financial items	-0.1	0.0	0.0	0.0	0.0	-2.7	0.0	-2.4
<b>Profit/loss before tax</b>	<b>23.4</b>	<b>22.2</b>	<b>27.7</b>	<b>16.9</b>	<b>22.7</b>	<b>11.6</b>	<b>14.3</b>	<b>24.9</b>
Income tax	-	-	2.1	-0.6	-	-	-1.2	-10.0
<b>Profit/loss for the period</b>	<b>23.4</b>	<b>22.2</b>	<b>29.9</b>	<b>16.3</b>	<b>22.7</b>	<b>11.6</b>	<b>13.1</b>	<b>15.0</b>
Cash flow from operating activities	15.2	45.6	-1.9	46.9	24.7	-4.7	-22.8	13.7
Gross margin, %	53.1	51.7	52.7	49.7	54.9	48.1	56.2	60.2
Operating margin, %	29.6	26.6	32.4	20.8	25.8	17.0	18.9	23.1
Profit margin %	29.5	26.6	34.9	20.0	25.8	13.8	17.3	12.7
Equity ratio, %	77	76	79	80	86	81	82	76
Earnings per share, SEK*	0.55	0.52	0.70	0.38	0.52	0.26	0.30	0.34
Shareholders' equity per share, SEK*	3.08	3.70	4.47	4.82	5.33	5.16	5.41	5.89

\* Before dilution