



INVISIO Communications


Conference Call | April 27, 2018 | CEO Lars Højgård Hansen

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Agenda

- CEO Lars Højgård Hansen comments Q1, 2018
- Q&A
- Financial performance in further details



“INVISIO is continuing its long-term work of increasing market presence, establishing even stronger relations with customers and cooperating with them to develop innovative product solutions.

Our underlying business has been stable during the quarter, both in the form of follow-up orders from existing customers and orders from new customers. Sales are on a level close to the strong comparative quarter of 2017.”

Investments for growth

Q1 2018

Strong relationships with armies

- 5-year framework agreement in Denmark
Equipment for the Danish Army. Option of
another 2 years.
- U.S. Army's TCAPS program awarded for its
innovation and efforts to prevent hearing loss.



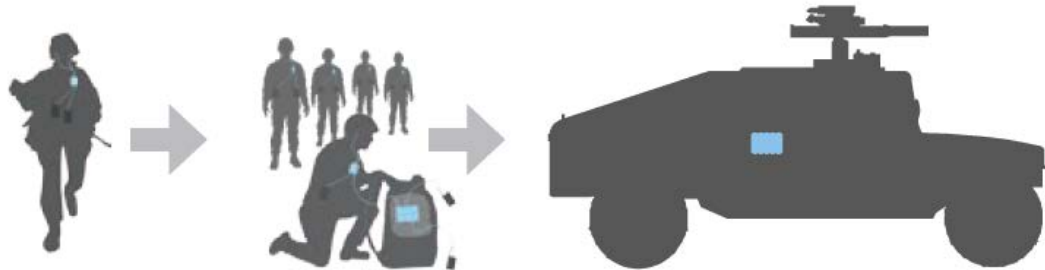
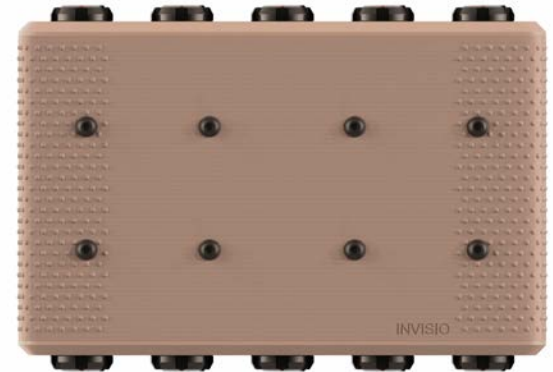
- Contract manufacturing of key products in
the USA.



Innovation

New product category for communication in vehicles

- The INVISIO Intercom system.
- Mounted or carried in a backpack.
- Commercially available in late 2018.



A step to further strengthen INVISIO's role as a leading supplier of communications solutions for demanding environments

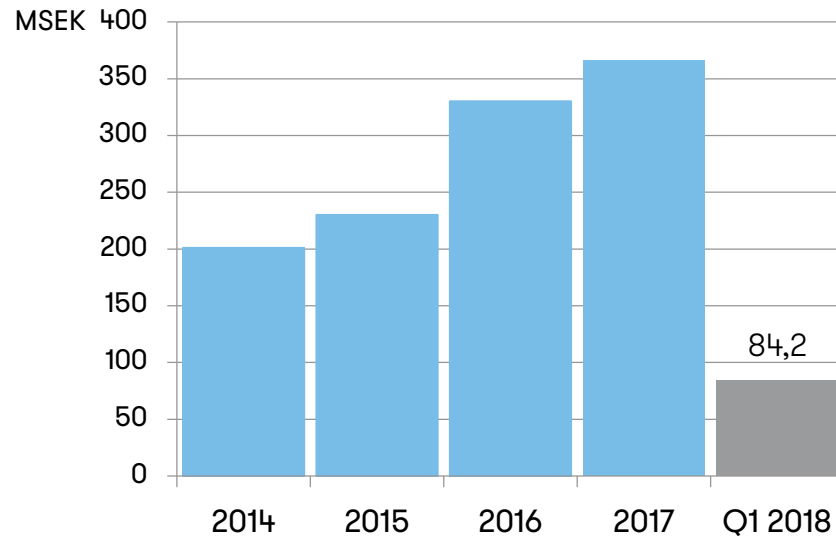
Q1 2018: Continued focus on growth and stable underlying business

SEK in millions	2018 Jan-Mar	2017 Jan-Mar	Δ %
Revenue	84.2	87.9	-4
Gross profit	50.1	48.2	4
Gross margin, %	59.6	54.9	
EBITDA	19.5	24.0	-19
Operating profit/loss	18.5	22.7	-19
Operating margin, %	22.0	25.8	
Profit/loss for the period	13.8	22.7	-39
Earnings per share, SEK	0.31	0.52	-40

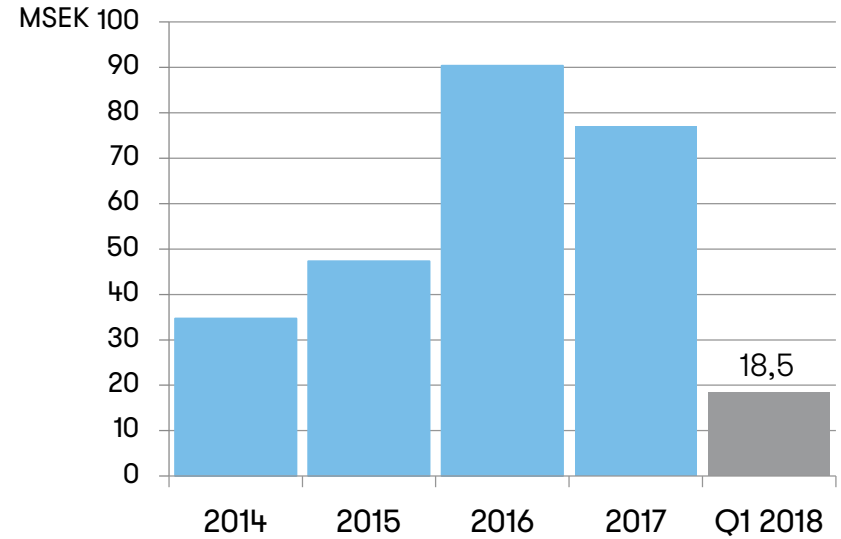
- Stable underlying business, both repeat orders and orders from new customers.
- Sales are on a level close to the strong comparative quarter of 2017.
- Strong gross margin mainly due to a higher share of direct sales.
- Increased costs related to growth initiatives and headcount growth.
- Operating margin in line with our expectations.

Development in sales and operating profit

Sales

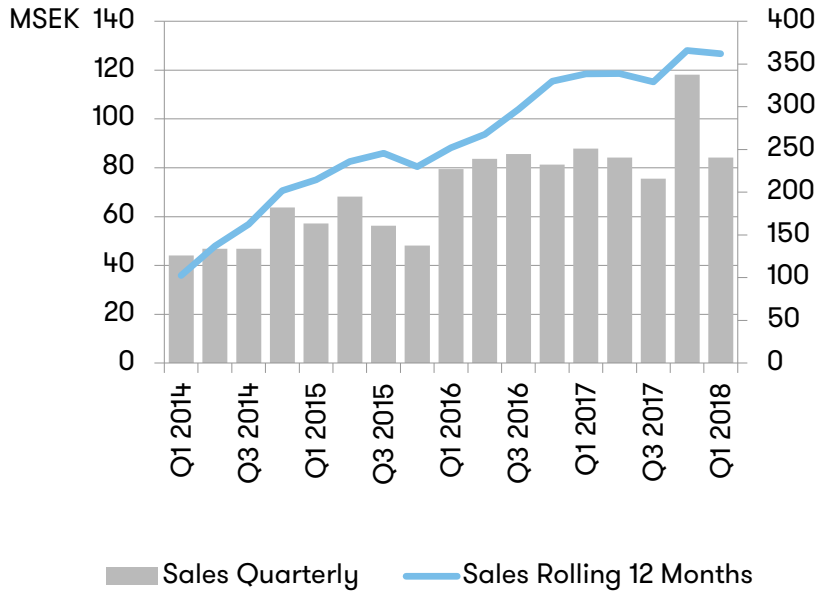


Operating profit

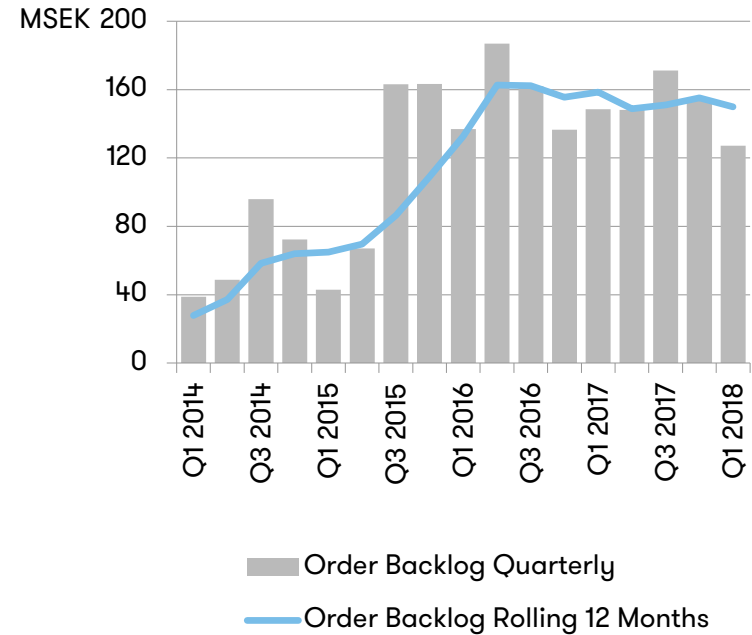


Sales and order backlog per quarter and rolling 12 months

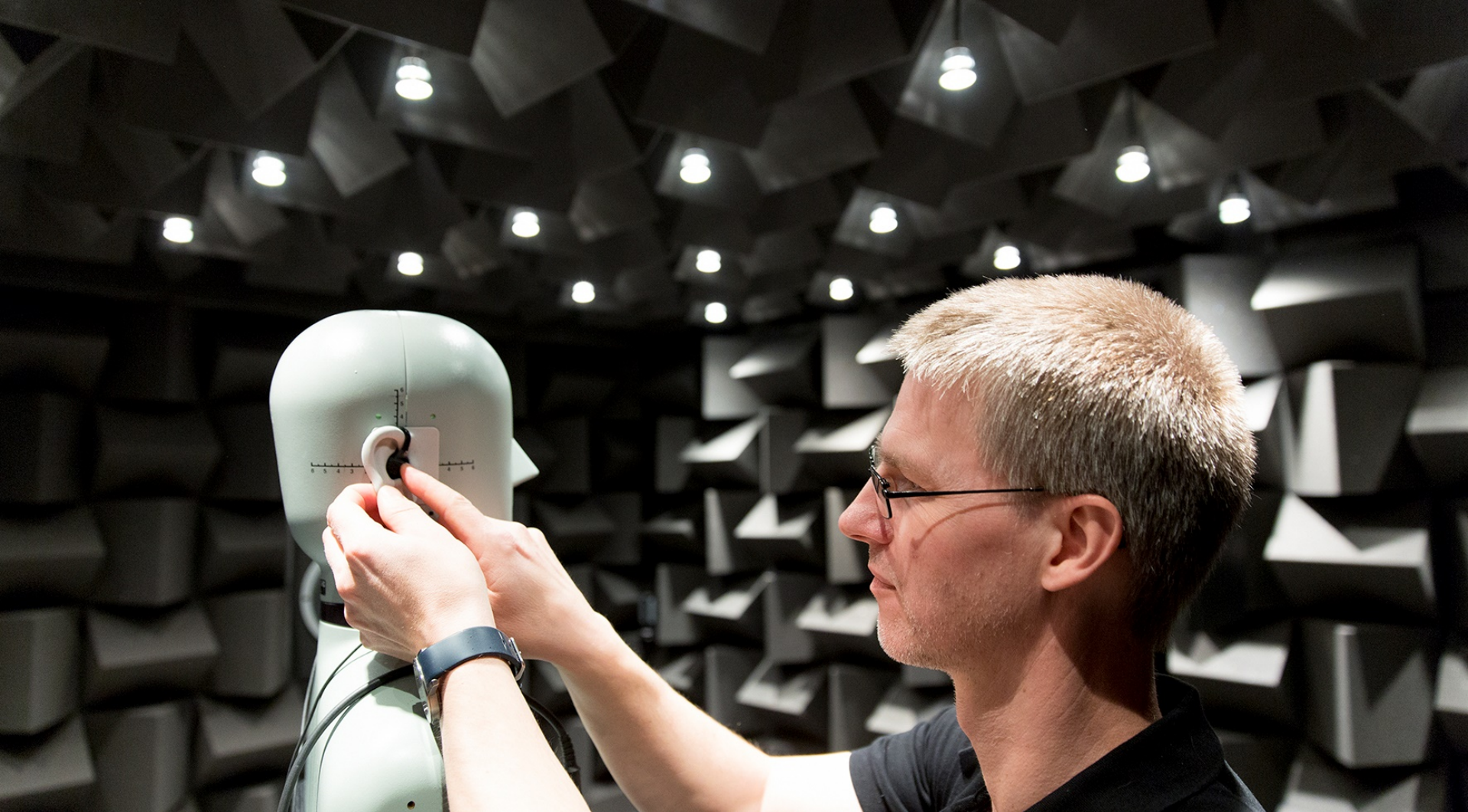
Sales



Order Backlog



Order Backlog: 127,2 MSEK



Our focus in 2018 is on continued business expansion. The ambition is over time to build up strong positions in important markets and further strengthen our role as leading supplier to customer groups in defense and security.

A larger company is beginning to take shape



INVISIO's growth and financial position make continued investment in new markets and R&D projects possible

1

Increase market share
Existing markets in Europe,
North America and Oceania.

2

Geographical expansion
Strengthen presence in selected
countries in Asia, the Middle
East and South America.

3

Product development
Both further developed
and new products.

4

Cost efficiency
Scalable business model
of outsourced production.

INVISIO's power of innovation drives market growth



Growth drivers

- Modernization of soldier communications.
- More individual communication devices.
- Cost for hearing impairment. It is better to prevent.
- INVISIO drives growth by developing new, innovative solutions that raise the industry's performance, functionality and user experience requirements.

Large growth potential

- Current market still in infancy. Annual target market: SEK 5 billion.
- Strong position on the market with barriers to entry.
- Potentially big market for the new Intercom system.
- Uneven order flow and sales over the year.



Q&A

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Thank you!

Financial performance in further details

Q1 2018

Condensed consolidated income statement and consolidated statement of comprehensive income

SEK in millions	Note	2018 Jan-Mar	2017 Jan-Mar	2017 Full year
Revenue	2	84.2	87.9	365.7
Cost of goods sold		-34.0	-39.7	-163.4
Gross profit		50.1	48.2	202.3
Operating expenses*		-31.6	-25.5	-123.7
Operating profit/loss		18.5	22.7	78.6
Net financial items		-0.5	0.0	-5.1
Profit/loss before tax		18.0	22.7	73.5
Income tax	3	-4.2	-	-11.2
Profit/loss for the period		13.8	22.7	62.3
OTHER COMPREHENSIVE INCOME				
<i>Items that may subsequently be reclassified to profit and loss</i>				
Translation differences		7.5	-0.4	6.3
Comprehensive income for the period		21.3	22.2	68.6
(Profit/loss attributable to equity holders of the parent company.)				
*Depreciation incl. in operating expenses		-1.0	-1.3	-4.4

Condensed consolidated statement of financial position

SEK in millions

Assets	Note	31/03/2018	31/03/2017	31/12/2017
Capitalized development costs		32.2	18.8	27.7
Equipment		4.3	3.9	4.5
Deposits for rent, long-term		1.7	1.5	1.5
Deferred tax assets	3	24.0	34.2	25.9
Inventories		43.4	19.3	36.3
Trade receivables		63.2	30.9	121.1
Other short-term receivables		17.5	6.9	12.1
Cash and cash equivalents		155.6	154.4	113.2
Total assets		341.8	269.9	342.2
Shareholders' equity and liabilities				
Shareholders' equity		281.2	231.8	259.9
Trade payables		35.2	17.0	49.7
Other short-term liabilities		25.4	21.1	32.7
Total shareholders' equity and liabilities		341.8	269.9	342.2

Condensed consolidated statement of cash flow

SEK in millions	2018 Q1	2017 Q1	2017 Full year
Operating activities			
Profit/loss before tax	18.0	22.7	73.5
Adjustments for non-cash items	-0.7	2.3	7.3
Income tax paid	-3.9	-0.6	-2.7
Cash flow from operating activities before changes in working capital	13.4	24.4	78.1
Changes in inventories	-5.4	6.5	-9.5
Changes in operating receivables	57.5	7.3	-86.4
Changes in operating liabilities	-24.3	-13.5	28.7
<i>Cash flow from changes in working capital</i>	27.8	0.3	-67.2
Cash flow from operating activities	41.2	24.7	10.9
Investing activities			
Capitalization of development costs	-3.8	-2.4	-12.6
Acquisition of property, plant, and equipment	-	-0.9	-2.4
Acquisition of financial assets	-0.1	0.0	0.0
Cash flow from investing activities	-3.8	-3.3	-15.0
Financing activities			
New issues through exercising employee stock options	-	-	3.4
Dividend	-	-	-21.7
Cash flow from financing activities	-	-	-18.3
CASH FLOW FOR THE PERIOD	37.4	21.4	-22.5
Cash and cash equivalents at start of period	113.2	133.2	133.2
Translation differences in cash and cash equivalents	5.1	-0.2	2.4
Cash and cash equivalents at end of period	155.6	154.4	113.2