



Protection
at work,
a better life
at home



INVISIO®

Interim Report January–September 2023

Strong sales and a healthy order book

“ The group continued to make progress during the third quarter, recording revenue of more than SEK 300 million – the highest ever for a single quarter. Order intake surpassed SEK 250 million and the order book stood at more than SEK 700 million at September 30. Our previous guidance of strong revenue and profitability in the coming quarters therefore remains unchanged.

Lars Højgård Hansen, CEO



INVISIO recently attended two of the industry's largest trade fairs – DSEI in London and AUSA in Washington, DC. The events together attracted more than 70,000 visitors.

Highlights Q3 2023

- Revenue of SEK 311.6 million (195.1) set a new record for a single quarter. Rolling 12-month revenue was just under SEK 1.2 billion.
- The new V60 II ADP control unit, with integrated AI capability and the RA4000 Magna™ digital headset, attracted strong interest at the DSEI trade fair in London and the AUSA event in Washington, DC.

Significant events after the quarter

- There are no significant events to report.

SEK million	Q3			Jan-Sep			Full year
	2023	2022	Δ %	2023	2022	Δ %	2022
Revenue	311.6	195.1	60	892.8	486.2	84	775.5
Gross profit	190.9	113.3	68	548.8	283.7	93	449.7
Gross margin, %	61.3	58.1		61.5	58.4		58.0
EBITDA	66.5	29.3	127	223.6	40.5	452	113.0
EBITDA margin, %	21.4	15.0		25.0	8.3		14.6
Operating profit	51.2	17.5	193	180.5	5.4	3,252	65.2
Operating margin, %	16.4	9.0		20.2	1.1		8.4
Profit/loss for the period	40.2	13.5	198	127.5	1.8	6,976	44.5
Earnings per share for the period, SEK	0.88	0.30	195	2.80	0.04	6,849	0.99
Cash flow from operating activities	1.8	4.1	-57	167.9	15.6	979	41.7
Order intake	258.4	291.0	-11	975.5	845.2	15	1,141.6
Order book	717.5	615.5	17	717.5	615.5	17	624.7

Strong sales and a healthy order book

The positive trajectory of the first six months of the year continued in Q3. Revenue of more than SEK 300 million was a record for a single quarter. Order intake surpassed SEK 250 million, and at the end of the period the order book stood at more than SEK 700 million.

The investments we have carried out in recent years have enabled us to expand both our offer and our customer base, allowing us to forge a group that is both stronger and more stable. The effects of this are clearly visible in rolling 12-month (R12) revenue, which at just under SEK 1.2 billion has almost doubled since this time last year. Our maturity has also helped reduce some of the volatility we experienced previously. This makes our manufacturing more efficient and enables us to plan more effectively.

Solid profitability

The gross margin exceeded 60 percent both in Q3 and for the nine-month period, which is satisfying.

Operating costs, excluding depreciation and amortization, increased by 33 percent in the year to date. This increase was exacerbated by the depreciation of the Swedish krona during the period. In comparable currencies, operating costs rose by 25 percent. This translates to a currency effect of about SEK 21 million.

The operating margin for the two periods was 16 percent and 20 percent respectively, outperforming our target of more than 15 percent over time.

Our company culture is a success factor

INVISIO has a strong company culture, evidenced by low employee churn and short-term absence rates and remarkably high employee satisfaction

as measured by our employee Net Promotor Score. Our annual incentive program for all employees and with ambitious financial targets play a key role in nurturing the INVISIO culture.

The strong order inflow and profitability we have recorded this year led us in Q3 to make an extra provision to the incentive program, over and above the planned amount.

High levels of market activity

Underlying our performance this year is a generally high level of activity in our markets, especially in Europe. It is nevertheless important to emphasize that current sales are largely a result of past modernization and renewal decisions. The impact of increased defense spending, particularly in Europe, is still to come and will be felt further into the future.

Major interest in new products

During Q3 the group attended two of the most important trade fairs in the industry – DSEI in London and AUSA in Washington, DC – which together attract more than 70,000 visitors. These events gave us the opportunity to present two of our newest and most advanced products. Our V60 II ADP control unit, with integrated AI technology, supports audio and data traffic while also optimizing user electricity consumption. Its ability to combine audio and data in a single device has proved to be highly popular. We were also able to demonstrate our new advanced RA4000 Magna™ headset, developed for the most demanding in-vehicle environments. Interest was also strong in this product, which has raised the bar in terms of what users can expect from a modern digital headset.

Moving forward in sustainability

Sustainability is increasingly used as a procurement parameter and this fact, combined with tougher EU regulations, prompted us to launch a major environment, social and governance (ESG) project earlier this year. Q3 saw the completion of the first phase of this initiative.

Delivering high quality and taking care of users and the environment have formed a natural part of our approach from the beginning. We work only with established partners that share our values when it comes to sustainability, working conditions, business ethics and quality. Although our climate and environmental impacts are limited, we are nevertheless committed to continuous improvement. I firmly believe that demand for greater sustainability will give us a competitive advantage and further strengthen our offer.

Strong outlook for demand

As we review the first nine months of 2023, we note that market activity remains high. Defense spending in Europe is at its highest level since the 1990s and we believe it will remain high for a long time to come. For that reason, we expect order intake to remain strong and we reiterate our view that revenue and profitability will remain strong over the course of coming quarters.

Lars Højgård Hansen, CEO



SEK 258_m

Order intake, Q3 2023

SEK 717_m

Order book, Q3 2023

SEK 312_m

Revenue, Q3 2023

16%

Operating margin, Q3 2023

85%

Revenue growth, R12

20%

Operating margin, R12

Order intake, sales and profit

Q3 2023

Order intake in the third quarter totaled SEK 258.4 million (291.0). At September 30, the order book stood at SEK 717.5 million (615.5), most of which will be delivered in the coming quarters.

Revenue in Q3 rose to SEK 311.6 million (195.1), an increase of 60 percent compared to the same period last year. In comparable currencies, revenue increased by 48 percent.

Gross profit totaled SEK 190.9 million (113.3) and the gross margin was 61.3 percent (58.1). The primary factors affecting the gross margin are the ratio of direct sales to distributor sales, and the product mix during the reporting period.

Operating expenses including depreciation and amortization were SEK 139.7 million (95.8), an increase of 46 percent from the same period last year. Compared to Q2,

costs rose by 18 percent. This increase was due first and foremost to an extra provision made to the group's incentive program in response to strong profitability and order inflow during the year. Increased marketing activities, including travel, attendance at trade fairs and a large number of customer visits also played a part.

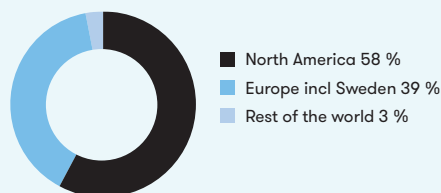
EBITDA was SEK 66.5 million (29.3), equivalent to a margin of 21.4 percent (15.0). The increase in profitability primarily reflected higher sales and the scalability of the INVISIO business model.

Development costs of SEK 10.1 (4.1) were capitalized during the quarter.

Depreciation in the quarter amounted to SEK 15.3 million (11.9). Depreciation and amortization expenses relating to completed development projects were SEK 6.5 million (5.3). Of the remaining SEK 8.8 million (6.6), SEK 3.4 million (3.2) related to amortization of other intangible assets, SEK 3.1 million (2.0) to amortization of rights of use (leases) and SEK 2.4 million (1.3) to depreciation of property, plant and equipment. See Note 3 for further information.

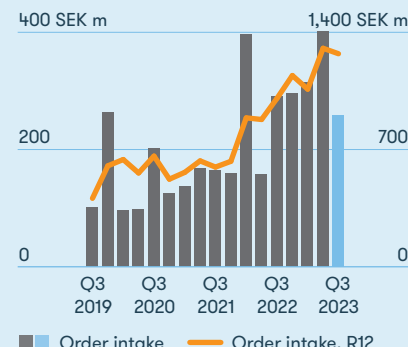
Operating profit (EBIT) was SEK 51.2 million (17.5) and the operating margin was 16.4 percent (9.0). The average operating margin for the last 20 quarters stands at 14 percent. Net financial income was SEK 3.3 million (1.6). Profit before tax was SEK 54.6 million (19.0) and net profit for the period totaled SEK 40.2 million (13.5). Earnings per share were SEK 0.88 (0.30).

Q3 revenue by region (%)

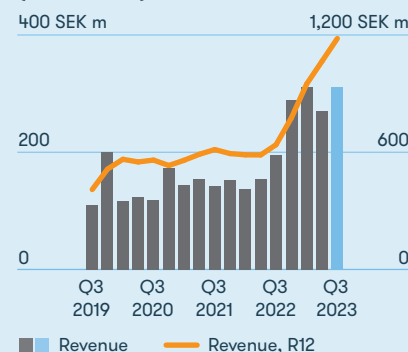


See Note 2 for further information.

Order intake in the quarter and R12 (SEK million)



Revenue in the quarter and R12 (SEK million)



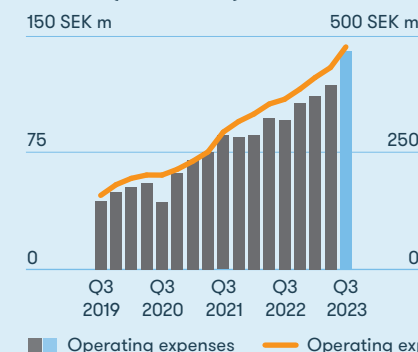
Gross margin in the quarter and R12 (%)



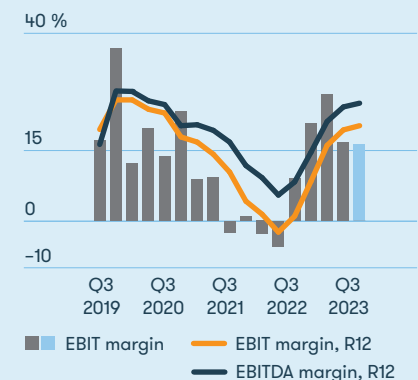
Order book in the quarter and R12 (SEK million)



Operating expenses in the quarter and R12 (SEK million)



Operating margin in the quarter and R12, EBITDA margin R12 (%)



Order intake, sales and profit (ctd.)

January–September 2023

Revenue for the nine months ended September 30 totaled SEK 892.8 million (486.2), an increase of 84 percent compared to the same period last year. In comparable currencies, revenue increased by 73 percent.

Twelve-month rolling (R12) revenue was SEK 1,181.9 million.

Gross profit totaled SEK 548.8 million (283.7) and the gross margin was 61.5 percent (58.4).

Operating expenses including depreciation and amortization were SEK 368.3 million (278.4). This increase was according to plan and will allow INVISIO to capture business opportunities in a busier marketplace.

Operating expenses included depreciation and amortization costs of SEK 43.1 million (35.1).

Development costs of SEK 28.1 million (14.9) were capitalized during the period.

EBITDA was SEK 223.6 million (40.5), equivalent to a margin of 25.0 percent (8.3).

Operating profit totaled SEK 180.5 million (5.4) and the operating margin was 20.2 percent (1.1).

Net financial income of SEK -4.8 million (1.6) was reflective largely of currency effects.

Profit before tax was SEK 175.8 million (7.0) and net profit for the period totaled SEK 127.5 million (1.8).

Earnings per share were SEK 2.80 (0.04).

Cash flow, investments and financial position

Cash flow and investments

Group cash flow in Q3 was SEK -15.6 million (-9.7), with cash from operating activities accounting for SEK 1.8 million (4.1). The decrease in cash from operating activities was due to a strong revenue inflow late in the quarter, leading to higher trade receivables.

The cash flow for the nine months ended September 30 was SEK 80.2 million (-23.6), of which cash flow from operating activities accounted for SEK 167.9 million (15.6).

Inventory value increased to SEK 216.8 million (156.4), reflecting an increase in upcoming deliveries.

INVISIO's capacity for fast delivery gives the group a competitive advantage and is partly a consequence of maintaining a relatively large stock of standard products.

Cash flow from investing activities in the nine months to September 30 was SEK -62.8 million (-21.3). This change was predominantly due to a doubling of capitalized product development costs, which were SEK -28.1 million (-14.9). It also reflected purchases of property, plant and equipment of SEK -33.8 million (-6.3) relating to new leases and the extension of existing leases (IFRS 16).

Cash flow from financing activities was SEK -24.9 million (-17.9). The increase was largely due to loan amortization and the shareholder dividend paid during Q2.

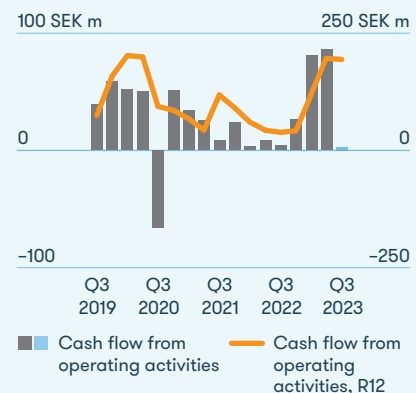
Cash and cash equivalents and financial position

INVISIO is debt-free following the loan repayment made in Q2. At the end of the period, group cash and cash equivalents totaled SEK 211.2 million (118.5).

Equity was SEK 696.3 million (461.5), equal to an equity/assets ratio of 66 percent (61).



Cash flow from operating activities in the quarter and R12 (SEK million)





The first step in INVISIO's strategy in a new market is normally to establish a customer relationship with defense and law enforcement special forces. Their very high equipment expectations make them a valuable benchmark when addressing a broader range of user categories.

Other information

Parent company

The parent company reported revenue for the nine months ended September 30 of SEK 0.0 million (0.0). Operating profit totaled SEK -9.0 million (-9.0). Net financial income of SEK 49.8 million (-2.3) included dividends from subsidiaries of SEK 52.5 million.

Cash and bank balances were SEK 41.5 million (11.3) at the close of the period. Equity of SEK 356.9 million (244.1) resulted in an equity/assets ratio of 99 per cent (76). One (1) person was employed by the parent company.

Employees

Group employees, restated as full-time equivalents, totaled 238 (201) at September 30, 2023. Some 196 employees were male (164) and 42 were female (37).

Material risks and uncertainties

A variety of external and internal factors can impact INVISIO's business activities and earnings. The group operates a continuous process to identify all risks and how each should be managed. Risks are grouped in various categories: market-based; operating; sustainability and climate-related; and financial. For a more detailed description of these risks, please refer to INVISIO's 2022 annual report.

Financial instruments

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

Nominating Committee for the Annual General Meeting 2024

Ahead of the Annual General Meeting (AGM) to be held in 2024 the members of the Nominating Committee are Casper Lorenzen, appointed by William Demant Invest, Elisabet Jamal Bergström, appointed by SEB Investment Management, and Jesper Birch-Jensen, appointed by Swedbank Robur Fonder, as well as the Chair of the Board Annika Andersson.

Shareholders who wish to submit proposals to the Nominating Committee can email to ir@invisio.com or send an ordinary letter to: The Nominating Committee, INVISIO AB P O Box 151, SE 201 21 Malmö.

In the interest of effective processing, proposals must be received by the committee no later than the end of business on December 31, 2023.

AGM for the 2023 financial year

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

Shareholders wishing to have a matter considered at the AGM 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 AGM in order to be included in the notice to attend and thus the agenda of the AGM.

Stockholm, October 25, 2023

Annika Andersson,
Chair of the Board

Ulrika Hagdahl,
Board member

Nicklas Hansen,
Board member

Martin Krupicka,
Board member

Hannu Saastamoinen,
Board member

Charlott Samuelsson,
Board member

Lars Højgård Hansen,
CEO

INVISIO in brief

INVISIO's core business is to develop and market advanced communication systems that help professionals in noisy and mission-critical environments to work more safely and effectively while protecting their hearing.

Personal system and Intercom solution

INVISIO's offer consists of 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 personal equipment users to communicate within their group and with others while on the move.

Products are marketed under the INVISIO and Racal Acoustics brands.

A growing niche market

INVISIO primarily serves customers in the defense, law enforcement and security industries in the US and Europe and selected countries in Asia.

The company estimates the total addressable market for personal equipment and the Intercom system to be worth about SEK 14 billion annually.

Around 85 percent of revenue comes from European and US defense customers. However, we see steadily increasing business opportunities in the law enforcement and security markets as well as in new geographical markets.

Sales primarily through own channels

Sales are driven by head office teams in Copenhagen and by INVISIO sales offices in the US, France, Italy, the UK and Thailand. A global network of partners and resellers also sells the group's products.

Major business transactions are normally via procurement processes. These are often time-consuming due to extensive customer testing and administrative processes.

INVISIO has long-term framework agreements with customers in the US, Canada, UK, Australia, Sweden and Denmark, among others.

Uneven order and revenue flow and variable delivery times

Order intake and sales can fluctuate between quarters and the company's development should therefore be evaluated over a longer timeframe than any single quarter or year.

For INVISIO branded products, deliveries are usually within 2–6 months. For Racal Acoustics solutions, it is not uncommon for an initial

part-delivery to be made within six months and for remaining deliveries to be completed only after 1–3 years, in line with the customer's roll-out plans and vehicle deliveries.

Organization geared to core business

INVISIO focuses on product development and sales, with European contract manufacturers handling most of the production. Outsourcing manufacturing to external partners ensures the flexibility to manage variations in order volume.

High growth with sound profitability

INVISIO is a growth company whose financial targets are average sales growth of 20 percent per year and an operating margin exceeding 15 percent over time.

In the five-year period 2018–2022, average annual sales growth was approximately 16 percent and the average operating margin was around 14 percent.

The share is listed on Nasdaq Stockholm in the Mid Cap segment.



“By enabling safe communication and hearing protection in critical situations, INVISIO creates value for individuals and society alike.

Users

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

Society

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

Auditor's report

INVISIO AB corp. reg. no. 556651-0987

Introduction

We have reviewed the condensed interim financial information (interim report) of INVISIO AB as of September 30, 2023, and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is

substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit con-

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Malmö, October 25, 2023

PricewaterhouseCoopers AB

Mats Åkerlund
Authorized Public Accountant

Condensed consolidated income statement and consolidated statement of comprehensive income

SEK million	Note	Q3		Jan-Sep		Full year
		2023	2022	2023	2022	2022
Revenue	2	311.6	195.1	892.8	486.2	775.5
Cost of goods sold		-120.7	-81.8	-344.0	-202.5	-325.7
Gross profit		190.9	113.3	548.8	283.7	449.7
Operating expenses*	3	-139.7	-95.8	-368.3	-278.4	-384.5
Operating profit		51.2	17.5	180.5	5.4	65.2
Net financial items		3.3	1.5	-4.8	1.6	-2.7
Profit/loss before tax		54.6	19.0	175.8	7.0	62.5
Income tax	4	-14.4	-5.6	-48.3	-5.2	-18.0
Profit/loss for the period		40.2	13.5	127.5	1.8	44.5
OTHER COMPREHENSIVE INCOME						
<i>Items that may subsequently be reclassified to profit or loss.</i>						
Translation differences from foreign operations for the period		-18.9	12.2	24.6	34.0	38.7
Comprehensive income for the period		21.3	25.7	152.1	35.8	83.2
(Attributable to parent company shareholders)						
* Operating expenses include depreciation of	3	-15.3	-11.9	-43.1	-35.1	-47.8

Share data

	Q3		Jan-Sep		Full year
	2023	2022	2023	2022	2022
Earnings per share for the period, SEK	0.88	0.30	2.80	0.04	0.99
Earnings per share after dilution for the period, SEK	0.88	0.30	2.79	0.04	0.99
Equity per share, SEK	15.27	10.24	15.27	10.24	11.32
Equity per share after dilution, SEK	14.81	10.24	14.81	10.24	11.32
Equity/assets ratio, %	66	61	66	61	64
Number of shares, thousands	45,590	45,049	45,590	45,049	45,049
Average number of shares outstanding, thousands	45,590	45,049	45,291	44,768	44,838
Average number of outstanding shares after dilution, thousands	46,269	45,049	46,269	45,049	45,049
Share price at close of period, SEK	197.80	135.60	197.80	135.60	164.60

Condensed consolidated statement of financial position

SEK million	Note	Sep 30, 2023	Sep 30, 2022	Dec 31, 2022
ASSETS				
Non-current assets				
Goodwill		60.3	55.5	56.2
Capitalized development costs	3	116.3	98.1	103.5
Other intangible assets	3	73.7	81.2	79.2
Property, plant and equipment	3	30.1	19.0	20.8
Rights of use, leases	3	34.1	24.9	22.8
Long-term deposits for rent		3.6	2.7	2.7
Deferred tax assets	4	10.2	5.7	3.6
Total non-current assets		328.3	287.2	288.9
Current assets				
Inventories		216.8	156.4	144.4
Trade receivables		238.2	153.5	194.5
Other current receivables		61.2	35.0	45.0
Cash and cash equivalents		211.2	118.5	127.1
Total current assets		727.5	463.4	511.0
TOTAL ASSETS		1.055.7	750.6	799.9

SEK million	Note	Sep 30, 2023	Sep 30, 2022	Dec 31, 2022
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' equity				
		696.3	461.5	510.0
Non-current liabilities				
Liabilities to credit institutions		-	50.0	45.0
Lease liabilities		26.6	18.1	16.1
Deferred tax liabilities	4	40.3	33.8	34.6
Total long-term liabilities		66.9	101.9	95.6
Current liabilities				
Liabilities to credit institutions		—	20.0	20.0
Trade payables		111.7	75.4	63.7
Lease liabilities		11.5	8.7	8.7
Other current liabilities		169.3	83.0	101.9
Total current liabilities		292.5	187.2	194.3
TOTAL EQUITY AND LIABILITIES		1.055.7	750.6	799.9

SEK million	Note	Sep 30, 2023	Sep 30, 2022	Dec 31, 2022
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY				
Opening balance				
		510.0	417.5	417.5
New issue through exercising employee stock options		58.6	36.0	36.0
Employee stock option program		7.2	3.4	4.5
Dividend		-31.5	-31.2	-31.2
Comprehensive income		152.1	35.8	83.2
Closing balance		696.3	461.5	510.0

Condensed consolidated statement of cash flow

SEK million	Q3		Jan-Sep		Full year
	2023	2022	2023	2022	2022
Operating activities					
Profit/loss before tax	54.6	19.0	175.8	7.0	62.5
Adjustments for non-cash items	17.1	12.1	54.0	40.1	57.4
Income tax paid	-0.4	-1.3	-11.1	-10.2	-19.0
Cash flow from operating activities before changes in working capital	71.3	29.8	218.7	36.9	100.9
Changes in inventories	-25.8	-9.0	-66.6	-25.0	-13.9
Changes in operating receivables	-105.9	-43.2	-52.7	-28.2	-81.9
Changes in operating liabilities	62.1	26.5	68.5	31.8	36.6
<i>Cash flow from changes in working capital</i>	<i>-69.6</i>	<i>-25.7</i>	<i>-50.8</i>	<i>-21.3</i>	<i>-59.2</i>
Cash flow from operating activities	1.8	4.1	167.9	15.6	41.7
Investing activities					
Capitalization of development costs	-10.1	-4.1	-28.1	-14.9	-23.9
Purchases of property, plant, and equipment	-4.1	-4.3	-33.8	-6.3	-9.6
Acquisition of financial assets	0.0	0.0	-0.8	-0.1	-0.1
Cash flow from investing activities	-14.3	-8.4	-62.8	-21.3	-33.5

SEK million	Q3		Jan-Sep		Full year
	2023	2022	2023	2022	2022
Financing activities					
New issue through exercising employee stock options	—	1.3	58.6	36.0	36.0
Raising / amortization of loans	—	-5.0	-65.0	-15.0	-20.0
Changes in lease liabilities	-3.1	-1.6	13.0	-7.7	-9.9
Dividend paid	—	—	-31.5	-31.2	-31.2
Cash flow from financing activities	-3.1	-5.4	-24.9	-17.9	-25.1
CASH FLOW FOR THE PERIOD	-15.6	-9.7	80.2	-23.6	-17.0
Cash and cash equivalents at start of period	232.3	125.5	127.1	134.8	134.8
Translation differences in cash and cash equivalents	-5.4	2.7	3.9	7.3	9.2
Cash and cash equivalents at end of period	211.2	118.5	211.2	118.5	127.1

Condensed parent company income statement

SEK million	Q3		Jan-Sep		Full year
	2023	2022	2023	2022	2022
Revenue	0.0	0.0	0.0	0.0	0.1
Operating expenses	-2.5	-2.3	-9.1	-9.1	-11.7
Operating profit	-2.5	-2.3	-9.0	-9.0	-11.6
Net financial items*	-0.1	-0.9	49.8	-2.3	37.0
Profit/loss before tax	-2.6	-3.2	40.7	-11.3	25.4
Income tax	—	—	—	—	—
Profit/loss for the period	-2.6	-3.2	40.7	-11.3	25.4
* Of which dividend from subsidiaries	—	—	52.5	—	40.0

Condensed parent company balance sheet

SEK million	Sep 30, 2023	Sep 30, 2022	Dec 31, 2022
ASSETS			
Non-current assets			
Participations in group companies	315.7	307.4	308.5
Total non-current assets	315.7	307.4	308.5
Current assets			
Receivables from group companies	3.7	—	38.3
Other current receivables	0.7	0.5	0.4
Cash and bank balances	41.5	11.3	5.0
Total current assets	45.8	11.8	43.7
TOTAL ASSETS	361.5	319.2	352.2
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Restricted equity	67.2	66.6	66.6
Non-restricted equity	289.7	177.5	215.3
Total shareholders' equity	356.9	244.1	281.9
Non-current liabilities			
Liabilities to credit institutions	—	50.0	45.0
Total long-term liabilities	—	50.0	45.0
Current liabilities			
Liabilities to credit institutions	—	20.0	20.0
Trade payables	0.3	0.2	0.3
Liabilities to group companies	2.5	2.8	2.6
Other current liabilities	1.7	2.1	2.4
Total current liabilities	4.6	25.1	25.3
TOTAL EQUITY AND LIABILITIES	361.5	319.2	352.2

SEK million	Sep 30, 2023	Sep 30, 2022	Dec 31, 2022
PARENT COMPANY STATEMENT OF CHANGES IN EQUITY			
Opening balance	281.9	247.2	247.2
New issue through exercising employee stock options	58.6	36.0	36.0
Employee stock option program	7.2	3.4	4.5
Dividend	-31.5	-31.2	-31.2
Profit/loss for the period*	40.7	-11.3	25.4
Closing balance	356.9	244.1	281.9
* Of which dividends from subsidiaries	52.5	—	40.0

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 RFR 2, Accounting for legal entities and the Annual Accounts Act. The accounting policies applied are consistent with the policies described in INVISIO's annual report for 2022.

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, 2023, are expected to have any significant impact on the group's financial statements.

Note 2 / Revenue by geographical area

SEK million	Q3		Jan-Sep		Full year
	2023	2022	2023	2022	2022
Sweden	9.8	4.4	15.4	19.1	26.0
Europe	112.4	111.1	444.8	252.3	425.4
North America	181.0	59.1	359.0	170.6	247.8
Rest of the world	8.4	20.5	73.6	44.2	76.3
Total	311.6	195.1	892.8	486.2	775.5

Note 3 / Depreciation/amortization

SEK million	Q3		Jan-Sep		Full year
	2023	2022	2023	2022	2022
Amortization of capitalized development costs	6.5	5.3	18.6	15.4	21.0
Amortization of other intangible assets*	3.4	3.2	9.8	9.8	12.9
Amortization of rights of use (leases)	3.1	2.0	8.7	5.9	8.4
Depreciation of property, plant and equipment	2.4	1.3	5.9	4.0	5.5
Total	15.3	11.9	43.1	35.1	47.8

* Other intangible assets refer to the values allocated to intangible non-current assets, such as customer relations, technology and trade marks, in connection with the acquisition of Rascal Acoustics.

Note 4 / Tax

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.

The group's total loss carry-forwards as at September 30, 2023, was SEK 162.0 million (146.9), 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 million	Sep 30, 2023	Sep 30, 2022
Deferred tax assets		
Tax asset attributable to other temporary differences	10.2	5.7
Closing balance	10.2	5.7
Deferred tax liabilities		
Tax liability attributable to capitalized development costs in Denmark	-22.9	-20.6
Tax liability attributable to temporary differences in other intangible assets	-18.4	-14.5
Tax asset attributable to other temporary differences in Denmark	1.0	1.3
Closing balance	-40.3	-33.8

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 and impairment losses.

EBIT (operating profit)

Operating profit after depreciation 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 lower 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 dilutive potential shares were converted to shares. Only the options 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 salary payment for the period.

Reconciliation of alternative performance measures

SEK million		Q3		Jan-Sep		Full year
		2023	2022	2023	2022	2022
Gross profit	A	190.9	113.3	548.8	283.7	449.7
Operating expenses	B	139.7	95.8	368.3	278.4	384.5
EBIT (operating profit)	A-B	51.2	17.5	180.5	5.4	65.2

SEK million		Q3		Jan-Sep		Full year
		2023	2022	2023	2022	2022
EBIT (operating profit)	A	51.2	17.5	180.5	5.4	65.2
Depreciation/amortization and impairment, intangible assets and property, plant and equipment	B	15.3	11.9	43.1	35.1	47.8
EBITDA	A+B	66.5	29.3	223.6	40.5	113.0

SEK million		Sep 30, 2023	Sep 30, 2022	Dec 31, 2022
Shareholders' equity	A	696.3	461.5	510.0
Number of shares, thousands	B	45,590	45,049	45,049
Equity per share, SEK	A/B	15.27	10.24	11.32

SEK million		Sep 30, 2023	Sep 30, 2022	Dec 31, 2022
Shareholders' equity	A	696.3	461.5	510.0
Number of shares after dilution, thousands	B	47,003	45,049	45,049
Equity per share after dilution, SEK	A/B	14.81	10.24	11.32

Overview – last nine quarters

SEK million	2021		2022				2023		
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Revenue	142.7	152.2	137.4	153.7	195.1	289.2	311.3	269.8	311.6
Cost of goods sold	-60.3	-66.4	-55.4	-65.3	-81.8	-123.2	-116.8	-106.5	-120.7
Gross profit	82.4	85.8	82.1	88.4	113.3	166.0	194.6	163.3	190.9
Operating expenses	-85.7	-84.5	-85.9	-96.7	-95.8	-106.2	-110.7	-117.9	-139.7
Operating profit	-3.4	1.3	-3.8	-8.3	17.5	59.8	83.9	45.4	51.2
Net financial items	1.0	0.8	-0.2	0.3	1.5	-4.3	-0.2	-7.9	3.3
Profit/loss before tax	-2.3	2.1	-4.0	-8.0	19.0	55.5	83.6	37.6	54.6
Income tax on profit for the period	-0.5	-0.9	-0.3	0.6	-5.6	-12.8	-23.6	-10.3	-14.4
Profit/loss for the period	-2.8	1.3	-4.3	-7.3	13.5	42.7	60.0	27.3	40.2
Cash flow from operating activities	8.5	23.1	3.3	8.1	4.1	26.1	80.2	85.9	1.8
Order intake	164.9	160.0	396.8	157.7	291.0	296.4	315.2	402.0	258.4
Order book	210.4	224.7	481.7	481.7	615.5	624.7	626.7	790.3	717.5
Gross margin. %	57.7	56.4	59.7	57.5	58.1	57.4	62.5	60.5	61.3
Operating margin. %	-2.4	0.9	-2.8	-5.4	9.0	20.7	26.9	16.8	16.4
Profit margin. %	-2.0	0.8	-3.1	-4.8	6.9	14.8	19.3	10.1	12.9
Equity/assets ratio. %	58	61	63	63	61	64	65	71	66
Earnings per share for the period. SEK*	-0.06	0.03	-0.10	-0.16	0.30	0.95	1.33	0.60	0.88
Equity per share. SEK*	9.13	9.37	9.38	9.61	10.24	11.32	12.86	14.74	15.27

* Before dilution

Invitation to conference call October 25 at 15:00

INVISIO invites the media, investors and analysts to a conference call on Wednesday October 25, 2023, at 15:00 CEST, when the President and CEO Lars Højgård Hansen will present INVISIO's report for the first nine months of 2023. The call will be held in English, starting with a brief presentation followed by a question-and-answer session.

About one hour after the end of the call, a link will be published on INVISIO's website to the recording and the presentation.

Registration

Pre-registration is required in order to participate and put questions at the conference call. After registration, a phone number and conference ID will be provided. Please complete registration 5-10 minutes prior to the scheduled starting time to facilitate a timely start to the conference call.

Registration link

<https://service.flikmedia.se/teleconference/?id=100378>

Audiocast

To follow the presentation online, please use the link below:

<https://invisio.videosync.fi/2023-10-25-q3-2023>

Financial calendar

Year-end report 2023	February 13, 2024
Interim report January–March 2024	May 7, 2024
Annual General Meeting 2024	May 7, 2024
Half-year report January–June 2024	July 19, 2024
Interim report January–September 2024	October 24, 2024

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 October 25, 2023, at 14:00 CEST.



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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.

You can find INVISIO at www.invisio.com

