

Launch of new technology platform. A gradually more active market.



SEK in millions	2021	2020	Δ %	2021	2020	Δ %	2020
	Q2	Q2		Jan-Jun	Jan-Jun		Full year
Revenue	154.3	123.6	25	298.1	240.4	24	532.0
Gross profit	89.6	79.9	12	172.2	147.1	17	309.0
Gross margin, %	58.0	64.6		57.8	61.2		58.1
EBITDA	25.6	26.8	-4	49.1	43.6	13	108.1
EBITDA margin, %	16.6	21.7		16.5	18.1		20.3
Operating profit/loss	14.2	24.4	-42	26.9	38.8	-31	95.4
Operating margin, %	9.2	19.8		9.0	16.2		17.9
Profit/loss for the period	9.4	18.1	-48	16.1	27.5	-42	61.2
Earnings per share, SEK	0.21	0.41	-48	0.36	0.62	-42	1.39
Order intake	167.3	107.3	56	304.7	197.6	54	535.3
Order book	191.7	99.9	92	191.7	99.9	92	123.2

“We can note that as vaccinations are rolled out, our markets are slowly but surely starting to return to normal. More and more customers can receive visits and implement testing of our equipment. This trend is strongest in the USA and can now be seen in several markets in Europe, which facilitates marketing and selling. For our part, the quarter was characterized by the launch of the new technology platform with AI technology, which sets a new standard for audio performance, communication and hearing protection. It will give us an even clearer advantage in relation to our competitors.”

Lars Højgård Hansen, CEO

IMPORTANT EVENTS DURING THE QUARTER

- INVISIO introduced a new technology platform with AI that constitutes the next generation of tactical communication solution - the INVISIO V-Series Gen II.
- INVISIO received an order worth SEK 40 million from an existing customer in the US Department of Defense.
- The Swedish Police Authority extended its framework agreements from 2019 for another year.

Launch of new technology platform. A gradually more active market.

We can note that our markets, as vaccinations are rolled out, slowly but surely are starting to return to normal. As far as INVISIO is concerned, this is clearly apparent in that more and more customers and partners can receive visits and implement testing of our equipment. This trend is strongest in the USA and can now be seen in several markets in Europe, where increased travel possibilities and gradual opening up facilitate marketing and selling.

The trend is reflected in the order intake, which was SEK 167.3 million (107.3) in the quarter. We note that the trend towards more but smaller orders continues, which ultimately give the revenue side more stability and slightly less dependence on the really large orders.

Sales in the quarter were SEK 154.3 million (123.6). Sales of products under the Racal Acoustics brand contributed just over SEK 30 million in the quarter.

At the close of the period the order book amounted to SEK 191.7 million (99.9). It is worth repeating that Racal Acoustics' deliveries may lie further in the future. It is not unusual for a first part-delivery to be within 6 months and the following deliveries within 12-18 months, in accordance with the customers' roll-out plans.

The gross margin was 58.0 per cent (64.6). The lower level, compared with the corresponding quarter in the previous year, is mainly due to the product and sales mix, which can vary over time.

Operating profit in the quarter is mainly impacted by increased depreciation /amortization, which is a consequence of the acquisition of Racal Acoustics and the fact that several newly developed products have recently been launched. All in all, depreciation/amortization amounts to SEK 11.4 million, which is SEK 9.1 million higher than the corresponding quarter in the previous year. Consequently, the EBITDA margin was 16.6 per cent (21.7) and the operating margin was 9.2 per cent (19.8) for the second quarter.

New technology platform future-proofs the offer

One of the most significant events of the quarter was the launch of the new technology platform, the INVISIO V-Series Gen II. It constitutes the next generation tactical communication solution - and in combination with our headsets it sets a new standard for audio performance, communication and hearing protection.

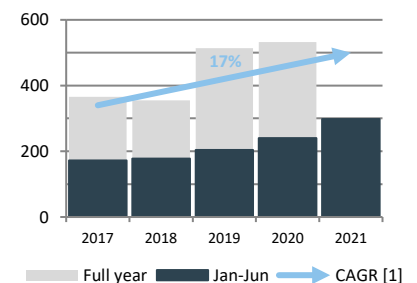
It is not an update of an earlier platform, the INVISIO V-Series Gen II is built entirely from scratch. All in all, this means a paradigm shift from hardware to software with AI technology (artificial intelligence).

The platform's main strength is that it enables a considerably greater degree of flexibility when developing customized solutions and updating. We have taken a major step forward as regards applying new technology.

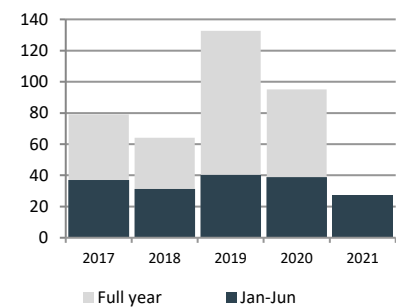


Lars Højgård Hansen, CEO

Sales (SEK million)



EBIT (SEK million)



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

The new platform's main strength is that it allows a considerably higher degree of flexibility.

The solution includes a number of in-house developed and advanced algorithms, as well as AI, which helps the users hear what they want to hear and filter out unimportant sounds and noise. Apart from improving communication and thus contributing to increased safety, the new functions also help to reduce noise-induced tiredness among users.

AI in the new technology platform helps users to hear what they want to hear and filter out unimportant noise.

The new platform is a clear example of how we use technical innovation to continually drive development forward in our industry. With the new technology platform in place we are increasing our lead over our competitors.

Market activity is gradually increasing

In all our focus areas in defense and security we now see increasing activity levels and a growing number of orders.

The single largest order was for SEK 40 million at the beginning of May, received from an existing customer in the US Department of Defense. The order refers to an advanced communication and hearing protection system and delivery will be in the second and third quarters.

Interest in our new Intercom system continues to be great and in the second quarter INVISIO received several new pilot orders from both military and law enforcement customers. The system is currently used by several customers in live environments, which is significant both for continued marketing and continuing development of the system.

The focus on the law enforcement and security market area is continuing. The reinforcement of the sales organization and increased number of distribution partners in the USA and Europe is yielding results. The activity level has been particularly high on the American market.

In the second quarter the Swedish Police Authority also extended its two framework agreements from 2019 for another year. The extension refers to continued deliveries of communication equipment with active hearing protection. The agreements do not guarantee any volumes, but call-off is as needed.

The Swedish Police Authority extended its framework agreements from 2019 for another year.

Good prospects of a continued successful growth journey

Increasingly attractive market conditions along with a broadened and strengthened offer mean that INVISIO has good prospects of continuing good development.

Lars Højgård Hansen, CEO

Sales and profit

Second quarter 2021

In the second quarter INVISIO has experienced that the negative effects of COVID-19 are starting to decrease. However, the company considers that there is a continued, though limited, delay in order intake.

Sales in the second quarter amounted to SEK 154.3 million (123.6), which means an increase of 25 per cent compared with the corresponding period in the previous year. In comparable currencies sales increased by 35 per cent. Sales of the Racial Acoustics product line contributed just over SEK 30 million in the second quarter.

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

The order intake in the quarter was SEK 167.3 million (107.3). The order book amounted to SEK 191.7 million (99.9) at the close of the quarter.

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

Gross profit was SEK 89.6 million (79.9) and the gross margin was 58.0 per cent (64.6). The main reasons for the somewhat lower margin are product mix and share of direct sales to end customers.

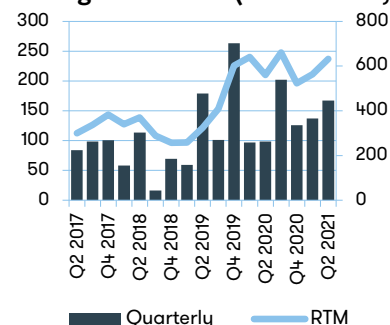
EBITDA was SEK 25.6 million (26.8), which resulted in a margin of 16.6 per cent (21.7). The rolling twelve-month EBITDA margin was 19.3 per cent (25.1).

Operating expenses - including depreciation/amortization were SEK 75.4 million (55.4). The increase refers to a larger organization including Racial Acoustics, increased activities in line with the growth strategy and substantially increased depreciation/amortization.

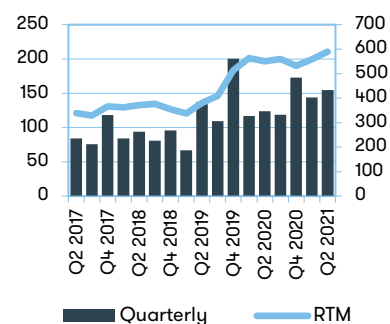
Depreciation/amortization in the quarter amounted to SEK 11.4 million (2.3). The higher level is mainly due to the company starting depreciation/amortization on several completed development projects. This depreciation/amortization amounted during the period to SEK 4.7 million, compared with SEK 0.7 million in the corresponding period in 2020. Of the remaining SEK 6.7 million (1.6), SEK 3.1 million (-) refers to amortization of other intangible assets (customer relations, technology and trademark) arising in connection with the acquisition of Racial Acoustics. Amortization of rights of use assets (leases) of SEK 2.1 million (1.1), is also included, as well as depreciation of property, plant and equipment of SEK 1.5 million (0.5). For further information, please see Note 3 on page 14 of this report.

The operating profit / EBIT was SEK 14.2 million (24.4) for the second quarter of 2021, resulting in a margin of 9.2 per cent (19.8).

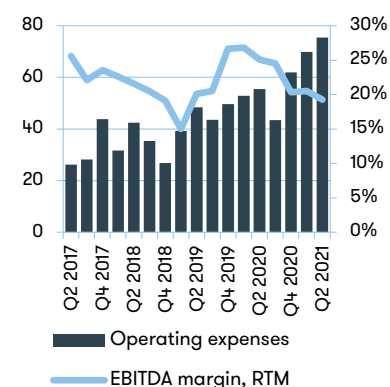
Order intake per quarter and rolling 12 months (SEK million)



Sales per quarter and rolling 12 months (SEK million)



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



During the quarter development costs of SEK 5.0 million (5.1) were capitalized.

Net financial income was SEK -1.1 million (-0.5).

Profit before tax amounted to SEK 13.0 million (24.0) and profit for the period was SEK 9.4 million (18.1). Earnings per share were SEK 0.21 (0.41).

First half year 2021

Sales for the first half year 2021 amounted to SEK 298.1 million (240.4), an increase of just over 24 per cent, compared with the corresponding period in the previous year. After currency adjustment growth was 30 percent. In the period February to June Racal Acoustics contributed SEK 55.0 million.

Gross profit was SEK 172.2 million (147.1) and the gross margin was 57.8 per cent (61.2).

Operating expenses for the first half year 2021 were SEK 145.3 million (108.2). During the period development costs of SEK 9.3 million (11.1) were capitalized. Operating expenses include depreciation of capitalized development costs of SEK 9.2 million (1.7).

EBITDA was SEK 49.1 million (43.6), which resulted in a margin of 16.5 per cent (18.1).

Operating profit for the period was SEK 26.9 million (38.8) and the operating margin was 9.0 per cent (16.2).

Net financial income was SEK -3.2 million (-0.9).

Profit before tax amounted to SEK 23.8 million (37.9) and profit for the period was SEK 16.1 million (27.5). Earnings per share were SEK 0.36 (0.62).

Cash flow, investments and financial position

Cash flow and investments

The Group's cash flow for the period January - June 2021 was SEK -39.7 million (50.4), of which cash flow from operating activities was SEK 59.4 million (101.6) and cash flow from investing activities was SEK -185.6 million (-12.9). Cash flow from financing activities was SEK 86.6 million (-38.4), of which SEK 100.0 million (-) was loans taken up.

During the period the Group's investments amounted to SEK 185.6 million (12.9), of which SEK 185.6 million referred to investments in the subsidiary Racal Acoustics and SEK 9.3 million (11.1) was capitalized development costs and SEK 2.6 million (1.8) was net investment in property, plant and equipment.

During the period the Group sold the rights to a product line that had previously been licensed by Racal Acoustics. The selling price was SEK 12.1 million and has a direct impact on cash flow. The sale did not affect profit.

The inventory value at the close of the quarter amounted to SEK 118.0 million (135.0)

14%

Investments in R&D for 2016-2020 amounted to an average of 14 per cent per year of the company's total revenue.

Cash and cash equivalents and financial position

INVISIO has a sound financial position. The Group's cash and cash equivalents at the close of the quarter amounted to SEK 120.4 million (194.0).

Group equity at the close of the period amounted to SEK 404.3 million (359.0), which gave an equity/assets ratio of 59 per cent (72).

Parent company

Net sales for the parent company for the period January – June 2021 amounted to SEK 0.0 million (0.0). The operating profit was SEK -4.2 million (-4.2). Net financial income was SEK -1.9 million (50.2).

At the close of the quarter the parent company's cash and bank balances amounted to SEK 34.3 million (1.5). Equity amounted to SEK 224.1 million (124.6), which gave an equity/assets ratio of 66 per cent (95). 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 187 (115) at the close of the period. Of the employees, 155 were men (94) and 32 women (21).

Other information**Material risks and uncertainties**

INVISIO's business and earnings are affected by a number of external and internal factors. A continuous process is conducted to identify all anticipated risks and to assess how each respective risk is to be managed. INVISIO's risks can be divided into market, operational, and financial risks. For a more detailed description of these risks, please refer to INVISIO's annual report for 2020.

Financial instruments

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

Review

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

Financial calendar

Interim report January-September 2021	October 28, 2021
Year-end report 2021	February 14, 2022

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

Stockholm, July 22, 2021

Lars Højgård Hansen
President/CEO

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Public disclosure

This information is information that INVISIO AB (publ) is obliged to disclose under the EU Market Abuse Regulation. The information was released for public disclosure, through the agency of the President/CEO, on July 22, 2021, at 08.30 CEST.

Address

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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.

Invitation to conference call

INVISIO invites the media, investors and analysts to a conference call on Thursday, July 22, at 10:00, when the President and CEO Lars Højgård Hansen will present INVISIO's interim report.

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

Telephone number for the conference call

To participate in the conference call, use one of the dial-in numbers below. Please dial in 5–10 minutes prior to the scheduled starting time to facilitate a timely start.

Standard international:

+44 (0) 207 192 83 38

Sweden (Local number):

+46 (0) 856618467, (Free of charge): +46 (0) 200125160

Denmark (Local number):

+45 32720417, (Free of charge): +45 80711246

United Kingdom (Local number):

+44 (0) 8444819752, (Free of charge): +44 (0) 8002796619

Germany (local number):

+49 (0) 6922222625, (Free of charge): +49 (0) 8007234756

France (Local number):

+33 (0) 170700781, (Free of charge): +33 (0) 805101465

Switzerland (Local number):

+41 (0) 445807145, (Free of charge): +41(0) 800000367

Conference-ID: 295 1925

Webcast

To follow the presentation online, use the link below:

<https://edge.media-server.com/mmc/p/t4kskwb6>

For further information, please contact

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INVISIO in brief

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

The personal system and Intercom solution

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

A structurally growing niche market

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

At present more than 80 per cent of revenue comes from European and American defense customers. However, the company sees steadily increasing business opportunities in the law enforcement and security market as well as new geographical markets.

Sales primarily through own channels

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

Uneven order flow and sales

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

An organizational structure focused on core business

INVISIO focuses on development, marketing and sales, while selected contract manufacturers are responsible for manufacturing the products. Outsourcing manufacture to external partners ensures the flexibility to be able to manage variations in order volumes.

High growth with sound profitability

INVISIO is a distinct growth company with the financial targets of an average sales increase of 20 per cent per year and an operating margin that exceeds 15 per cent. In the five-year period 2016-2020 average sales have grown annually by just over 18 per cent and the average operating margin has been just over 22 per cent.

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

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

Users

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

Society

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

Condensed consolidated income statement and consolidated statement of comprehensive income

SEK in millions	Note	2021 Q2	2020 Q2	2021 Jan-Jun	2020 Jan-Jun	2020 Full year
Revenue	2	154.3	123.6	298.1	240.4	532.0
Cost of goods sold		-64.8	-43.7	-125.9	-93.3	-222.9
Gross profit		89.6	79.9	172.2	147.1	309.0
Operating expenses*	3	-75.4	-55.4	-145.3	-108.2	-213.6
Operating profit/loss		14.2	24.4	26.9	38.8	95.4
Net financial items		-1.1	-0.5	-3.2	-0.9	-10.5
Profit/loss before tax		13.0	24.0	23.8	37.9	84.9
Income tax	4	-3.7	-5.9	-7.7	-10.4	-23.7
Profit/loss for the period		9.4	18.1	16.1	27.5	61.2
OTHER COMPREHENSIVE INCOME						
<i>Items that may subsequently be reclassified to profit and loss</i>						
Translation differences		-1.0	-20.6	11.4	1.5	-14.4
Comprehensive income for the period		8.4	-2.6	27.4	29.0	46.8
<i>(Profit/loss attributable to equity holders of the parent company.)</i>						
*Depreciation/amortization incl. in operating expenses	3	-11.4	-2.3	-22.1	-4.7	-12.7

	2021 Q2	2020 Q2	2021 Jan-Jun	2020 Jan-Jun	2020 Full year
Per-share data					
Earnings per share, SEK	0.21	0.41	0.36	0.62	1.39
Earnings per share after dilution, SEK	0.21	0.41	0.36	0.62	1.37
Shareholders' equity per share, SEK	9.08	8.14	9.08	8.14	8.59
Shareholders' equity per share after dilution, SEK	8.84	7.84	8.84	7.84	8.28
Equity ratio, %	59	72	59	72	73
Number of shares, thousand	44,540	44,098	44,540	44,098	44,098
Average number of outstanding shares, thousand	44,172	44,098	44,172	44,098	44,098
Average number of outstanding shares after dilution, thousand	45,578	45,247	45,758	45,247	45,578
Share price at end of period, SEK	188.60	147.40	188.60	147.40	250.00

Condensed consolidated statement of financial position

SEK in millions

Assets	Note	30/06/2021	30/06/2020	31/12/2020
Goodwill	5	57.5	-	-
Capitalized development costs	3	95.9	95.4	94.8
Other intangible assets	3, 5	92.1	-	-
Equipment	3	18.5	2.9	4.1
Right-of-use assets, leases	3	37.4	24.2	24.0
Deposits for rent, long-term		2.4	2.3	2.3
Deferred tax assets	4	2.5	4.2	2.8
Inventories		118.0	135.0	115.7
Trade receivables		121.1	26.4	100.4
Other short-term receivables		23.3	16.4	14.0
Cash and cash equivalents		120.4	194.0	157.7
Total assets		689.2	500.8	515.8

Shareholders' equity and liabilities

Shareholders' equity		404.3	359.0	378.9
Liabilities to credit institutions		95.0	-	-
Lease liabilities		37.6	24.9	23.8
Deferred tax liabilities	4	38.0	15.0	20.5
Trade payables		36.2	34.8	35.3
Other current liabilities		78.1	67.1	57.3
Total shareholders' equity and liabilities		689.2	500.8	515.8

Condensed consolidated statement of changes in equity

	2021	2020	2020
	Jan-Jun	Jan-Jun	Full year
Opening balance	378.9	366.0	366.0
New issue through exercising employee stock options	26.6	-	-
Employee stock option program	2.1	1.4	3.5
Dividend	-30.9	-37.5	-37.5
Comprehensive income for the period	27.4	29.0	46.8
Closing balance	404.3	359.0	378.9

Condensed consolidated statement of cash flow

SEK in millions	Note	2021 Q2	2020 Q2	2021 Jan-Jun	2020 Jan-Jun	2020 Full year
Operating activities						
Profit/loss before tax		13.0	24.0	23.8	37.9	84.9
Adjustments for non-cash items		12.0	6.1	24.4	7.6	24.0
Income tax paid		-1.2	-0.5	-2.2	-1.1	-12.3
Cash flow from operating activities before changes in working capital		23.8	29.6	46.0	44.5	96.7
Changes in inventories		11.5	-25.6	17.7	-40.0	-27.1
Changes in operating receivables		-3.5	29.6	12.2	80.5	-1.6
Changes in operating liabilities		-6.5	16.2	-16.5	16.7	17.6
<i>Cash flow from changes in working capital</i>		1.6	20.1	13.4	57.2	-11.1
Cash flow from operating activities		25.4	49.7	59.4	101.6	85.6
Investing activities						
Capitalization of development costs		-5.0	-5.1	-9.3	-11.1	-19.1
Changes in other intangible assets		12.1	-	12.1	-	-
Investments in subsidiaries	5	-1.3	-	-185.6	-	-
Acquisition of property, plant, and equipment		-1.2	-1.4	-2.6	-1.8	-6.2
Acquisition of financial assets		0.1	0.0	-0.1	0.0	-0.1
Cash flow from investing activities		4.7	-6.5	-185.6	-12.9	-25.4
Financing activities						
New issues through exercising employee stock options		26.6	-	26.6	-	-
Borrowings		-5.0	-	95.0	-	-
Changes in lease liabilities		-2.3	-1.6	-4.2	-0.9	-2.1
Dividend paid		-30.9	-37.5	-30.9	-37.5	-37.5
Cash flow from financing activities		-11.5	-39.1	86.6	-38.4	-39.5
CASH FLOW FOR THE PERIOD		18.5	4.1	-39.7	50.4	20.7
Cash and cash equivalents at start of period		103.1	202.0	157.7	145.1	145.1
Translation differences in cash and cash equivalents		-1.3	-12.1	2.4	-1.5	-8.1
Cash and cash equivalents at end of period		120.4	194.0	120.4	194.0	157.7

Condensed parent company income statement

SEK in millions	2021 Q2	2020 Q2	2021 Jan-Jun	2020 Jan-Jun	2020 Full year
Revenue	0.0	0.0	0.0	0.0	0.1
Operating expenses	-1.7	-2.3	-4.2	-4.3	-8.7
Operating profit/loss	-1.7	-2.2	-4.2	-4.2	-8.6
Net financial items**	-0.6	50.3	-1.9	50.2	160.3
Profit/loss before tax	-2.3	48.0	-6.1	46.0	151.6
Income tax	-	-	-	-	-
Profit/loss for the period	-2.3	48.0	-6.1	46.0	151.6
**Of which, dividend from subsidiaries	-	50.0	-	50.0	160.0

Condensed parent company balance sheet

SEK in millions	30/06/2021	30/06/2020	31/12/2020
Assets			
Participations in Group companies	302.2	86.8	88.9
Receivables from Group companies	-	39.8	108.7
Other current receivables	0.5	0.4	0.8
Cash and bank balances	34.3	1.5	38.9
Total assets	337.0	128.5	237.3
Shareholders' equity and liabilities			
Restricted shareholders' equity	66.1	65.7	65.7
Non-restricted shareholders' equity	158.0	58.9	166.6
Liabilities to credit institutions	95.0	-	-
Trade payables	0.5	0.3	0.6
Liabilities to Group companies	15.8	2.7	2.7
Other current liabilities	1.6	0.9	1.7
Total shareholders' equity and liabilities	337.0	128.5	237.3
Parent company changes in shareholders' equity	2021 Jan-Jun	2020 Jan-Jun	2020 Full year
Opening balance	232.3	114.6	114.6
New issues through exercising employee stock options	26.6	-	-
Employee stock option program	2.1	1.4	3.5
Dividend	-30.9	-37.5	-37.5
Profit/loss for the period**	-6.1	46.0	151.6
Closing balance	224.1	124.6	232.3
**Of which, dividend from subsidiaries	-	50.0	160.0

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 RFR2, Accounting for Legal Entities and the Swedish Annual Accounts Act. The accounting policies applied are consistent with the policies described in INVISIO's annual report for 2020.

New standards

No new standards or amendments to interpretations and existing standards which are effective for the financial year beginning on or after January 1, 2021 are expected to have any significant impact on the Group's financial statements.

Note 2. Revenue by geographical area

	2021	2020	2021	2020	2020
SEK in millions	Q2	Q2	Jan-Jun	Jan-Jun	Full year
Sweden	8.3	6.9	11.1	8.6	26.0
Europe	51.9	51.2	123.0	97.7	181.0
North America	85.7	62.3	131.2	121.5	280.1
Rest of the world	8.5	3.2	32.7	12.5	44.9
Total	154.3	123.6	298.1	240.4	632.0

Note 3. Depreciation/amortization

	2021	2020	2021	2020	2020
SEK in millions	Q2	Q2	Jan-Jun	Jan-Jun	Full year
Depreciation of capitalized development costs	4.7	0.7	9.2	1.7	6.4
Amortization of Other intangible assets*	3.1	-	5.2	-	-
Amortization of Right of use assets, leases	2.1	1.1	5.2	2.2	4.4
Depreciation of Equipment	1.5	0.5	2.6	0.9	1.9
Total	11.4	2.3	22.1	4.7	12.7

*Other intangible assets consists of values allocated to intangible assets, such as customer relations, technology and trademarks, in connection with the acquisition of Racal.

Note 4. Taxes

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

The Group's total loss carry-forwards as of June 30, 2021 were SEK 129.8 million (145.8), of which SEK 0 million (26.5) are capitalized. Unutilized loss carry-forwards amounted to SEK 129.8 million (119.3) and refer mainly to the parent company and cannot be capitalized at present. All loss carry-forwards have an unlimited life.

SEK in millions	30/06/2021	30/06/2020
Deferred tax assets		
Receivables attributable to other temporary differences	2.5	4.2
Closing balance	2.5	4.2
Deferred tax liabilities		
Receivables attributable to tax loss carry-forwards in Denmark	-	5.8
Liabilities attributable to capitalized development costs in Denmark	-20.7	-21.0
Liabilities attributable to temporary differences in other intangible assets	-17.5	-
Receivables attributable to other temporary differences in Denmark	0.2	0.3
Closing balance	-38.0	-15.0

Note 5. Business combinations

On January 29, 2021, INVISIO acquired 100 per cent of the shares in Racal Acoustics Ltd and its sister company Racal Acoustics Inc. The impact of the acquisitions on the Group's net sales, since the acquisition date, was SEK 55.0 million.

The assets and liabilities included in the year's acquisitions, according to the preliminary acquisition analysis are as follows:

SEK in millions	
Acquisition price	
Purchase price, cash	202.1
Total	202.1
Fair value of acquired assets and liabilities	
Intangible assets	106.4
Other non-current assets	32.1
Inventories	17.6
Other current assets	37.9
Cash and cash equivalents	16.5
Deferred tax liability	-20.1
Other liabilities	-44.3
Total	146.1
Goodwill	56.0
Change in the Group's cash and cash equivalents	
Purchase price paid in cash	202.1
Less cash and cash equivalents in the acquired operations	-16.5
Impact on the Group's cash and cash equivalents	185.6

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

Gross margin

Gross profit as a percentage of total income.

Operating margin

Operating profit as a percentage of total revenue.

Profit margin

Profit for the year as a percentage of total revenue.

EBITDA

Operating profit before depreciation/amortization and impairment losses.

EBIT (Operating profit)

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

Operating expenses

Selling and marketing costs, Administrative expenses and Development costs.

Net financial items

Financial income less Financial expenses.

Equity/assets ratio

Equity divided by total assets (balance sheet total).

Number of shares

Number of outstanding shares at the close of the period.

Number of shares after dilution

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

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

Average number of outstanding shares

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

Average number of outstanding shares after dilution

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

Earnings per share

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

Earnings per share after dilution

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

Equity per share

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

Shareholders' equity per share after dilution

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

Number of employees at close of period

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

Reconciliation of alternative performance measures

SEK in millions		2021 Q2	2020 Q2	2021 Jan-Jun	2020 Jan-Jun	2020 Full year
Gross profit	A	89.6	79.9	172.2	147.1	309.0
Operating expenses	B	75.4	55.4	145.3	108.2	213.6
EBIT (Operating profit)	A-B	14.2	24.4	26.9	38.8	95.4
EBIT (Operating profit/loss)	A	14.2	24.4	26.9	38.8	95.4
Depreciation, amortization and impairment losses	B	11.4	2.3	22.1	4.7	12.7
EBITDA	A+B	25.6	26.8	49.1	43.6	108.1

SEK in millions		30/06/2021	30/06/2020	31/12/2020
Equity	A	404.3	359.0	378.9
Number of shares, thousands	B	44,540	44,098	44,098
Shareholders' equity per share, SEK	A/B	9.08	8.14	8.59
Equity	A	404.3	359.0	378.9
Number of shares after dilution, thousands	B	45,758	45,798	45,758
Shareholders' equity per share after dilution, SEK	A/B	8.84	7.84	8.28

Overview - eight past quarters

SEK in millions	2019 Q3	2019 Q4	2020 Q1	2020 Q2	2020 Q3	2020 Q4	2021 Q1	2021 Q2
Revenue	109.2	200.5	116.8	123.6	118.7	172.8	143.7	154.3
Cost of goods sold	-46.9	-77.4	-49.6	-43.7	-59.0	-70.6	-61.1	-64.8
Gross profit	62.3	123.1	67.2	79.9	59.8	102.2	82.7	89.6
Operating expenses	-43.6	-49.6	-52.8	-55.4	-43.4	-61.9	-69.9	-75.4
Operating profit/loss	18.8	73.5	14.4	24.4	16.4	40.2	12.8	14.2
Net financial items	3.2	-1.4	-0.5	-0.5	-8.2	-1.4	-2.1	-1.1
Profit/loss before tax	21.9	72.1	13.9	24.0	8.2	38.9	10.7	13.0
Income tax	-5.7	-16.7	-4.5	-5.9	-1.9	-11.4	-4.0	-3.7
Profit/loss for the period	16.2	55.4	9.4	18.1	6.2	27.5	6.7	9.4
Cash flow from operating activities	39.0	58.6	51.9	49.7	-66.5	50.4	34.0	25.4
Gross margin, %	57.1	61.4	57.5	64.6	50.3	59.1	57.5	58.0
Operating margin, %	17.2	36.7	12.3	19.8	13.8	23.3	8.9	9.2
Profit margin %	14.9	27.6	8.1	14.6	5.2	15.9	4.7	6.1
Equity ratio, %	77	76	76	72	73	73	57	59
Earnings per share, SEK*	0.37	1.26	0.21	0.41	0.14	0.62	0.15	0.21
Shareholders' equity per share, SEK*	7.25	8.30	9.03	8.14	8.35	8.59	9.05	9.08

* Before dilution