

Record high order intake and order book - but lagging deliveries

SEK in millions	2022	2021	Δ %	2021
	Jan-Mar	Jan-Mar		Full year
Revenue	137.4	143.7	-4	593.0
Gross profit	82.1	82.7	-1	340.4
Gross margin, %	59.7	57.5		57.4
EBITDA	7.8	23.5	-67	69.9
EBITDA margin, %	5.7	16.3		11.8
Operating profit/loss	-3.8	12.8	-130	24.9
Operating margin, %	-2.8	8.9		4.2
Profit/loss for the period	-4.3	6.7	-164	14.5
Earnings per share, SEK	-0.10	0.15	-164	0.33
Cash flow from operating activities	3.3	34.0	-90	91.0
Order intake	396.8	137.3	189	628.1
Order book	481.7	191.5	152	224.7

“The activity level in the market continues to rise. It rose substantially towards the end of 2021 and this trend continued into 2022, which is clearly evident in the record high order intake and historically high order book value. However, the pandemic continues to create delays both to deliveries of components and outgoing deliveries to customers, which has impacted sales. However, we are well-positioned to benefit from the large and increasing defense investments in coming years. There is therefore every reason to take a positive view of INVISIO’s continued development.”

Lars Højgård Hansen, CEO

IMPORTANT EVENTS DURING THE QUARTER

- INVISIO has received a first order for SEK 91 million under the framework agreement valued up to SEK 275 million, signed in January 2022. The contract is with the system integrator of a European vehicle program for the RA4000 Magna™ headset.
- INVISIO has received two orders from the UK MoD for a total of SEK 118 million for systems for armored combat vehicles and users in the field.
- The Board of Directors proposes a dividend of SEK 0.70 per share [0.70].

IMPORTANT EVENTS AFTER THE QUARTER

- INVISIO has been awarded a three-year Support contract by the UK MoD, with an option of a further two years, for deliveries of INVISIO’s communication system with hearing protection. A first order worth SEK 16 million has been received under the contract.

Record high order intake and order book - but lagging deliveries

The activity level in the market continues to rise. It rose substantially towards the end of 2021 and this trend continued into 2022, which is clearly evident in the order intake. However, the pandemic continues to create delays both to deliveries of components and outgoing deliveries to customers, which has impacted sales.

The increased activity in the market resulted in a record high order intake, amounting to SEK 396.8 million (137.3). The order book, which is the strongest in the history of the company, amounted to SEK 481.7 million (191.5) at the close of the quarter.

It is worth noting in relation to the order book that deliveries of our various products take place with various time perspectives. For products under the INVISIO brand deliveries are usually within 2-6 months, while deliveries of products for use in vehicles, under the Racal Acoustics brand, often lie further in the future. It is not unusual for a first part-delivery to be within 6 months and the following deliveries only after 1-3 years, depending on the customers' roll-out plans and vehicle deliveries.

We are still experiencing logistical challenges related to the pandemic. The shortage of components affects incoming deliveries, while we are experiencing longer lead times for procurement of transport for our customer deliveries, which during the quarter has contributed to weak sales. A customer delivery planned for March, worth about SEK 15 million, for example, could only be delivered after the end of the month. Total sales amounted to SEK 137.4 million (143.7). As previously communicated, we expect that the second quarter may also be characterized by some supply chain disruptions.

Cash flow from operating activities was SEK 3.3 million (34.0). The weak cash flow is mainly due to a lower profit level and changes in working capital.

The gross margin was 59.7 per cent (57.5), despite some negative impact on costs due to the current component shortage.

The EBITDA margin was 5.7 per cent (16.3) and the operating margin was -2,8 per cent (8.9). The development is mainly a consequence of our continued forward-looking investments, despite the currently weak sales.

Framework agreement for SEK 275 million and an order worth SEK 91 million for a European vehicle program

Among the larger orders in the quarter is an initial order of SEK 91 million under the five-year agreement signed with the system integrator of a European defense force's vehicle program in January 2022. The order refers to the new headset Racal Acoustics RA4000 Magna™. Delivery will take place when the customer receives the vehicles ordered and will continue until 2026. The agreement is estimated to have a total value of SEK 275 million.

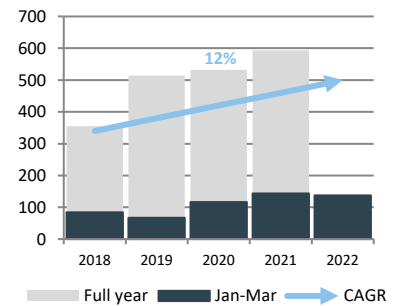
Two orders from the British Ministry of Defence worth a total of SEK 118 million

Further, we have received two orders from the British Ministry of Defence (UK MoD). The first order, which was for about SEK 89 million, refers to the INVISIO V-Series Gen II system for use in armored combat vehicles. The deliveries will start in the third quarter of 2022.



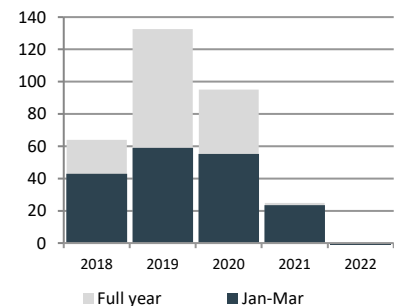
Lars Højgård Hansen, CEO

Sales (SEK million)



CAGR refers to the past 20 quarters.

EBIT (SEK million)



The average EBIT margin for the past 20 quarters was 15 per cent.

Record high order intake of nearly SEK 400 million and almost a half billion in a historically strong order book in Q1.

The second order, which was for about SEK 29 million, refers to further deliveries to the Tactical Hearing Protection System Dismounted Close Combat Users program.

In the period from 2015 to today we have received orders from the program to a total value of about SEK 270 million.

Another major contract with the UK MoD

In mid-April INVISIO was awarded a three-year Support contract for INVISIO's communication system with hearing protection for the British Ministry of Defence. The contract also includes an option to extend for another two years.

The new contract replaces a 5-year agreement that expired in March 2022, which over its lifetime generated about SEK 180 million in order intake. We expect the new contract to develop in a similar way. When the contract was signed an initial order was also placed for SEK 16 million.

The three contracts with the British Ministry of Defence came via our British partner.

Short- and long-term impact due to greater geopolitical uncertainty

The war in Ukraine has meant that more countries, particularly in Europe, have communicated an intention to substantially increase their defense budgets in coming years. The investments will amount to multi-billion figures. They will include increased materials purchases and greater strategic stockpiles so that more soldiers than before can be equipped immediately when a situation arises.

In the short term this development has limited impact on demand for INVISIO's products. Some smaller orders have been brought forward but are not considered to have any significant effect on sales in 2022.

However, in the longer term we are convinced that larger defense budgets and more soldiers will mean increased demand for our products. The need for new and modern communication equipment including hearing protection is great in many countries and larger budgets will allow faster roll out.

Positive expectations of 2022

Though deliveries at the start of 2022 are still delayed, we believe in a return to more normal conditions during the year and a continued strong order intake.

Particular focus during the year will lie on marketing of our many new product solutions, such as the Racal Acoustics RA4000 Magna™ headset for vehicle environments, the Gen II control units, the Intercom system and the new INVISIO headset, the T7.

We also intend to resume our geographic expansion and continue to address selected countries, mainly in Asia, but also in the Middle East and South America.

As market leader for many years, with a series of new products, all functioning in a common system, we are well positioned to benefit from the increasing defense investments expected in coming years. There is therefore every reason to take a positive view of INVISIO's continued development.

Lars Højgård Hansen, CEO

Framework agreement and large order concerning a European defense force, plus orders worth SEK 134 million and a new framework agreement with the UK MoD.

In the longer term, larger defense budgets and more soldiers are expected to mean increased demand for the company's products.

There is every reason to take a positive view of INVISIO's continued development.

Sales and profit

First quarter 2022

The order intake in the quarter was record high and amounted to SEK 396.8 million (137.3). The order book, which is the largest in the history of the company, amounted to SEK 481.7 million (191.5) at the close of the quarter. This is a result of a market starting to return to more normal conditions. The positive tendencies that could be discerned at the end of last year have continued into the new year.

As regards the order book it is worth noting that deliveries of products sold under the Racal Acoustics brand may lie far further in the future. It is not unusual for deliveries to be spaced out over several years, in accordance with the customers' roll-out plans and deliveries of new vehicles.

Sales in quarter amounted to SEK 137.4 million (143.7), a decrease of 4 per cent compared with the corresponding period in the previous year. Adjusted for exchange rate effects, sales decreased by 9 per cent.

Gross profit was SEK 82.1 million (82.7) and the gross margin was 59.7 per cent (57.5). The gross margin is mainly governed by the product mix and share of direct sales versus sales via distribution partners.

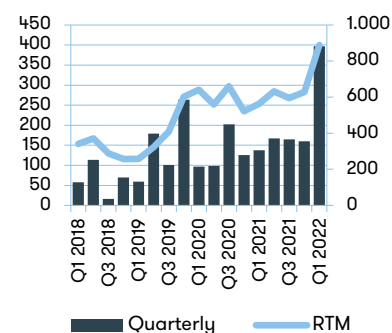
Operating expenses in the quarter were SEK 85.9 million (69.9). The costs are on a level with the previous quarter but represent an increase compared with the corresponding quarter in the previous year. The increase is mainly attributable to forward-looking investments in accordance with the growth strategy in the form of more employees in R&D and sales. The number of employees has increased by 70 people since the turn of the year 2020/2021.

Depreciation/amortization in the quarter amounted to SEK 11.6 million (10.7). Depreciation on completed development projects amounted to SEK 5.1 million, compared with SEK 4.5 million in the corresponding period in 2021. Of the remaining SEK 6.5 million (6.2), SEK 3.3 million (2.0) refers to amortization of other intangible assets (customer relations, technology and trademark) arising in connection with the acquisition of Racal Acoustics. Amortization of rights of use (leases) of SEK 1.8 million (3.1) is also included, as well as depreciation of property, plant and equipment of SEK 1,4 million (1.2). See Note 3 for further information.

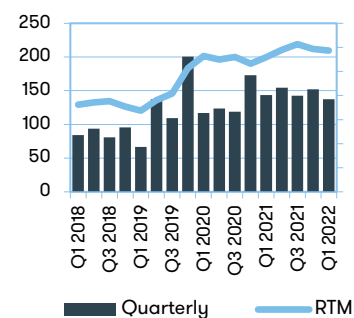
EBITDA was SEK 7.8 million (23.5), which resulted in a margin of 5.7 per cent (16.3).

The operating profit (EBIT) was SEK -3.8 million (12.8). The operating margin was -2.8 per cent (8.9). The lower earnings compared with the corresponding period in the previous year, can be mainly explained by a delay in sales and a higher cost level. The increase comes, as mentioned before, mainly from investments in line with the company's growth strategy. The average operating margin for the last 20 quarters was 15 per cent.

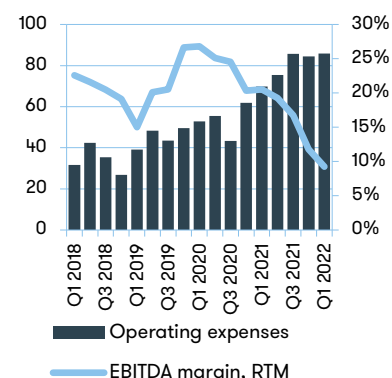
Order intake per quarter and rolling 12 months (SEK million)



Sales per quarter and rolling 12 months (SEK million)



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



Net financial income was SEK -0.2 million (-2.1).

Profit/loss before tax amounted to SEK -4.0 million (10.7) and profit/loss for the period was SEK -4.3 million (6.7). Earnings per share were SEK -0.10 (0.15).

Cash flow, investments and financial position

Cash flow and investments

The Group's cash flow for the quarter was SEK -12.8 million (-58.2), of which cash flow from operating activities was SEK 3.3 million (34.0). The lower level of the cash flow from operating activities, compared with the corresponding period of the previous year, is mainly due to weaker sales than planned and changes in working capital.

Cash flow from investing activities amounted to SEK -6.5 million (-190.3). Cash flow from financing activities was SEK -9.6 million (98.1). The comparative figures are impacted by the acquisition of Racal Acoustics, which took place in the first quarter of 2021.

Capitalized development costs were SEK -5.0 million (-4.3) and net investment in property, plant and equipment amounted to SEK -1.4 million (-1.5).

The inventory value amounted to SEK 120.2 million (131.4) at the close of the year.

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 123.3 million (103.1). Group equity at the same point in time amounted to SEK 417.9 million (399.1), which gave an equity/assets ratio of 63 per cent (57).

Parent company

Net sales for the parent company for the first quarter amounted to SEK 0.0 million (0.0). The operating profit was SEK -3.0 million (-2.6). Net financial income was SEK -0.2 million (-1.3).

At the close of the quarter the parent company's cash and bank balances amounted to SEK 39.9 million (18.5). Equity amounted to SEK 245.0 million (229.6), which gave an equity/assets ratio of 71 per cent (67). The number of employees of the parent company was 1 person (1).

Employees

The number of employees in the Group, restated as full-time positions, was 195 (183) at the close of the period. Of the employees, 162 were men (151) and 33 women (32).

14%

Investments in R&D for 2017-2021 amounted to an average of 14 per cent of the company's total annual revenue.

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 existing risks and to assess how each respective risk is to be managed. The 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 2021.

Financial instruments

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

Review

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

Financial calendar

Interim report January-June 2022	July 22, 2022
Interim report January-September 2022	October 27, 2022
Year-end report 2022	February 13, 2023

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

Stockholm, May 4, 2022

Lars Højgård Hansen
President/CEO

For further information, please contact

Lars Højgård Hansen, CEO
+45 5372 7722 | lh@invisio.com

Thomas Larsson, CFO
+45 5372 7735 | thl@invisio.com

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 May 4, 2022, at 11.00 CEST.

Address

INVISIO AB | PO Box 151 | SE 201 21 Malmö

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, May 5, at 10:00 CEST, when the President and CEO Lars Højgård Hansen will present INVISIO's report for the first quarter of 2022.

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

Telephone numbers for the conference call

To participate in the conference call, dial one of the 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) 8 56 618 467, (Free of charge) +46 (0) 200 125 160

Denmark

(Local number) +45 32 720 417, (Free of charge) +45 80 711 246

United Kingdom

(Local number) +44 (0) 8 444 819 752, (Free of charge) +44 (0) 8 002 796 619

Germany

(Local number) +49 (0) 6 922 222 625, (Free of charge) +49 (0) 8 007 234 756

France

(Local number) +33 (0) 170 700 781, (Free of charge) +33 (0) 805 101 465

Switzerland

(Local number) +41 (0) 445 807 145, (Free of charge) +41(0) 800 000 367

Conference-ID: 437 41 78

Webcast

To follow the presentation online, use the link below:

<https://edge.media-server.com/mmc/p/ud36f66v>

For further information, please contact

Michael Peterson, Director Investor Relations & Corporate Communication
+45 5372 7733 | mpn@invisio.com

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 defense as well as law enforcement and security, in the USA and 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 85 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, the United Kingdom and Thailand. Sales are also via a global network of partners and resellers. Major business transactions are normally via procurements, which are often time-consuming due to extensive administrative processes and customer tests. INVISIO has long-term framework agreements with customers in the USA, Canada, the United Kingdom, Australia, Sweden and Denmark, among others.

Uneven order flow and sales and varying delivery times

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

For products under the INVISIO brand deliveries are usually within 2-6 months, while for Racal Acoustics solutions it is not unusual for an initial part-delivery to be made within six months and the remaining deliveries to be made only after 12-36 months.

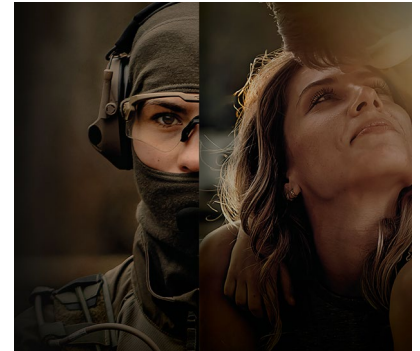
An organizational structure focused on core business

INVISIO focuses on development and sales, while selected European contract manufacturers are responsible for most of the manufacturing. Outsourcing manufacturing 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 2017-2021 average sales have grown annually by about 12 per cent and the average operating margin has been about 17 per cent.

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



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	2022 Jan-Mar	2021 Jan-Mar	2021 Full year
Revenue	2	137.4	143.7	593.0
Cost of goods sold		-55.4	-61.1	-252.6
Gross profit		82.1	82.7	340.4
Operating expenses*	3	-85.9	-69.9	-315.5
Operating profit/loss		-3.8	12.8	24.9
Net financial items		-0.2	-2.1	-1.3
Profit/loss before tax		-4.0	10.7	23.5
Income tax	4	-0.3	-4.0	-9.0
Profit/loss for the period		-4.3	6.7	14.5
OTHER COMPREHENSIVE INCOME				
<i>Items that may subsequently be reclassified to profit and loss</i>				
Translation differences		3.8	12.3	24.1
Comprehensive income for the period		-0.5	19.0	38.6
(Profit/loss attributable to equity holders of the parent company.)				
*Depreciation/amortization incl. in operating expenses	3	-11.6	-10.7	-45.1

Per-share data	2022 Jan-Mar	2021 Jan-Mar	2021 Full year
Earnings per share, SEK	-0.10	0.15	0.33
Earnings per share after dilution, SEK	-0.10	0.15	0.32
Shareholders' equity per share, SEK	9.38	9.05	9.37
Shareholders' equity per share after dilution, SEK	9.27	8.72	9.26
Equity ratio, %	63	57	61
Number of shares, thousand	44,540	44,098	44,540
Average number of outstanding shares, thousand	44,540	44,098	44,358
Average number of outstanding shares after dilution, thousand	45,098	45,704	45,098
Share price at end of period, SEK	171.80	209.00	163.80

Condensed consolidated statement of financial position

SEK in millions

Assets	Note	31/03/2022	31/03/2021	31/12/2021
Goodwill		54.4	54.7	54.5
Capitalized development costs	3	93.6	96.6	92.6
Other intangible assets	3	86.0	104.4	89.3
Property, plant and equipment	3	16.2	19.2	17.1
Right-of-use assets, leases	3	28.9	39.9	33.7
Deposits for rent, long-term		2.5	2.5	2.4
Deferred tax assets	4	2.8	2.6	3.2
Inventories		120.2	131.4	117.5
Trade receivables		106.3	117.2	117.6
Other short-term receivables		30.3	24.1	27.3
Cash and cash equivalents		123.3	103.1	134.8
Total assets		664.4	695.7	690.0

Shareholders' equity and liabilities

Shareholders' equity		417.9	399.1	417.5
Liabilities to credit institutions		80.0	100.0	85.0
Lease liabilities		29.8	40.2	34.3
Deferred tax liabilities	4	35.2	40.7	35.5
Trade payables		43.4	49.4	34.1
Other current liabilities		58.0	66.2	83.7
Total shareholders' equity and liabilities		664.4	695.7	690.0

Condensed consolidated statement of changes in equity	2022 Jan-Mar	2021 Jan-Mar	2021 Full year
Opening balance	417.5	378.9	378.9
New issue through exercising employee stock options	-	-	26.9
Employee stock option program	0.9	1.1	3.9
Dividend	-	-	-30.9
Comprehensive income for the period	-0.5	19.0	38.6
Closing balance	417.9	399.1	417.5

Condensed consolidated statement of cash flow

SEK in millions	Note	2022 Jan-Mar	2021 Jan-Mar	2021 Full year
Operating activities				
Profit/loss before tax		-4.0	10.7	23.5
Adjustments for non-cash items		16.3	12.4	47.7
Income tax paid		-1.4	-1.0	-9.0
Cash flow from operating activities before changes in working capital		10.9	22.1	62.2
Changes in inventories		-1.1	6.2	21.5
Changes in operating receivables		4.7	15.7	17.1
Changes in operating liabilities		-11.1	-10.0	-9.9
<i>Cash flow from changes in working capital</i>		-7.5	11.8	28.8
Cash flow from operating activities		3.3	34.0	91.0
Investing activities				
Capitalization of development costs		-5.0	-4.3	-14.9
Changes in other intangible assets		-	-	12.5
Investments in subsidiaries		-	-184.3	-185.6
Acquisition of property, plant, and equipment		-1.4	-1.5	-3.7
Acquisition of financial assets		0.0	-0.2	-0.1
Cash flow from investing activities		-6.5	-190.3	-191.9
Financing activities				
New issues through exercising employee stock options		-	-	26.9
Borrowings		-5.0	100.0	85.0
Changes in lease liabilities		-4.6	-1.9	-8.0
Dividend paid		-	-	-30.9
Cash flow from financing activities		-9.6	98.1	73.0
CASH FLOW FOR THE PERIOD		-12.8	-58.2	-27.9
Cash and cash equivalents at start of period		134.8	157.7	157.7
Translation differences in cash and cash equivalents		1.2	3.7	5.0
Cash and cash equivalents at end of period		123.3	103.1	134.8

Condensed parent company income statement

SEK in millions	2022	2021	2021
	Jan-Mar	Jan-Mar	Full year
Revenue	0.0	0.0	0.1
Operating expenses	-3.0	-2.6	-8.9
Operating profit/loss	-3.0	-2.6	-8.8
Net financial items**	-0.2	-1.3	23.8
Profit/loss before tax	-3.2	-3.8	15.0
Income tax	-	-	-
Profit/loss for the period	-3.2	-3.8	15.0
**Of which, dividend from subsidiaries	-	-	26.8

Condensed parent company balance sheet

SEK in millions	31/03/2022	31/03/2021	31/12/2021
Assets			
Participations in Group companies	304.9	299.9	304.0
Receivables from Group companies	-	22.8	-
Other current receivables	0.7	0.6	0.4
Cash and bank balances	39.9	18.5	41.8
Total assets	345.5	341.8	346.2
Shareholders' equity and liabilities			
Restricted shareholders' equity	66.1	65.7	66.1
Non-restricted shareholders' equity	178.8	163.9	181.1
Liabilities to credit institutions	80.0	100.0	85.0
Trade payables	0.2	7.3	0.5
Liabilities to Group companies	18.7	2.7	11.4
Other current liabilities	1.6	2.3	2.0
Total shareholders' equity and liabilities	345.5	341.8	346.2

Parent company changes in shareholders' equity	2022	2021	2021
	Jan-Mar	Jan-Mar	Full year
Opening balance	247.2	232.3	232.3
New issues through exercising employee stock options	-	-	26.9
Employee stock option program	0.9	1.1	3.9
Dividend	-	-	-30.9
Profit/loss for the period**	-3.2	-3.8	15.0
Closing balance	245.0	229.6	247.2
**Of which, dividend from subsidiaries	-	-	26.8

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 2021.

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, 2022 have had any significant impact on the Group's financial statements.

Note 2. Revenue by geographical area

	2022	2021	2021
SEK in millions	Q1	Q1	Full year
Sweden	6.8	2.9	36.6
Europe	85.7	71.1	218.8
North America	36.8	45.6	253.3
Rest of the world	8.1	24.2	84.3
Total	137.4	143.7	593.0

Note 3. Depreciation/amortization

	2022	2021	2021
SEK in millions	Q1	Q1	Full year
Depreciation of capitalized development costs	5.1	4.5	18.9
Amortization of Other intangible assets*	3.3	2.0	11.1
Amortization of Right of use assets, leases	1.8	3.1	9.3
Depreciation of Property, plant and equipment	1.4	1.2	5.7
Total	11.6	10.7	45.1

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

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 loss carry-forwards.

The Group's total loss carry-forwards as of March 31, 2022 were SEK 138.7 million (127.5), of which none are capitalized. Unutilized loss carry-forwards refers mainly to the parent company and cannot be capitalized at present. All loss carry-forwards has an unlimited life.

SEK in millions	31/03/2022	31/03/2021
Deferred tax assets		
Receivables attributable to other temporary differences	2.8	2.6
Closing balance	2.8	2.6
Deferred tax liabilities		
Liabilities attributable to capitalized development costs in Denmark	-19.9	-21.0
Liabilities attributable to temporary differences in other intangible assets	-15.4	-19.8
Receivables attributable to other temporary differences in Denmark	0.2	0.1
Closing balance	-35.2	-40.7

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/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		2022 Q1	2021 Q1	2021 Full year
Gross profit	A	82.1	82.7	340.4
Operating expenses	B	85.9	69.9	315.5
EBIT (Operating profit)	A-B	-3.8	12.8	24.9
EBIT (Operating profit/loss)	A	-3.8	12.8	24.9
Depreciation, amortization and impairment losses	B	11.6	10.7	45.1
EBITDA	A+B	7.8	23.5	69.9

SEK in millions		31/03/2022	31/03/2021	31/12/2021
Equity	A	417.9	399.1	417.5
Number of shares, thousands	B	44,540	44,098	44,540
Shareholders' equity per share, SEK	A/B	9.38	9.05	9.37
Equity	A	417.9	399.1	417.5
Number of shares after dilution, thousands	B	45,098	45,758	45,098
Shareholders' equity per share after dilution, SEK	A/B	9.27	8.72	9.26

Overview - eight past quarters

SEK in millions	2020 Q2	2020 Q3	2020 Q4	2021 Q1	2021 Q2	2021 Q3	2021 Q4	2022 Q1
Revenue	123.6	118.7	172.8	143.7	154.3	142.7	152.2	137.4
Cost of goods sold	-43.7	-59.0	-70.6	-61.1	-64.8	-60.3	-66.4	-55.4
Gross profit	79.9	59.8	102.2	82.7	89.6	82.4	85.8	82.1
Operating expenses	-55.4	-43.4	-61.9	-69.9	-75.4	-85.7	-84.5	-85.9
Operating profit/loss	24.4	16.4	40.2	12.8	14.2	-3.4	1.3	-3.8
Net financial items	-0.5	-8.2	-1.4	-2.1	-1.1	1.0	0.8	-0.2
Profit/loss before tax	24.0	8.2	38.9	10.7	13.0	-2.3	2.1	-4.0
Income tax	-5.9	-1.9	-11.4	-4.0	-3.7	-0.5	-0.9	-0.3
Profit/loss for the period	18.1	6.2	27.5	6.7	9.4	-2.8	1.3	-4.3
Cash flow from operating activities	49.7	-66.5	50.4	34.0	25.4	8.5	23.1	3.3
Gross margin, %	64.6	50.3	59.1	57.5	58.0	57.7	56.4	59.7
Operating margin, %	19.8	13.8	23.3	8.9	9.2	-2.4	0.9	-2.8
Profit margin %	14.6	5.2	15.9	4.7	6.1	-2.0	0.8	-3.1
Equity ratio, %	72	73	73	57	59	58	61	63
Earnings per share, SEK*	0.41	0.14	0.62	0.15	0.21	-0.06	0.03	-0.10
Shareholders' equity per share, SEK*	8.14	8.35	8.59	9.05	9.08	9.13	9.37	9.38

* Before dilution