

Record high order intake and increased profit in 2015

Mkr	2015 Q4	2014 Q4	Δ %	2015 Full year	2014 Full year	Δ %
Revenue	48,1	63,8	-25	229,8	201,6	14
Gross Profit	22,7	32,1	-29	118,3	91,3	30
Gross margin (%)	47,1	50,3	-6	51,5	45,3	14
EBITDA	4,8	18,3	-74	52,9	39,7	33
Operating profit/loss	4,0	17,1	-76	47,3	34,7	37
Profit/loss for the period	3,6	14,9	-76	57,1	44,3	29
Earnings per share, SEK	0,08	0,35	-76	1,35	1,05	29
Operating margin (%)	8,4	26,8	-69	20,6	17,2	20

“In 2015 we established ourselves as a global market leader by winning three long-term contracts with army customers in the United Kingdom, Canada and Australia, as well as seeing a continued sound order intake from existing customers such as the American TCAPS program.”

Lars Højgård Hansen, CEO

IMPORTANT EVENTS IN THE FOURTH QUARTER

- INVISIO won a five-year contract with the Australian Department of Defense and received an initial order worth about SEK 11 million. The delivery is planned to be made on a continuous basis in the first half of 2016 starting in the first quarter.
- In December INVISIO received an order worth SEK 12.5 million from the Swedish Armed Forces. Delivery will be in 2016.
- At year-end the order book was SEK 163.4 million (72,4).

IMPORTANT EVENTS AFTER THE YEAR-END

- INVISIO received two follow-up orders from the Australian Department of Defense worth about SEK 13 million and SEK 15 million. Delivery is planned to take place successively in 2016, starting in the second quarter.
- On January 4 the INVISIO share moved from Nasdaq Stockholm's Small Cap list to Mid Cap, as a consequence of its growth and the company's market value exceeding EUR 150 million.

Record high order intake and increased profit in 2015

This year is INVISIO's best yet. For the full year we report sales of SEK 230 million and an operating profit of SEK 47 million, which corresponds to growth of 14 percent and improved performance of 37 percent compared with the previous year. The gross margin strengthened to 51 percent. Our continued growth with improved profitability is gratifying and confirms the strength of our business model.

The order intake during the year reached the historically record level of SEK 326 million and the order backlog was SEK 163 million at the close of the year. In 2015 we established ourselves as a global market leader by winning three long-term contracts with army customers in the United Kingdom, Canada and Australia, as well as seeing a continued sound order intake from existing customers such as the American TCAPS program.

Fourth quarter sales were weaker than last year due to fluctuation in deliveries. Our dependence on public procurements means that sales and order intake will continue to vary between quarters and also affect the full year figures. Deliveries to new customers will only start in 2016, as previously communicated.

At the end of 2015 we received orders from two new army customers. Worth particular mention is a first order worth about SEK 11 million for the Australian Department of defense within the framework of the contract awarded to INVISIO via its local partner in October. Earlier than expected, already at the start of 2016, we received two follow-up orders from the customer worth about SEK 13 million and SEK 15 million respectively. The contract with the Department of Defense for the LAND 125 Soldier program is for five years with the option of extension.

In December we received an order for headsets, control units and accessories from the Swedish Armed Forces for a total order value of about SEK 12.5 million. We are always very proud of supplying customers in our domestic markets with a solution that meets their rigorous requirements, and we are looking forward to starting deliveries in the spring.

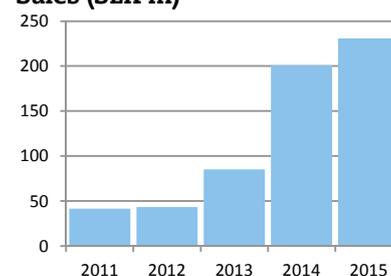
Continued marketing initiatives and new innovative products

Today INVISIO is an established and profitable growth company and market leader in a growing, global niche with users in highly demanding environments. During the period 2013-2015 sales increased by 170 percent, from SEK 85 million to SEK 230 million, and the operating profit improved from SEK -11 million to SEK 47 million. We are now a debt-free company with a good cash ratio.

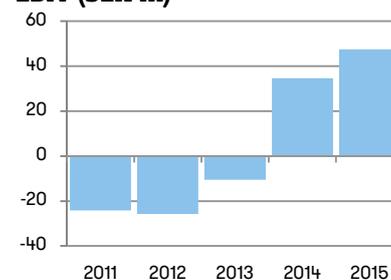
In 2016 our focus is on continued business expansion. Consequently, the Board intends to propose to the Annual General Meeting that no dividend will be distributed for the 2015 financial year.

We will concentrate on both existing and new geographical markets, such as through intensifying our presence in selected countries in Asia, the Middle East and South America, where we assess that long-term business opportunities exist for our

Sales (SEK m)



EBIT (SEK m)



“Today INVISIO is an established and profitable growth company and market leader in a growing, global niche with users in highly demanding environments.”



products. Taking care of, retaining and developing business with existing customers is also one of our continued areas of focus.

At the end of 2015 INVISIO started a well-considered increase in its innovation and development capacity through a number of new recruitments, an initiative intended to continue in 2016. The augmented resources in research and development are aimed at strengthening and broadening the company's product portfolio and thus laying the foundation for further increases in sales to existing customer categories.

“With newly won contracts and a strong order backlog we are looking forward confidently to 2016 and coming years.”

Strong belief in the future

In summary we are pleased and proud of the past year. With newly won contracts and a strong order backlog we are looking forward confidently to 2016 and coming years. Together with investments in several innovative products and increased market penetration, this will create the conditions for continued positive development for INVISIO.

Lars Højgård Hansen, CEO

INVISIO in brief

INVISIO develops and sells cutting-edge personal communication and hearing protection systems that enable users to operate and communicate safely and clearly in all environments, even in tough conditions such as loud noise, heat or under water.

Innovative solutions

INVISIO's systems consist of advanced headsets and control units that interface to a wide range of other communication devices, for example two-way radio and intercom systems in vehicles. The ability to combine expertise in human hearing, acoustics, electronics and mechanics makes the company's products unique.

Military modernization drives growth

The company's customers are mainly found in the government sector but also in the commercial sector. For example, military Special Forces and armies need more effective, durable and easily used solutions that contribute to increased flexibility and personal safety. The motives are both technical/operative and economic and health-related.

Sales are primarily via a global network of partners and resellers but in some markets the company sells directly to end customers.

Many countries' defense forces are carrying out modernization programs, called Future Soldier Programs, where existing equipment is upgraded or replaced with more modern equipment. The programs that include radio and communication solutions requiring in-ear-headsets and hearing protection constitute important business opportunities for INVISIO.

In 2013-2015 INVISIO achieved a market leader position by winning long-term contracts in Denmark, the USA, the UK, Canada and Australia.

Uneven order flow and sales over the year

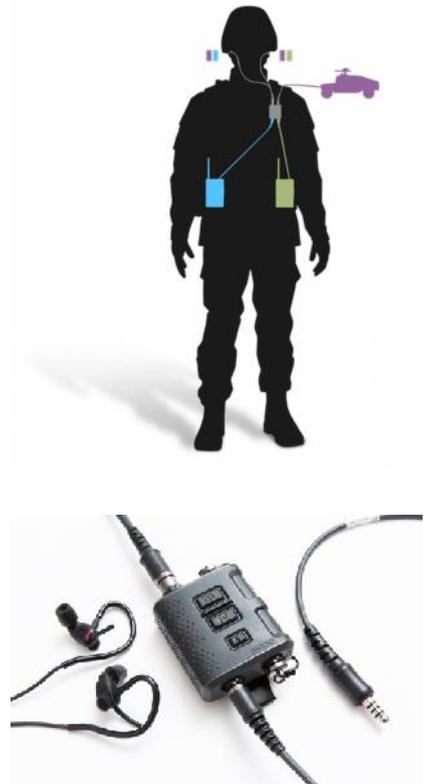
INVISIO's market is characterized by large procurements often with long lead times due to extensive processes with customer tests both in laboratories and among end users. This means that the order intake and sales for individual quarters may vary and have an effect on the full year figures.

Financial targets

Sales for 2015 were SEK 230 million. The sales target is to increase sales by an average of at least 20 percent per year. The operating margin should not fall below 15 percent.

To achieve the targets continued growth with good cost control is necessary. The company focuses on the following four areas: Increasing market share, geographical expansion, product development and cost control.

Additional information is available on the company's website at www.invisio.com.



Total income and results

Full year 2015

Total income for the period January – December 2015 were SEK 229.8 million (201.6), an increase of 14 percent in comparison with the full year 2014. In comparable currencies, sales decreased by 5 percent.

At year-end the order backlog was SEK 163.4 million (72.4).

Gross profit was SEK 118.3 million (91.3) and the gross margin was 51.5 percent (45.3).

Operating expenses for the year amounted to SEK 71.0 million (56.6). The increase is mainly attributable to higher staff costs. The costs also included a non-recurring cost of SEK 3.6 million related to the company's listing on Nasdaq. Excluding this non-recurring cost, expenses for the period amounted to SEK 67.4 million.

Development costs of SEK 4.1 million (5.2) were activated during the year. Operating expenses include depreciation of capitalized development costs of SEK 5.5 million (4.9). This means the operating profit was SEK 47.3 million (34.7) and the operating margin was 20.6 percent (17.2).

Net financial items were SEK -0.5 million (-2.9).

Profit before tax was SEK 46.9 million (31.7). Profit for the period amounted to SEK 57.1 million (44.3). Profit for the period includes capitalization of deferred tax assets of SEK 14.7 million (15.0) and an estimated tax cost of SEK -4.4 million (-2.4).

Fourth quarter 2015

Total income in the fourth quarter of 2015 amounted to SEK 48.1 million (63.8), corresponding to a decrease of 25 percent compared with the same period in 2014. In comparable currencies the decrease was 40 percent. A delivery previously planned for December worth SEK 10 million, with an impact on earnings of more than SEK 4 million, was deferred to the first days of 2016 due to technicalities.

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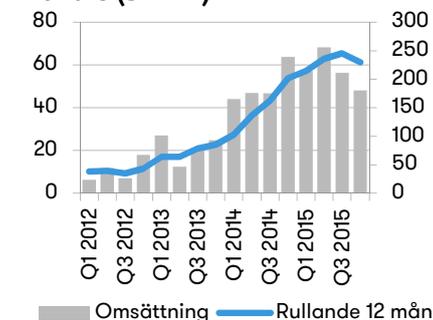
Gross profit was SEK 22.7 million (32.1) and the gross margin was 47.1 percent (50.3). Gross margin may vary between the quarters depending on the product mix and the share of direct sales to end-customers.

Operating expenses for the quarter were SEK 18.6 million (15.0).

During the quarter development costs were capitalized of SEK 0.8 million (1.1). Operating expenses include depreciation of capitalized development costs of SEK 0.7 million (1.2). Operating profit thus amounted to SEK 4.0 million (17.1).

Net financial items for the quarter amounted to SEK 0.1 million (-0.9).

Sales per quarter and rolling 12 months (SEK m)



Order backlog per quarter (SEK m)



Profit before tax was SEK 4.2 million (16.2).

Profit for the quarter amounted to SEK 3.6 million (14.9). Profit for the period includes estimated tax costs of SEK -0.6 (-1.2).

Cash flow, investments and financial position

Investments

During the period January - December 2015 investments amounted to SEK 4.7 million (5.4), of which SEK 4.1 million (5.3) constituted capitalized development costs.

Cash flow and liquidity

Cash flow from operating activities during the year was SEK 29.9 million (34.3). Cash flow from investing activities amounted to SEK -4.7 million (-5.4). Cash flow from financing activities was SEK -23.1 million (-10.9) and referred to amortization of loans and reduced factoring. Cash flow during the period thus amounted to SEK 2.1 million (18.0). During the period, final amortization payment of the loan to Almi Företagspartner amounting to SEK 2.3 million was made and final amortization payment of the loan to SEB of SEK 10.0 million was made. Factoring has been discontinued and decreased by SEK 10.7 million during the period.

At the end of the year, the Group's cash and cash equivalents amounted to SEK 29.4 million (28.4).

Financing

The Group now has no loans and terminated the factoring agreement during the period. The company has one unutilized overdraft facility of SEK 10 million.

Shareholders' equity

The Group's equity at the close of the year was SEK 105.6 million (52.4), which implied an equity/assets ratio of 74.9 percent (49.6).

Tax

During the period deferred tax assets of SEK 14.7 million were recognized as revenue. Total capitalized deferred tax assets in the balance sheet were SEK 29.4 million, attributable to the Danish subsidiary. Deferred tax assets are accounted for as tax loss carryforwards to the extent it is probable that they can be applied against future taxable profits. An individual assessment will be conducted for each subsidiary with regards to historic performance and possibilities to utilize loss carryforwards. The loss carryforwards exist mainly in the Danish subsidiary. Danish legislation limits the yearly amounts deductible, which implies that the Danish subsidiary will pay taxes amounting to SEK 3.5 million for 2015. Loss carryforwards total SEK 259 million, of which SEK 134 million is capitalized. All loss carryforwards have an unlimited life.

Parent company

Income results for the parent company during the period January - December amounted to SEK 60 thousand (60). Operating result was SEK -8.9 million (-5.5). Included in the result for the period were costs for the work of listing of

SEK 3.6 million. Profit for the period amounted to SEK 15.7 million (2.2). The figure includes dividend from subsidiaries of SEK 25 million (9).

At the end of the year, parent company's cash and cash equivalents amounted to SEK 0.5 million (1.1). Equity amounted to SEK 82.7 million (66.5), which implied an equity/assets ratio of 98.0 percent (78.9). 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 40 (34) at the close of the year. Of the employees 31 were men (27) and 9 women (7). During the year the organization was augmented with new employees in all areas of operation to meet the company's pace of growth and ambitions.

Other information

Accounting policies

The interim report for the Group has been prepared in accordance with IAS 34 and the Swedish 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 that are described in the 2014 Annual Report have been applied.

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.

The risks that the company is mainly exposed to are market-related risks (including legislation and political decisions, global economic situations, competition, technological risks and market acceptance of new products and supplier-related circumstances), operational risks (including the ability to manage growth, customers and cooperation agreements, product liability, intellectual property, dependence on key persons and employees, as well as risks related to financial reporting) and financial risks (including interest rate risk, currency risk, financing risks and liquidity risks).

The Company estimates that no additional significant risks or uncertainties have arisen during the year, beyond those reported in this Interim Report and on the pages 43-45 and 57-58 in the Annual Report for 2014.

Related party transactions

Lage Jonason, with related parties, is one of the company's largest individual shareholders. For part of the commitment towards suppliers, Lage Jonason personally stood guarantee until February 28, 2015. Lage Jonason was entitled to 1.5 percent annual reimbursement concerning his guarantee commitment. Up to May 31, 2015, Yggdrasil AB guaranteed the company's loans of SEK 6.5 million and overdraft facility (limit SEK 10 million) in exchange for an annual guarantee commission of 3.5 percent of utilized values up to SEK 15 million.

As of June 2015 there are no guarantee commitments left.

Listing on Nasdaq Stockholm

As part of INVISIO's development and increased international presence the Board of INVISIO applied for approval for its shares to be admitted to trading on Nasdaq Stockholm's main list in 2015. The first day of trading was May 29, 2015. After the market value passed EUR 150 million in January 2016 the share was moved to the Mid Cap list.

Dividend

The Board of Directors proposes to the Annual General Meeting that no dividend be distributed for 2015.

Annual General Meeting

INVISIO's Annual General Meeting will be held on Thursday April 28, 2016 at 13.00 in IVA's premises at Grev Turegatan 16 in Stockholm.

Shareholders wishing to have matters considered at the Annual General Meeting can send a written request by email to: ir@invisio.com or by ordinary mail to: INVISIO Communications AB, Attn: Board of Directors, P O Box 151, SE 201 21 Malmö. Any request must have been received at least seven weeks before the Meeting in order to be included in the notice to attend and thus the agenda of the Annual General Meeting.

Review

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

Future financial information

Interim report January-March 2016	April 28, 2016
Annual General Meeting 2016	April 28, 2016
Interim report January - June 2016	August 18, 2016
Interim Report January-September 2016	November 3, 2016
Year-end bulletin 2016	February 24, 2017

Interim reports and annual reports are available at www.invisio.com. The annual report for 2015 will be available on the website in week 14 (April 4-10).

Stockholm, February 23, 2016

Lars Højgård Hansen
CEO

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Publication

The information in this interim report is disclosed by INVISIO AB (publ) pursuant to the Securities Market Act and/or the Financial Instruments Trading Act. The information was submitted for publication on February 23, 2016 at 08.30.

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INVISIO is a Swedish company listed on Nasdaq Stockholm. The company's share is traded under the ticker name IVSO and has the ISIN code SE0001200015.

Consolidated statement of comprehensive income

SEK 000s	2015 Q4	2014 Q4	2015 Full year	2014 Full year
Revenue	48 129	63 765	229 802	201 635
Cost of goods sold	-25 475	-31 691	-111 474	-110 362
Gross Profit	22 654	32 074	118 328	91 273
Operating expenses*	-18 606	-14 968	-71 005	-56 622
Operating profit/loss	4 048	17 106	47 323	34 651
Net financial items	118	-936	-459	-2 930
Profit/loss before tax	4 166	16 170	46 864	31 721
Income tax	-586	-1 241	10 224	12 556
Profit/loss for the period	3 580	14 929	57 088	44 277
Other comprehensive income				
Items that may be reclassified subsequently to the income statement				
Translation differences	-3 774	2 541	-4 367	3 751
Comprehensive income for the period	-194	17 470	52 721	48 028
(Entirely attributable to equity holders of the parent)				
*Depreciation incl. in operating expenses	-770	-1 236	-5 595	-5 034
	2015 Q4	2014 Q4	2015 Full year	2014 Full year
Per-share data				
Earnings per share, SEK	0,08	0,35	1,35	1,05
Earnings per share after dilution, SEK	0,08	0,34	1,30	1,02
Shareholders' equity per share, SEK	2,50	1,24	2,50	1,24
Shareholders' equity per share after dilution, SEK	2,39	1,20	2,41	1,20
Equity ratio	75%	50%	75%	50%
Number of shares, thousand	42 240	42 240	42 240	42 240
Average number of shares, thousand	42 240	42 240	42 240	42 240
Average number of shares after dilution, thousand	44 138	43 573	43 920	43 573
Share price, SEK	75,75	12,80	75,75	12,80

Consolidated balance sheet

SEK 000s

Assets	2015-12-31	2014-12-31
Intangible assets	16 853	18 979
Property, plant and equipment	600	154
Financial assets	755	782
Deferred tax assets	29 388	15 759
Inventories	19 937	16 391
Accounts receivable - trade	35 855	18 845
Other receivables	8 286	6 339
Cash and cash equivalents	29 367	28 444
Total assets	141 041	105 693

Shareholders' equity and liabilities	2015-12-31	2014-12-31
Shareholders' equity	105 635	52 375
Liabilities to credit institutions	-	23 280
Accounts payable - trade	15 846	14 949
Other liabilities	19 560	15 089
Total shareholders' equity and liabilities	141 041	105 693

Changes in shareholders' equity	2015 Full year	2014 Full year
Opening balance	52 375	3 894
Employee stock option program	539	453
Comprehensive income for the period	52 721	48 028
Closing balance	105 635	52 375

Consolidated cash flow statement

SEK 000s

	2015	2014	2015	2014
Cash flow	Q4	Q4	Full year	Full year
Operating activities				
Profit/loss before tax	4 167	16 170	46 865	31 721
Adjustments for non-cash items	-589	2 429	4 587	6 515
Cash flow from operating activities before changes in working capital	3 578	18 599	51 452	38 236
Cash flow from changes in working capital	-15 143	-5 648	-21 530	-3 926
Cash flow from operating activities	-11 565	12 951	29 922	34 310
Investing activities				
Capitalization of non-current assets	-847	-1 092	-4 109	-5 259
Acquisition of property, plant and equipment	-316	-1	-592	-153
Cash flow from investing activities	-1 163	-1 093	-4 701	-5 412
Financing activities				
Change in financial assets	-3 979	-688	-23 077	-10 887
Cash flow from financing activities	-3 979	-688	-23 077	-10 887
Cash flow for the period	-16 707	11 170	2 144	18 011
Cash and cash equivalents at start of period	47 000	16 292	28 444	9 126
Translation differences in cash and cash equivalents	-926	982	-1 221	1 307
Cash and cash equivalents at end of period	29 367	28 444	29 367	28 444

Parent Company Income Statement

SEK 000s	2015 Q4	2014 Q4	2015 Full year	2014 Full year
Operating income	15	15	60	60
Operating expenses	-1 559	-1 592	-8 946	-5 569
Operating loss	-1 544	-1 577	-8 886	-5 509
Net financial items**	24 896	8 661	24 614	7 679
Profit/loss before tax	23 352	7 084	15 728	2 170
Income tax	-	-	-	-
Profit/loss for the period	23 352	7 084	15 728	2 170
**Of which, dividend from subsidiaries	25 000	9 000	25 000	9 000

Parent Company Balance Sheet

SEK 000s

Assets	2015-12-31	2014-12-31
Financial assets/shares in subsidiaries	82 950	82 411
Receivables from Group companies	771	310
Other receivables	245	395
Cash and cash equivalents	453	1 069
Total assets	84 419	84 185

Shareholders' equity and liabilities	2015-12-31	2014-12-31
Shareholders' equity	82 729	66 462
Liabilities to credit institutions	-	12 333
Accounts payable - trade	89	793
Liabilities to Group companies	111	3 014
Other liabilities	1 490	1 583
Total shareholders' equity and liabilities	84 419	84 185

Changes in shareholders' equity	2015-12-31	2014-12-31
Opening balance	66 462	63 839
Employee stock option program	539	453
Profit/loss for the period**	15 728	2 170
Closing balance	82 729	66 462

**Of which, dividend from subsidiaries 25 000 9 000