



January–September 2017 Presentation

Lars Højgård Hansen, CEO

INVISIO®

Agenda

- CEO comments January–September 2017
- Q&A
- Financial performance in further details

“We are building a larger company with a broader product portfolio, more markets, stronger relationships with customers and even better prospects.”

New product category and good order intake

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Key Ratios

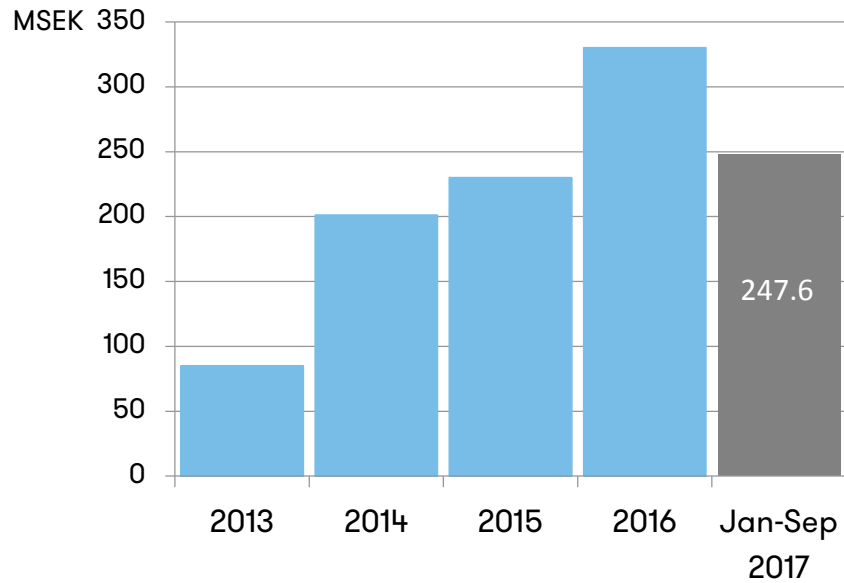
SEK in millions	2017 Q3	2016 Q3	Δ %	2017 Jan-Sep	2016 Jan-Sep	Δ %
Revenue	75.5	85.6	-12	247.6	248.7	0
Gross profit	42.4	45.1	-6	131.2	130.6	0
Gross margin, %	56.2	52.7		53.0	52.5	
EBITDA	15.2	29.0	-48	54.6	77.2	-29
Operating profit/loss	14.3	27.7	-49	51.3	73.5	-30
Operating margin, %	18.9	32.4		20.7	29.5	
Profit/loss for the period	13.1	29.9	-56	47.4	75.5	-37
Earnings per share, SEK	0.30	0.70	-58	1.08	1.77	-39

The financial performance should be seen in the light of our expansion

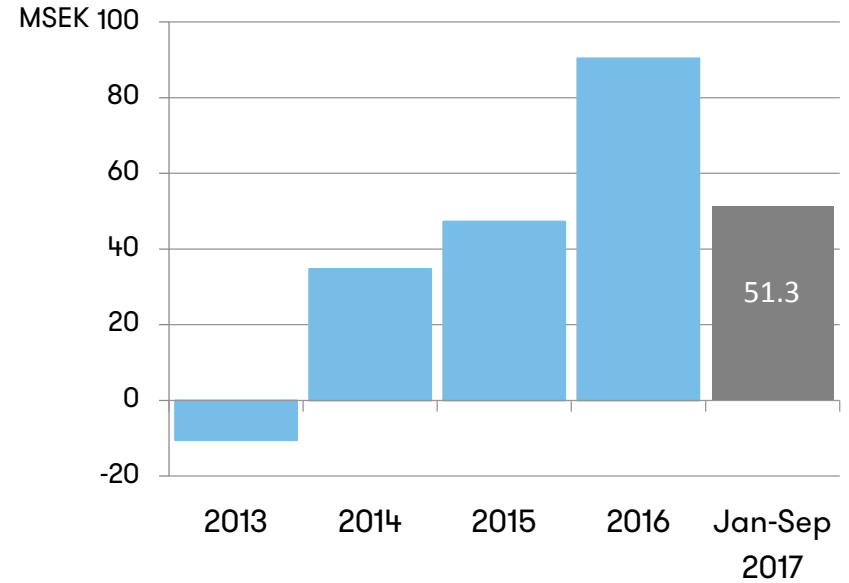
- Sales is driven by deliveries under contracts covering modernization programs.
 - Jan-Sep in line with previous year to date.
 - Q3 revenue down partly due to agreed color change on product and temporary delivery delays.
- Strong gross margin.
- Increased costs related to headcount growth and investments in R&D and Marketing & Sales activities.
- Operating margin in line with our expectations and impacted by growth initiatives.

Development in Sales and Operating profit

Sales

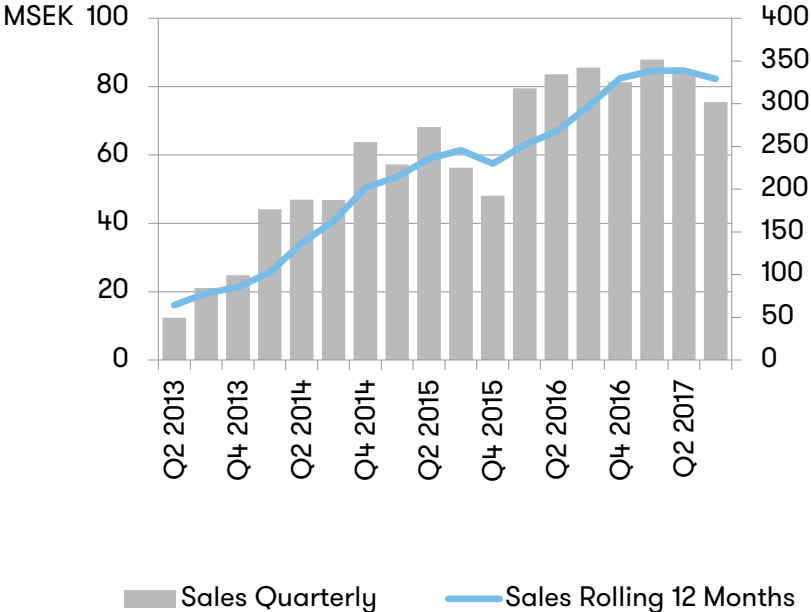


Operating profit

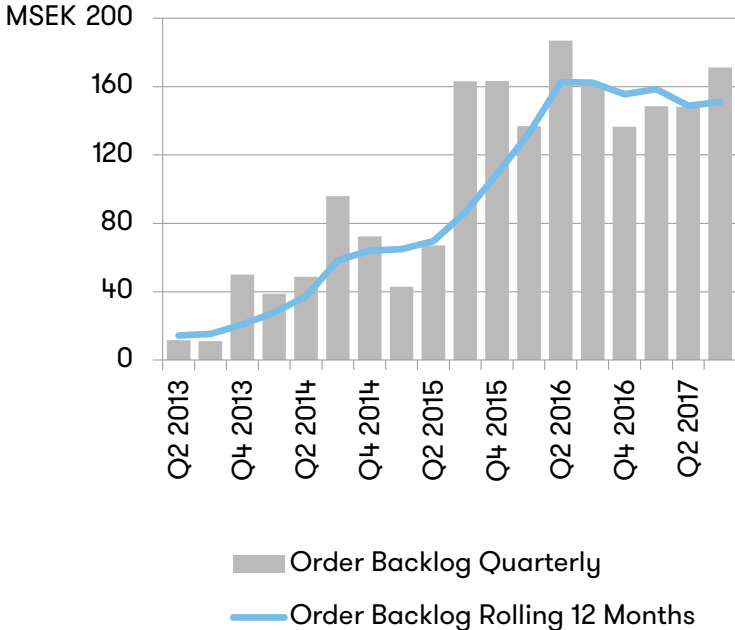


Sales and order backlog per quarter and rolling 12 months

Sales



Order backlog



Order backlog:
SEK 171.1 million

INVISIO Q3/17 Highlights

A broader product portfolio

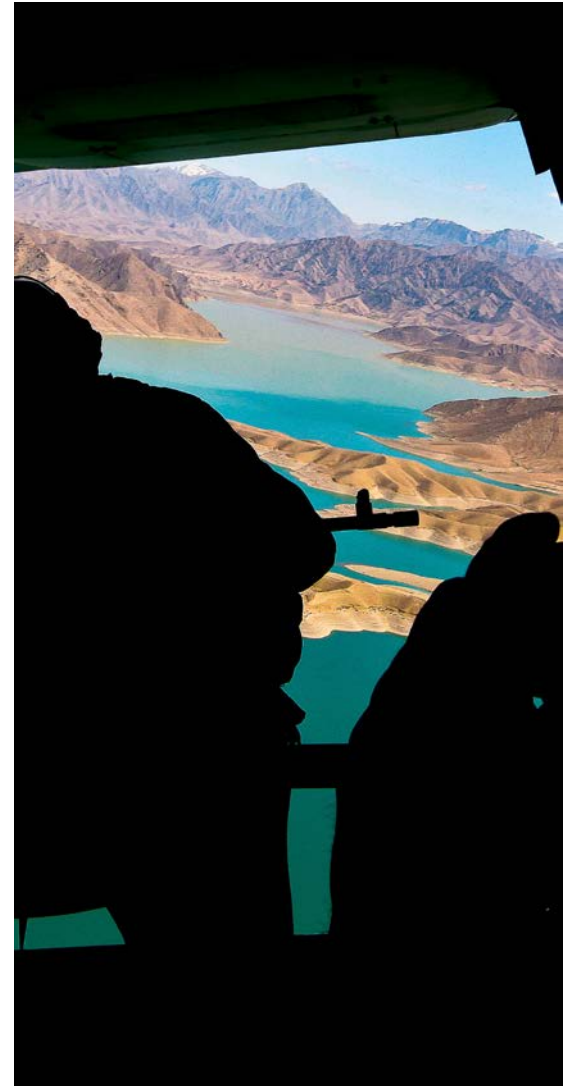
- New product category for communication in vehicles.
- Positive feedback from potential customers at trade shows in UK and USA.
- Commercially available in late 2018.

Increased market presence and more employees

- Sales office established in Italy.
- Our own sales teams in the USA, France and Italy.
- Staff of 73 (52).

Good order intake

- Good order intake from both new and existing customers.
- Two-year contract with the U.S. DoD, and initial order of SEK 60 million. Award for up to potentially USD 13 million.
- Order book: 171,1 (162,3).



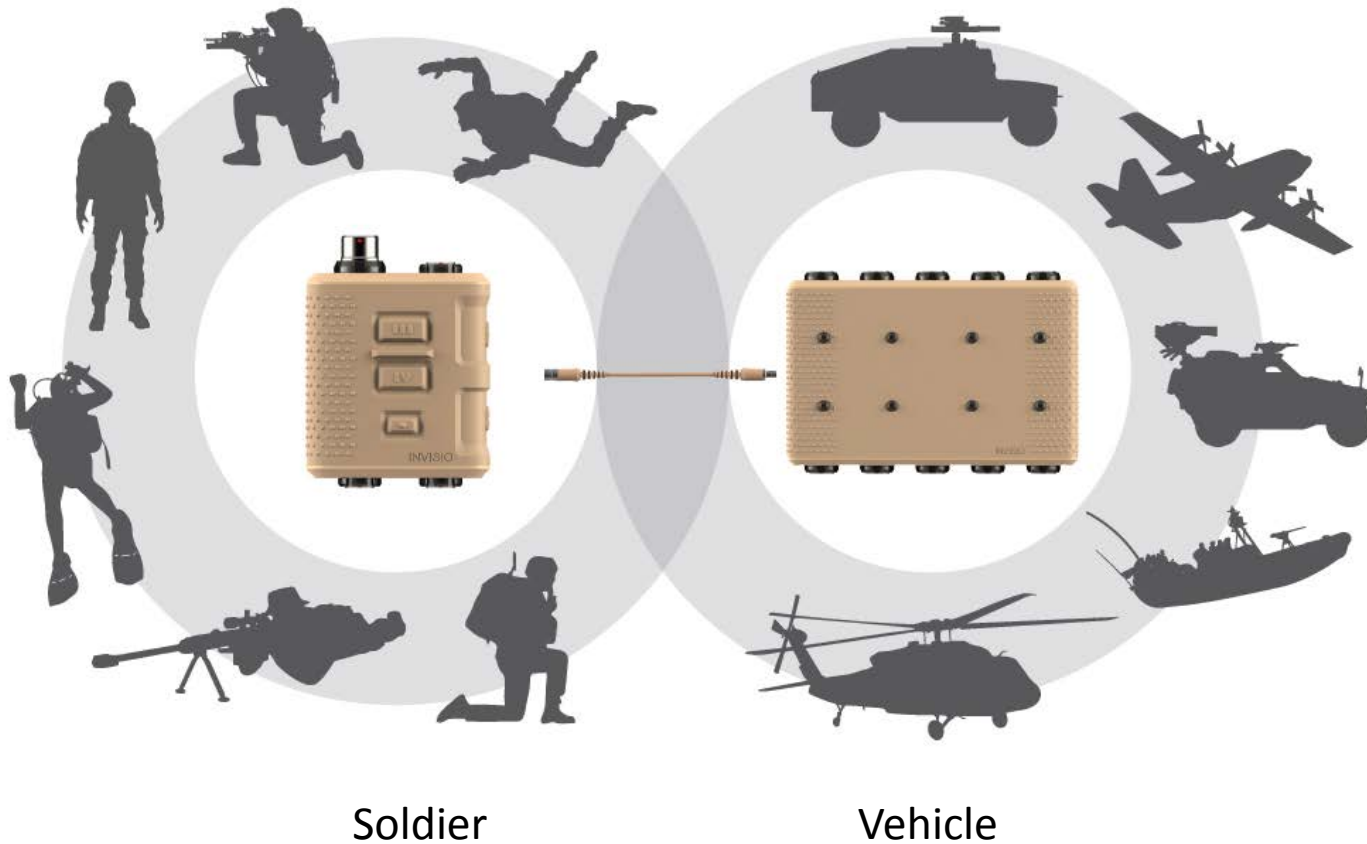


A new product category for communication in vehicles

A step to further strengthen INVISIO's role as a leading supplier of communications and protection solutions

Bridging the gap between the mounted and dismounted soldier

... making it possible for multiple users and radios to connect simultaneously, controlling both systems with their INVISIO control units.



Improving safety and operational effectiveness

A complete system for communication and hearing protection in mounted and dismounted operations.

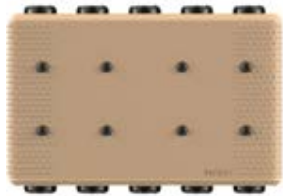
Headsets



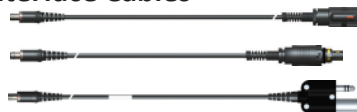
PTT/COMMs



Intercom

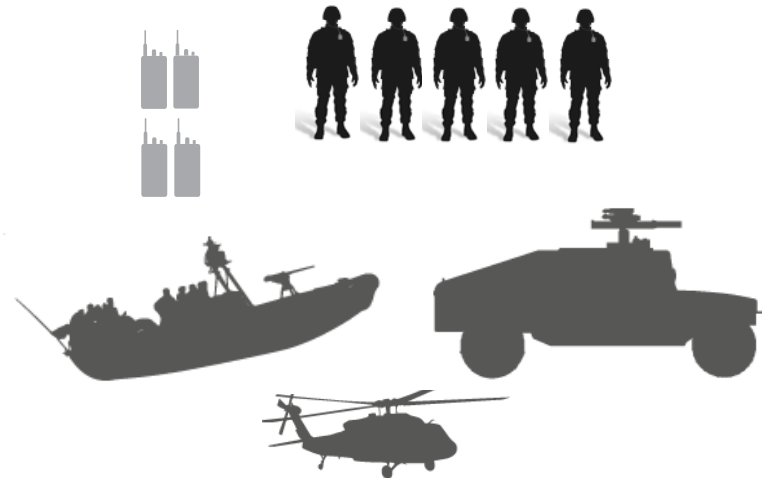


Interface Cables



Dismounted Soldier

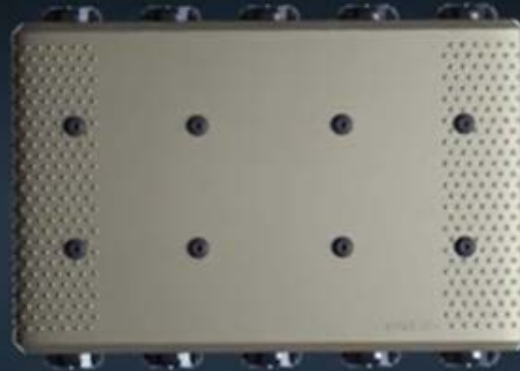
Mounted Soldier



A unique intercom solution

**SEAMLESS
INTEGRATION**

CONNECTIVITY



**MOUNT
ANYWHERE**

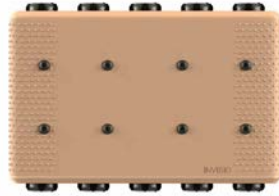
**UNIQUE
MOBILITY**

Intercom In a Bag

Intercom in a bag:



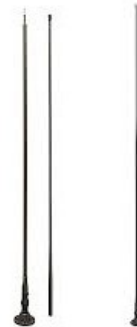
INVISIO ICS



Radios



Antennas



PWR MGMT



Cables



Battery



A simpler and more flexible solution

Plug-and-play

- Simpler and less complex than traditional intercom systems where the user need to switch between the dismantled and the mounted system.
- Less effort to integrate new users.

Flexibility

- Smaller, lightweight, and highly mobile to establish Intercom anywhere.
- Solves connectivity issues by connecting various headsets and radios together to one intercom and provide clear communications.

Cost efficiency

- Lower levels of training and cost.



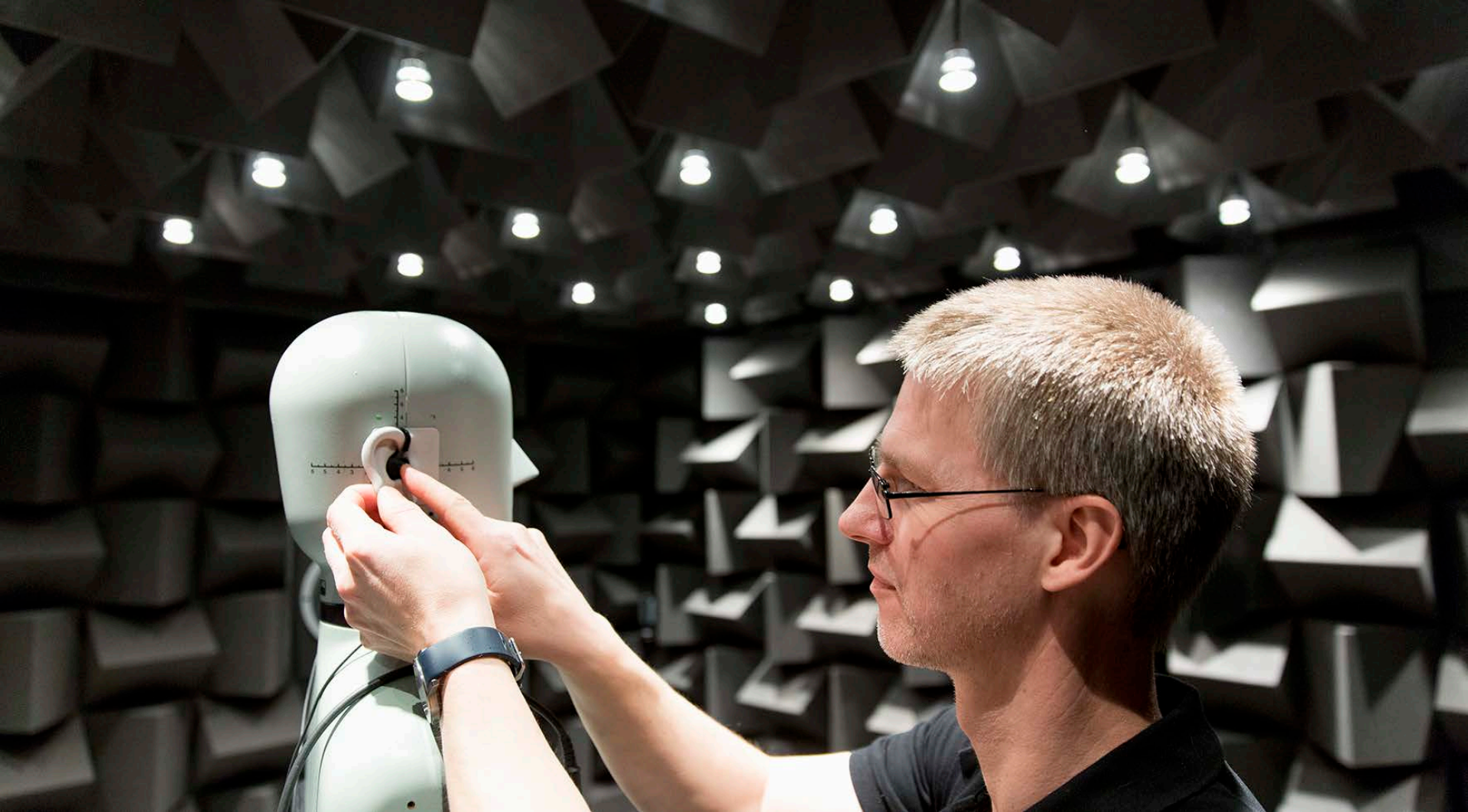
Sales via established channels



- Addressing the light and medium weight vehicles.
- Sales via established channels: Specialist partners, HQ and sales offices in the USA, France and Italy.
- Uneven order flow in the industry due to long procurements. Broadening of the portfolio lower the risk of uneven order and income flows.
- Value of target market for the new product category may in the long run be at least as great as the target market for our current products.

Q&A

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Thank you!

Financial performance in further details

January–September 2017

Condensed consolidated income statement and consolidated statement of comprehensive income

SEK in millions	2017 Q3	2016 Q3	2017 Jan-Sep	2016 Jan-Sep	2016 Full year
Revenue	75.5	85.6	247.6	248.7	330.0
Cost of goods sold	-33.1	-40.5	-116.4	-118.2	-159.0
Gross profit	42.4	45.1	131.2	130.6	171.0
Operating expenses*	-28.2	-17.4	-79.9	-57.1	-80.6
Operating profit/loss	14.3	27.7	51.3	73.5	90.4
Net financial items	0.0	0.0	-2.7	-0.1	-0.1
Profit/loss before tax	14.3	27.7	48.5	73.4	90.3
Income tax	-1.2	2.1	-1.2	2.1	1.5
Profit/loss for the period	13.1	29.9	47.4	75.5	91.8
OTHER COMPREHENSIVE INCOME					
<i>Items that may subsequently be reclassified to profit and loss</i>					
Translation differences	-2.3	2.9	-0.1	7.1	5.7
Comprehensive income for the period	10.8	32.7	47.3	82.6	97.4
(Profit/loss attributable to equity holders of the parent company.)					
*Depreciation incl. in operating expenses	-0.9	-1.3	-3.4	-3.8	-7.5

Condensed consolidated statement of financial position

SEK in millions

Assets	30/09/2017	30/09/2016	31/12/2016
Capitalized development costs	24.4	18.9	17.5
Equipment	4.2	1.3	3.3
Deposits for rent, long-term	1.5	1.1	1.5
Deferred tax assets	34.3	34.9	34.3
Inventories	27.9	33.2	25.9
Trade receivables	93.7	59.7	39.4
Other short-term receivables	2.8	4.9	5.9
Cash and cash equivalents	100.7	88.3	133.2
Total assets	289.4	242.3	260.9
Shareholders' equity and liabilities			
Shareholders' equity	238.6	191.4	209.5
Trade payables	23.7	23.5	26.0
Other short-term liabilities	27.1	27.4	25.4
Total shareholders' equity and liabilities	289.4	242.3	260.9

Condensed consolidated statement of cash flow

SEK in millions	2017 Q3	2016 Q3	2017 Jan-Sep	2016 Jan-Sep	2016 Full year
Operating activities					
Profit/loss before tax	14.2	27.7	48.5	73.4	90.3
Adjustments for non-cash items	0.7	-0.1	4.0	3.5	13.2
Income tax paid	0.0	-0.2	-0.6	-0.2	-5.1
Cash flow from operating activities before changes in working capital	15.0	27.4	51.9	76.6	98.4
Changes in inventories	-0.5	8.5	-2.0	-11.8	-4.9
Changes in operating receivables	-32.8	-37.9	-51.1	-17.6	1.1
Changes in operating liabilities	-4.5	0.1	-1.6	11.7	11.2
<i>Cash flow from changes in working capital</i>	<i>-37.8</i>	<i>-29.3</i>	<i>-54.7</i>	<i>-17.7</i>	<i>7.5</i>
Cash flow from operating activities	-22.8	-1.9	-2.8	58.9	105.8
Investing activities					
Capitalization of development costs	-3.5	-1.6	-9.3	-4.5	-6.8
Acquisition of property, plant, and equipment	-0.3	0.0	-1.8	-1.0	-3.1
Acquisition of financial assets	0.0	-	0.0	-	-0.6
Cash flow from investing activities	-3.8	-1.6	-11.2	-5.5	-10.5
Financing activities					
New issues through exercising employee stock options	-	-	3.4	3.1	6.2
Dividend	-	-	-21.7	-	-
Cash flow from financing activities	-	-	-18.3	3.1	6.2
CASH FLOW FOR THE PERIOD	-26.6	-3.5	-32.3	56.5	101.5
Cash and cash equivalents at start of period	128.7	90.8	133.2	29.4	29.4
Translation differences in cash and cash equivalents	-1.5	1.0	-0.2	2.4	2.3
Cash and cash equivalents at end of period	100.7	88.3	100.7	88.3	133.2