

Protection at work, a better life at home

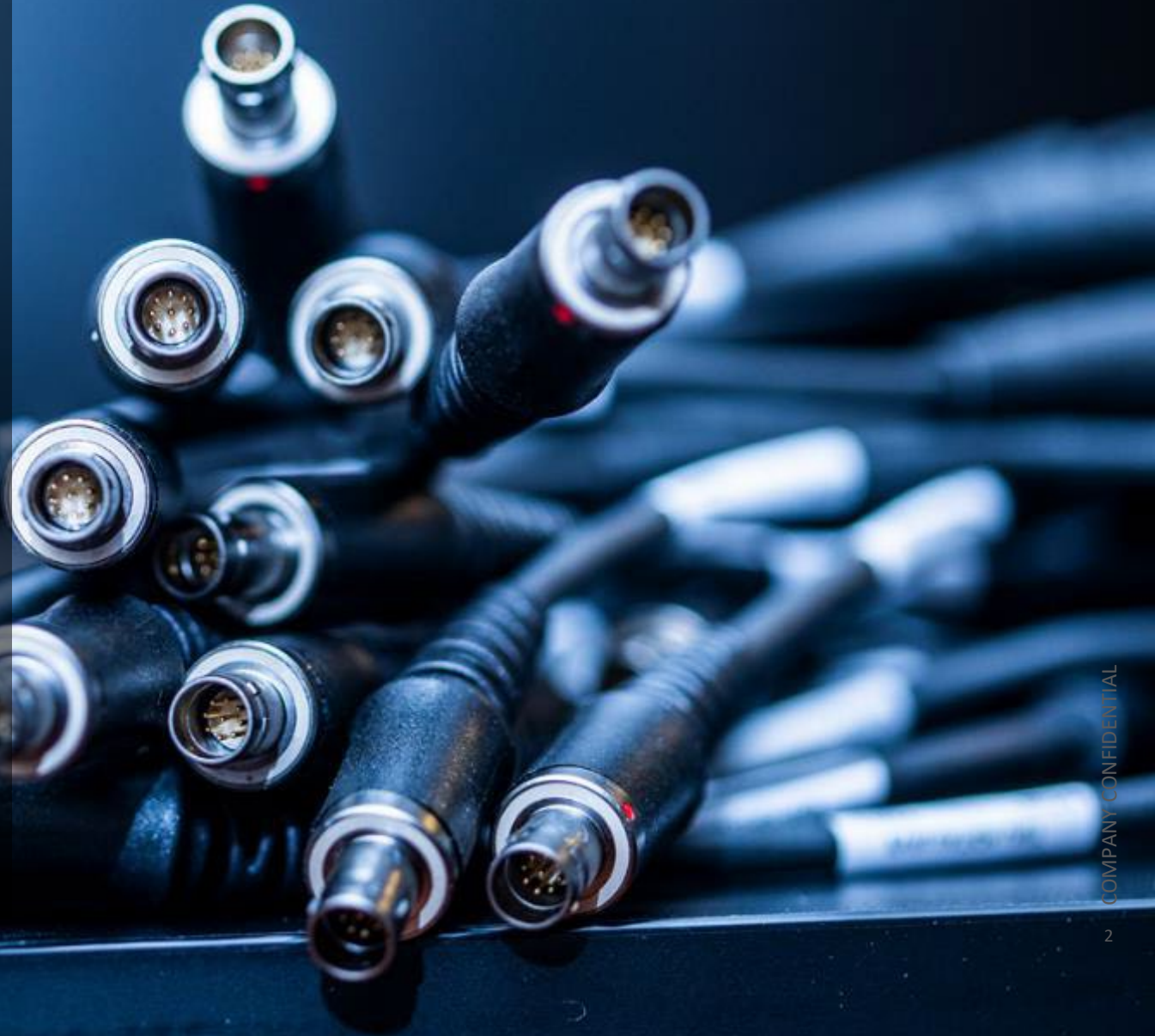
Investor Conference Call July 22, 2022
Interim Report January –June 2022

CEO Lars Højgård Hansen

INVISIO[®]

Highlights in Q2, 2022

- Positive market development
- Strongest order book ever
- Deliveries still lagging
- Contract with the UK MoD
- Larger defense budgets and more soldiers will increase demand
- James Ewing, SVP Racal Acoustics and member of Group Management retires

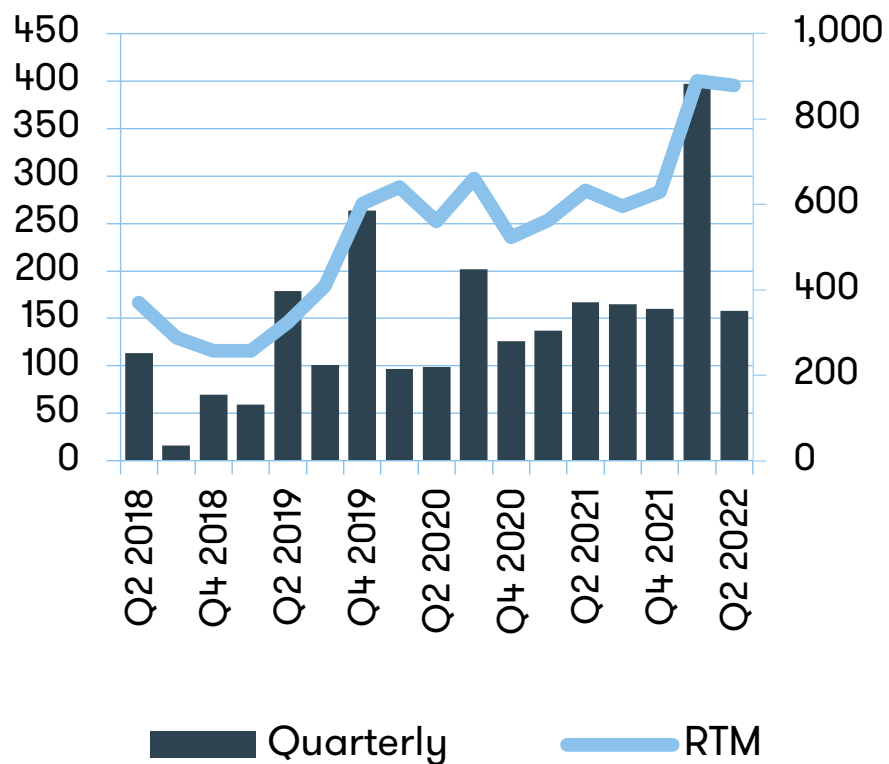


Financial result Q2, 2022

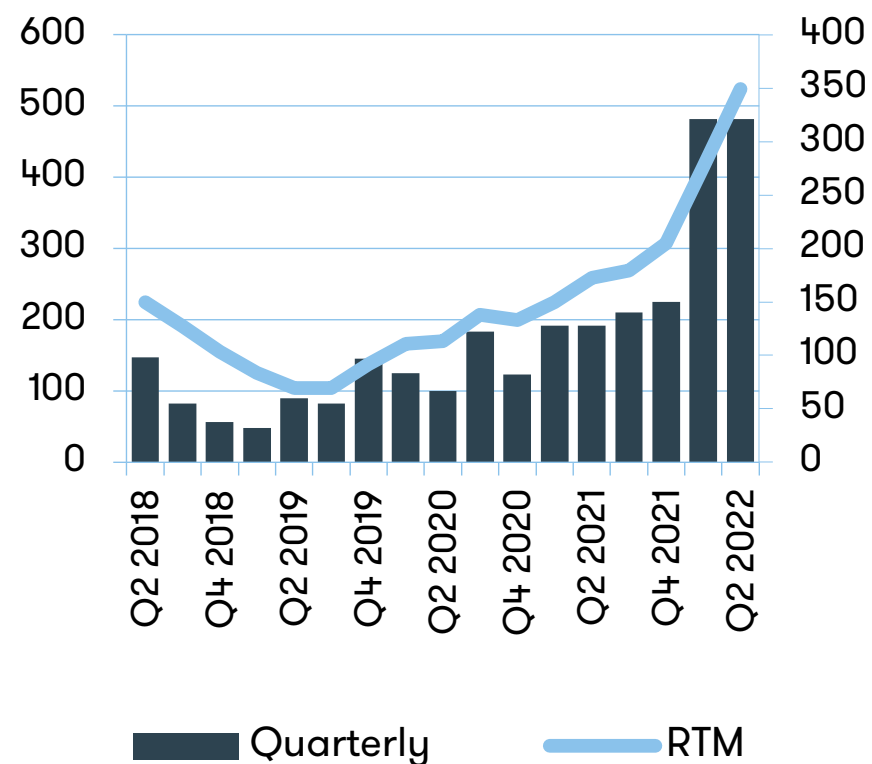
SEK in millions	2022 Q2	2021 Q2	Difference %	2022 Jan-Jun	2021 Jan-Jun	Difference %	2021 Full year
Revenue	153.7	154.3	0	291.1	298.1	-2	593.0
Gross profit	88.4	89.6	-1	170.4	172.2	-1	340.4
Gross margin %	57.5	58.0		58.5	57.8		57.4
EBITDA	3.4	25.6	-87	11.2	49.1	-77	69.9
EBITDA margin %	2.2	16.6		3.8	16.5		11.8
Operating profit/loss	-8.3	14.2	-159	-12.1	26.9	-145	24.9
Operating margin %	-5.4	9.2		-4.2	9.0		4.2
Profit/loss for the period	-7.3	9.4	-178	-11.7	16.1	-173	14.5
Earnings per share, SEK	-0.16	0.21	-178	-0.26	0.36	-172	0.33
Cash flow from operating activities	8.1	25.4	-68	11.5	59.4	-81	91.0
Order intake	157.7	167.3	-6	554.2	304.7	82	628.1
Order book	481.7	191.7	151	481.7	191.7	151	224.7

Orderbook 80 per cent stronger in H1 2022 ...

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



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



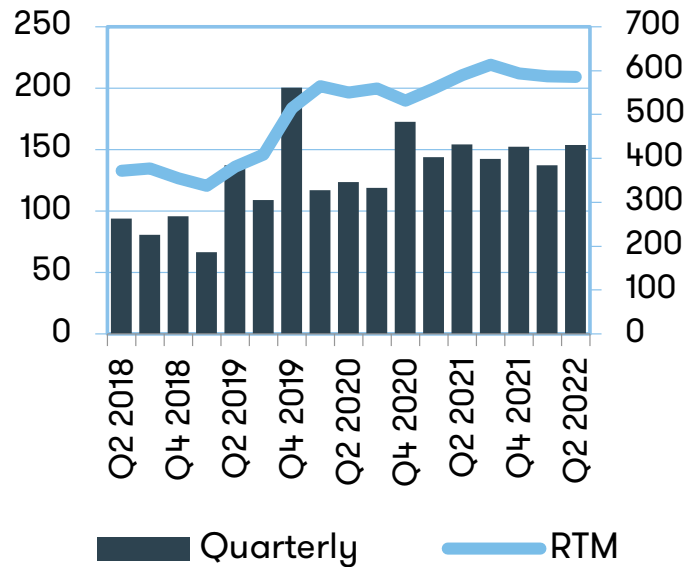
Regarding the orderbook

- Deliveries of our products take place with various time perspectives.
- For products under the INVISIO brand deliveries are usually within 2-6 months.
- Deliveries of products under the Racal Acoustics brand - often lie further in the future - a first part-delivery to be within 6 months and the following deliveries after 1-3 years.

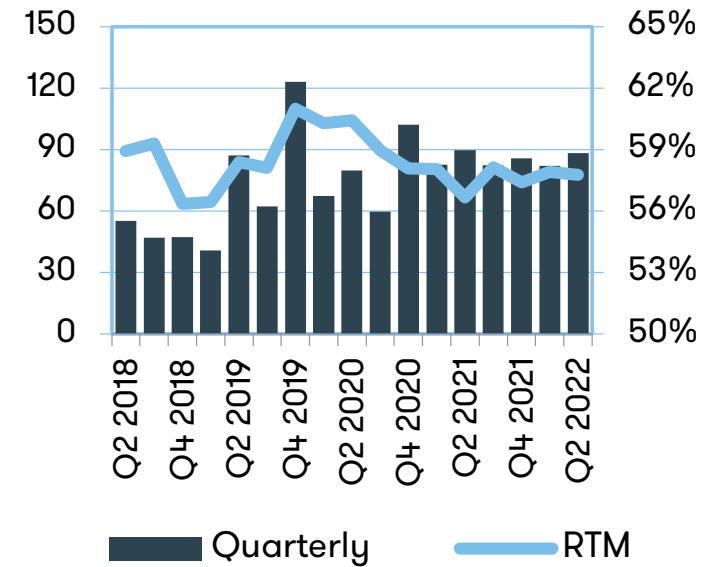


Continued component shortages and transport challenges

Sales per quarter and rolling 12 months (MSEK)

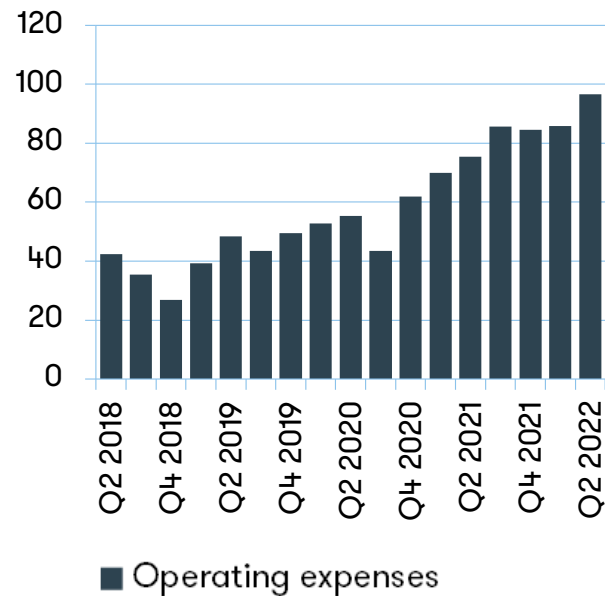


Gross profit per quarter (MSEK) and rolling 12 months (per cent)

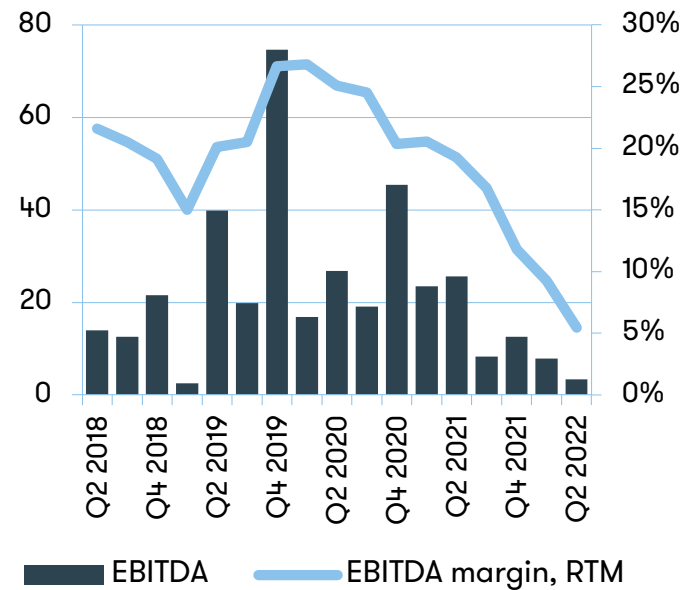


Higher activity increases OPEX by SEK 10 million, of which SEK 5 million is a one-time cost

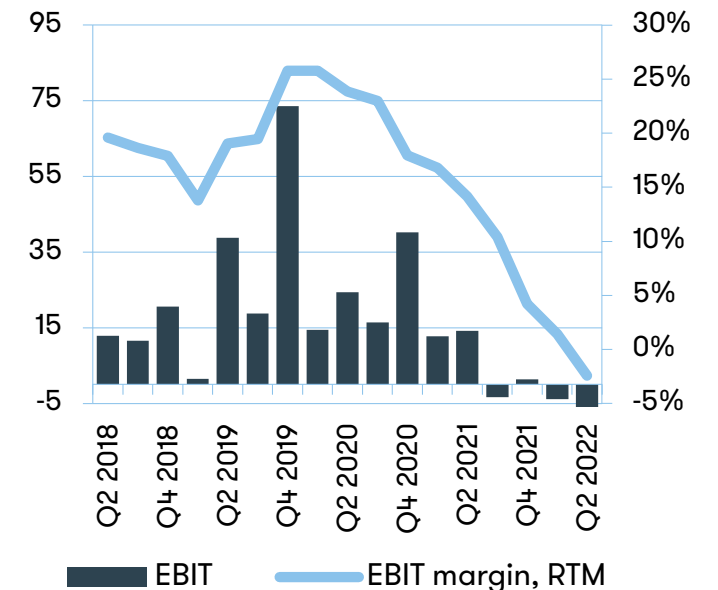
Operating expenses per quarter (SEK million)



EBITDA per quarter (MSEK) and rolling 12 months (per cent)



EBIT per quarter (MSEK) and rolling 12 months (per cent)



Another contract with UK MoD

Three-year In-Service Support contract with the UK MoD renewed in April – holding an option for another two years.

Three larger orders and agreements with the UK MoD in 2022.





Greater geopolitical uncertainty

Substantially increased defense budgets in coming years.

- Short term: limited impact on INVISIO.
- Long term: larger budgets and more soldiers will mean an increased demand.

The need for modern communication equipment with hearing protection is great in many countries and larger budgets will allow faster roll out.

Continued positive expectations for 2022

Supply and deliveries in the first half of 2022 have been challenging.

A gradual return to more normal conditions in the second half of the year and a continued strong intake of orders.

Focus on marketing of our numerous new product solutions, while we intend to resume our geographical penetration and expansion, above all in Asia.

Well-positioned to benefit from the increasing defense investments.





Questions and answers

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Appendix

Condensed consolidated income statement and consolidated statement of comprehensive income

SEK in millions	Note	2022 Q2	2021 Q2	2022 Jan-Jun	2021 Jan-Jun	2021 Full year
Revenue	2	153.7	154.3	291.1	298.1	593.0
Cost of goods sold		-65.3	-64.8	-120.7	-125.9	-252.6
Gross profit		88.4	89.6	170.4	172.2	340.4
Operating expenses*	3	-96.7	-75.4	-182.5	-145.3	-315.5
Operating profit/loss		-8.3	14.2	-12.1	26.9	24.9
Net financial items		0.3	-1.1	0.1	-3.2	-1.3
Profit/loss before tax		-8.0	13.0	-12.0	23.8	23.5
Income tax	4	0.6	-3.7	0.4	-7.7	-9.0
Profit/loss for the period		-7.3	9.4	-11.7	16.1	14.5
OTHER COMPREHENSIVE INCOME						
<i>Items that may subsequently be reclassified to profit and loss</i>						
Translation differences		17.9	-1.0	21.8	11.4	24.1
Comprehensive income for the period		10.6	8.4	10.1	27.4	38.6
(Profit/loss attributable to equity holders of the parent company.)						
*Depreciation/amortization incl. in operating expenses	3	-11.6	-11.4	-23.3	-22.1	-45.1

Condensed consolidated statement of financial position

SEK in millions

Assets	Note	30/06/2022	30/06/2021	31/12/2021
Goodwill		55.5	57.5	54.5
Capitalized development costs	3	97.3	95.9	92.6
Other intangible assets	3	84.4	92.1	89.3
Property, plant and equipment	3	15.9	18.5	17.1
Right-of-use assets, leases	3	27.0	37.4	33.7
Deposits for rent, long-term		2.5	2.4	2.4
Deferred tax assets	4	3.1	2.5	3.2
Inventories		141.6	118.0	117.5
Trade receivables		111.5	121.1	117.6
Other short-term receivables		26.6	23.3	27.3
Cash and cash equivalents		125.5	120.4	134.8
Total assets		690.9	689.2	690.0
Shareholders' equity and liabilities				
Shareholders' equity		432.9	404.3	417.5
Liabilities to credit institutions		75.0	95.0	85.0
Lease liabilities		28.5	37.6	34.3
Deferred tax liabilities	4	35.3	38.0	35.5
Trade payables		51.6	36.2	34.1
Other current liabilities		67.5	78.1	83.7
Total shareholders' equity and liabilities		690.9	689.2	690.0

Condensed consolidated statement of cash flow

SEK in millions	Note	2022 Q2	2021 Q2	2022 Jan-Jun	2021 Jan-Jun	2021 Full year
Operating activities						
Profit/loss before tax		-8.0	13.0	-12.0	23.8	23.5
Adjustments for non-cash items		11.6	12.0	28.0	24.4	47.7
Income tax paid		-7.4	-1.2	-8.8	-2.2	-9.0
Cash flow from operating activities before changes in working capital		-3.8	23.8	7.1	46.0	62.2
Changes in inventories		-14.9	11.5	-16.0	17.7	21.5
Changes in operating receivables		10.4	-3.5	15.1	12.2	17.1
Changes in operating liabilities		16.4	-6.5	5.3	-16.5	-9.9
<i>Cash flow from changes in working capital</i>		11.9	1.6	4.4	13.4	28.8
Cash flow from operating activities		8.1	25.4	11.5	59.4	91.0
Investing activities						
Capitalization of development costs		-5.7	-5.0	-10.8	-9.3	-14.9
Changes in other intangible assets		-	12.1	-	12.1	12.5
Investments in subsidiaries		-	-1.3	-	-185.6	-185.6
Acquisition of property, plant, and equipment		-0.5	-1.2	-2.0	-2.6	-3.7
Acquisition of financial assets		0.0	0.1	0.0	-0.1	-0.1
Cash flow from investing activities		-6.3	4.7	-12.8	-185.6	-191.9
Financing activities						
New issues through exercising employee stock options		34.7	26.6	34.7	26.6	26.9
Borrowings		-5.0	-5.0	-10.0	95.0	85.0
Changes in lease liabilities		-1.4	-2.3	-6.0	-4.2	-8.0
Dividend paid		-31.2	-30.9	-31.2	-30.9	-30.9
Cash flow from financing activities		-2.9	-11.5	-12.5	86.6	73.0
CASH FLOW FOR THE PERIOD		-1.1	18.5	-13.8	-39.7	-27.9
Cash and cash equivalents at start of period		123.3	103.1	134.8	157.7	157.7
Translation differences in cash and cash equivalents		3.4	-1.3	4.5	2.4	5.0
Cash and cash equivalents at end of period		125.5	120.4	125.5	120.4	134.8

Depreciation/amortization

<i>SEK in millions</i>	2022	2021	2021
	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.