



# Invuo Technologies AB (publ)

Interim Report January 1 – March 31, 2018

---

**INVUO**

TECHNOLOGIES AB

Corp. id. no.: 556610-2660

# Interim report, 1 Jan. – 31 March 2018

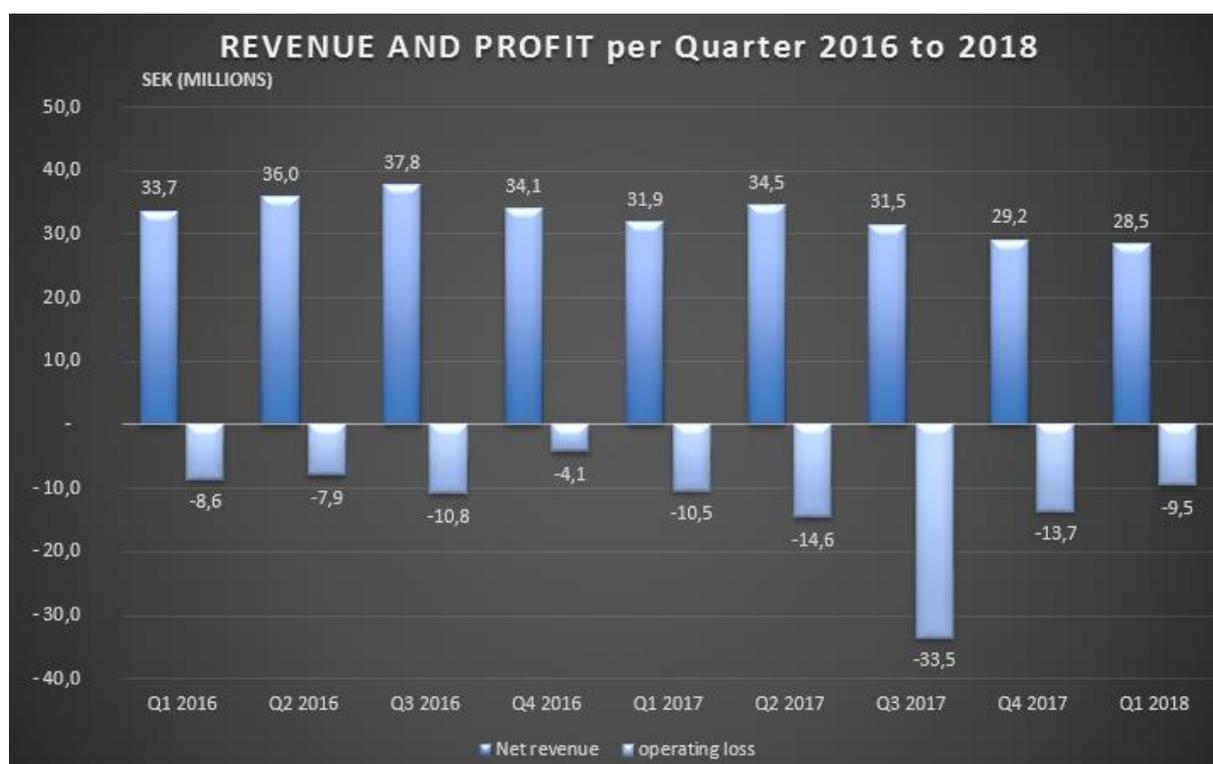
The numbers and key figures refer to the remaining operations

## January - March 2018

- Net sales for the period SEK 28.5 million (31.9)
- Operating loss for the period SEK -9.5 million (-10.5)
- Loss after tax for the period SEK -8.3 million (-11.5)
- Earnings per share SEK -0.10 (-0.20)
- Cash flow before changes in working capital for the period SEK -6.3 million (-5)

## Overview

| SEK thousand                           | Jan-March<br>2018 | Jan-March<br>2017 | Full-Year<br>2017 |
|--|-------------------|-------------------|-------------------|
| Net sales                              | 28 456            | 31 942            | 127 157           |
| Operating result                       | -9 528            | -10 490           | -72 231           |
| Operating margin                       | neg               | neg               | neg               |
| Loss for the period                    | -8 325            | -11 541           | -118 316          |
| Balance sheet total                    | 135 397           | 249 176           | 163 189           |
| Earnings per share, basic and diluted* | -0,10             | -0,20             | -2,01             |
| Equity ratio                           | 75%               | 44%               | 67%               |
| Capitalized development costs          | 3 266             | 1 761             | 4 593             |
| Depreciation/Write down                | -3 312            | -634              | -14 037           |



## CEO's COMMENT

---

Q1 2018 was marked by intense internal and external efforts. With the challenges of 2017 behind us, we've been able to give increased focus to our clients, and on stabilizing our financial position. We are very grateful that our new strategic investor, AJ Group, is coming on board. Aside from a wealth of experience in adjacent markets and new geographies, we will be able to focus on executing the business plan for MeaWallet and eProducts.

## Significant events during the quarter

- As a result of the completion of the divestment of SEQR, on January 10, the new operational management was announced, which will be responsible for implementing Invuo's B2B strategy. The new management, under John Longhurst, CEO, consists of Martin Schedin and Lars Sandtorv (Head of MeaWallet), and Jonas Lundgren (Head of eProducts).
- MeaWallet has signed an agreement with a major bank in the Nordic region for delivery of MeaWallet's technology for converged wallet, i.e. mobile contactless payments to that specific Nordic country. The contract value is approximately E700,000.
- An agreement with AJ Group brings financial flexibility to Invuo and entails that AJ Group will invest approximately SEK 52million in shares and by acquiring SDS loans.
- MeaWallet, part of Invuo Technologies AB, has signed an agreement with a nonbanking financial institution in the Nordic region for delivery of MeaWallet's technology for Mea Token Platform and Mea Masterpass, i.e. mobile contactless payments and online payments.

## Significant events after the end of the reporting period

- Invuo confirms new timing of AJ Group transaction, and receipt of nonrefundable deposit.

## CONSOLIDATED

---

The group now refers to the new group that includes the segments MeaWallet (MEA B2B), eProducts and Group functions. The numbers and key figures refer to the remaining operations.

### Revenue and result

Invuo' revenues during the first quarter amounted TSEK 28 456 (31 942), which is a decrease with 11% compared with the same period of the previous year. The sales are distributed between the business segment eProducts, with 86 (94) % and 14 (6) % from the business segment MEA B2B.

The consolidated operating loss amounted to TSEK -9 528 (-10 490) in the first quarter. Financial items for the first quarter amounted to TSEK -885 (-1 088). Earnings per share amounted to SEK -0.10 (-0.20) for the quarter.

### Personnel

The Group had a total of 38 (42) employees at end of the quarter. In addition, Invuo has 7 consultants.

### Investments

During the quarter, investments have been made in a total amount of 6.7 (-0.5) million.

### Cash flow and financial position

Cash flow from operating activities amounted to TSEK 6 001 (-6 930) for the first quarter. Cash equivalents amounted at the end of the quarter to TSEK 6 738 (1 368).

The company has no interest-bearing liabilities to banks or other credit institutions.

Invuo has an equity ratio of 75 (44) %.

### Parent Company

The parent company provides and sells internal services to other group companies, primarily within finance, finance, business development, administration and management. The parent company's net sales for the quarter amounted to SEK 909 thousand (1 095) and net financial result amounted to SEK -5 541 thousand (-28 526). Net gains/losses in the parent company from financial items amounted to SEK 898 thousand (-26 485). The parent company had bank deposits/cash on hand in the amount of SEK 4 783 thousand (11). The parent company had 1 (2) employees at the close of the quarter.

### Transactions with closely related parties

During the period, the Group has not had any significant transactions with related parties, other than usual transactions between group companies and associated companies. The transactions have taken place at market terms.

## OTHER

### Accounting Policies

The consolidated accounts have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU as presented in the Group's Annual Report for 2017. The Group's functional currency is Swedish kronor, which is also the reporting currency. This report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Annual Accounts Act. The parent company's financial statements in summary have been prepared in accordance with the Annual Accounts Act and RFR 2 Accounting for Legal Entities.

#### Changed accounting principles from 2018

The Group has begun to apply IFRS 9 Financial Instruments and IFRS 15 Revenue from agreements with customers as of January 1, 2018.

#### Financial instruments: Accounting and valuation. (IFRS 9)

The new write-down model means that provision for loan losses relating primarily to customer and similar receivables is brought forward. All these receivables are booked for the loan losses that are expected to arise during the remaining maturity and not only for those receivables that have demonstrated objective proof of impairment.

#### Revenues from customers (IFRS 15)

IFRS 15 is a comprehensive standard for determining the amount of revenue to be reported and when these revenues are to be reported. The introduction of IFRS 15 has not had any effect on the Group's financial statements in addition to increased disclosure requirements. See table below for the distribution of income.

The parent company and the group's financial statements are not affected by the transition to IFRS 9 and IFRS 15.

#### New accounting principles from 2019

IFRS 16 Leases replace existing IFRSs related to accounting of leases, such as IAS 17 Leases and IFRIC 4 Determining whether an agreement contains a lease. The Group plans to apply the standard from January 1, 2019. IFRS 16 primarily affects lessees and the central effect is that all leases that are currently reported as operating leases are to be reported in a manner similar to the current accounting of financial leases provided that they meet the requirements for reporting as a lease in accordance with IFRS 16. The standard provides for a common leasing standard for accounting for all leases except for lesser leases and contracts with a maturity of no more than 12 months. This means that even for operational leases, assets and liabilities need to be reported, including accounting for depreciation and interest costs, as opposed to today, when no leasing and related liabilities are reported, and leasing fees are recognized on a straight-line basis as leasing costs. The Group has begun the assessment of the potential effects on the financial statements. The most significant impact so far identified is that the Group will need to report new assets and liabilities for its operational leases for office space, which will affect, among other things, key ratios EBITDA and capex. Further information on actual effects will be disclosed when the analysis is completed which is not expected to be completed until the fourth quarter

## Significant risks and uncertainties in the business activities

Invuo's business operations are affected by a number of external factors where various risk factors may have an impact on the Company. These risk factors may result in an impact on the Company's ability to achieve its business objectives or targets. Invuo is in need of additional liquidity. The Board continually assesses the funding situation for the group and can use various methods for financing the current negative cash flow.

This report contains forward looking statements that are based on Invuo's management's current expectations. Even though management believes that the expectations which are stated in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove correct. Accordingly, future results could materially differ from those stated or implied in the forward-looking information due to, among other things, changes in economic, market and competitive conditions, changes in the regulatory environment and other political or governmental measures, fluctuations in exchange rates, and other factors.

The Parent Company has ongoing tax litigation with the Swedish Tax Authorities. The maximum exposure is SEK 6 million. The amount is paid in and an appeal has been sent in by the Company. One of the subsidiaries of the Group has an ongoing tax audit.

For further reference, please refer to the statement in the latest Annual Report on its pages 16-21 and 69.

## BUSINESS SEGMENTS

Invuo operations consists of two business areas - eProducts and MEA B2B. Group functions relate to non-allocated expenses.

|                 | Net Sales, SEK thousand |           |           | Growth, Net Sales compared to last year |           |           |
|-----------------|-------------------------|-----------|-----------|---|-----------|-----------|
|                 | Jan-March               | Jan-March | Full-Year | Jan-March                               | Jan-March | Full-Year |
|                 | 2018                    | 2017      | 2017      | 2018                                    | 2017      | 2017      |
| MEA (B2B)       | 3 868                   | 2 057     | 8 774     | 88%                                     | -         | -         |
| Eproducts       | 24 587                  | 29 885    | 118 383   | neg                                     | neg       | neg       |
| Group functions | 0                       | -         | -         | -                                       | -         | -         |
| Invuo Group     | 28 456                  | 31 942    | 127 157   | neg                                     | neg       | neg       |

|                 | Operating Result, SEK thousand |           |           | Operating Margin |           |           |
|-----------------|--------------------------------|-----------|-----------|------------------|-----------|-----------|
|                 | Jan-March                      | Jan-March | Full-Year | Jan-March        | Jan-March | Full-Year |
|                 | 2018                           | 2017      | 2017      | 2018             | 2017      | 2017      |
| Total           | -5 839                         | -3 067    | -24 525   | neg              | neg       | neg       |
| MEA (B2B)       | -179                           | -739      | -4 551    | neg              | neg       | neg       |
| Eproducts       | -3 511                         | -6 684    | -43 155   | neg              | neg       | neg       |
| Group functions | -9 529                         | -10 490   | -72 231   | neg              | neg       | neg       |
| Invuo Group     |                                |           |           |                  |           |           |

### MeaWallet

Our primary focus in 2018 is on the Eurasian opportunity-set with our Mea Token Platform (MeaTP) and associated services.

Europe's banks and non-bank financials have fully awoken to the need to provide mobile-device enabled wallet capabilities. In fact, in some countries we now see what amounts to an "organised panic" to have some level of wallet capability, largely driven by the OEM Pays.

For MeaWallet, the market for MeaTP and associated products and services, is accelerating and broadening at the same time. Whilst we signed two orders in Q1, our success rate in 'finals' was above 30%, and our pipeline of prospects expanded strongly. This bodes well for the rest of the year.

Right now, the market can be broadly divided into "large West European banks", "West Europe card processors and Mid-Sized banks", "Central/East European banks (inc The Stans)", and "fintech disruptors". Each group is now moving fast, but each has very different dynamics to be navigated successfully.

#### Large West-European banks

Many of these have already enabled tokenisation, especially those in markets where the big OEM Pays have been live for a while. Generally, it is difficult to win deals in this segment. While there are opportunities to provide our TR-TSP (for additional features for the bank) or the full MeaTP with offering of lower TCO than their existing service, there are structural challenges. As the opportunity for our products with a number of these banks are limited, we will allocate resource accordingly.

Many other large banks are pursuing a dual approach. On the one hand, for their existing customers, many are turning to incumbent payment solution vendors to provide tokenisation capability, even when such vendors have offerings that are more expensive or less “future-proofed” than MeaWallet’s. We are at times invited to bid, but largely to keep existing vendors ‘honest’, and our real chances of breaking in are lower than for other segments of the market. Whilst we will continue to bid for such contracts, we will only do so when we believe we have strong buy-in from large-bank IT departments, which tend to have final say on who gets a contract (as opposed to Business Development departments).

In contrast, where large banks seek to develop new products for new customer pools, e.g. pan-European capability (often to counter FinTech disruptors), Business Development gatekeepers often have ‘final say’, and are also very innovative in how they want to shape offerings. These are excellent opportunities, and also for us to consider offering turnkey solutions. We see this latter development as a key opportunity moving forward and we are investing accordingly.

#### **West European Card Processors and Mid-Sized Banks**

These customer categories have been the source of around 50% of our sales to-date. They have the same urgency as large banks, but have shorter decision cycles and fewer legacy system connectivity challenges. These segments are a major focus for us. Our strong relationship with Mastercard is proving to be a key enabler (with banks of all sizes). We are looking to expand our processor footprint in the period ahead.

#### **Central and East European Banks/non-bank financials**

This segment presents a major opportunity and a source of good orders to-date. Legacy system integration is often a smaller factor vs West European banks, and decision-making layers are lower in general than for West European peers. However, given the lower GDP/capita in many of these markets, price is a bigger factor in the final decision. MeaWallet competes against Central European vendors that offer basic capability at a very low price, and we are adjusting our offering structures to maintain competitiveness, whilst retaining the long term benefits that will accrue from incumbency. We are aggressively shifting to fast-scale production, and this will assist our marginal costs.

#### **Fintech disrupters**

This is another key area of focus. Decision cycles are in general very short, and there is usually recognition of having future-proofing/upgrade capability in a fast evolving ecosystem. Our proven track record of on-time, on budget, with very high quality is a competitive differentiator.

Overall for a MeaWallet, 2018 has started well in many respects, and we are adapting rapidly to the differing competitive aspects within a fast growing, and even faster evolving market. Whilst MeaTP will remain our core product in 2018/19, turnkey/bundles are already on the horizon, as we move toward a full Digital Payment Platform offering.

Underpinning our competitive position is our almost unique array of technical achievements and partnerships in this ecosystem, having relationships with all the major schemes. With the experience gained from the pivots the market has seen before stabilising, we provide to the market a technologically and functionally superb solution, as proven by the certifications received. This will be even further underlined in Q2 and Q3, positioning MeaWallet as a top global digital vendor for banks.

MeaWallet remains on track to sign 20 orders this year. Q1 has provided a lot of clarity on where we should focus our resource, and how we need to position competitively to deliver success.



## eProducts

We operate in three very different markets; Denmark, Sweden and Greenland. We exited Latvia in H2 2017 due to structural losses and little chance of improvement.

In Denmark/Greenland, we have ongoing success coming from our product agility and competitive pricing. Danish retail clients appreciate our approach and support. We believe we can profitably raise our market share over the next 2-3 years, without triggering the kinds of market behaviours that have plagued the Swedish market. Denmark is around 2% of our current revenues.

Greenland is a niche market where we gained first mover advantage. We aim to increase our market presence steadily over the next 12-18 months. Quality of client service is a key focus.

Sweden has been our primary market, but is being de-emphasised in terms of shareholder resource allocation in the short-term. Sweden is a mature market in some senses, but steady immigration has created large revenue pools for us to support.

We have made fundamental changes to how we do business in Sweden. We have always been a low cost provider, but have taken costs down further. We are lean.

For many years, eProducts and its main Swedish competitor stood in the boxing ring, throwing away shareholder resources year after year in the hope that the other fighter would collapse with financial exhaustion. The primary winners have been retail chains, which have gladly taken low prices, and imposed disadvantageous payment terms. This has resulted in suppliers like eProducts becoming 'banks'. In turn, these poor payment terms have historically been passed in large part to our own suppliers, principally the telecom providers.

Two key factors have changed:

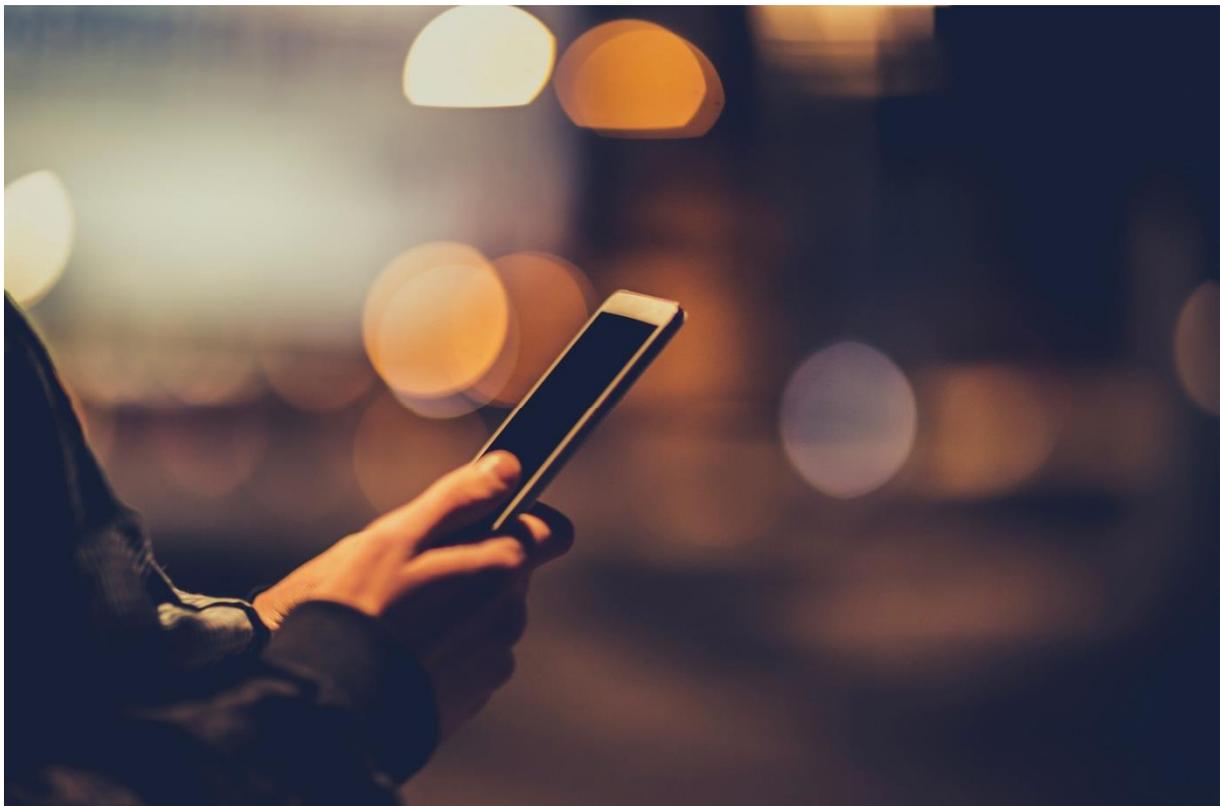
First, we are no longer accepting loss-making contracts, and we will exit those contracts where there is no chance of us making a profit. If our competitor's shareholders wish to take on these loss-making contracts, good luck to them. We want to generate profits for our shareholders. Winning large clients in Sweden will remain difficult, not only due to structural price/payment term expectations, but also due to incumbency and

the administrative burden on retail chains of making a change. We are having success with smaller, new, and niche retailers. These are profitable areas of business where reasonable win-win solutions can be negotiated.

Secondly, the telecom providers in Sweden have woken up to the fact that they aren't banks either. For eProducts, we have been conducting intense efforts to unwind telecom supplier credit exposure in an orderly fashion, that will hopefully leave us better positioned for business opportunities going forward. We want our telecom vendors to see us as a good actor, and for eProducts to benefit in future win-wins in a competitive context.

One factor for Swedish retailers and telecom providers alike to consider, is whether they want a monopoly supplier in the Swedish top-up market, and the pricing/payment terms that would come with that.

Looking at eProducts overall, H1 2018 will see pluses and minuses from the various actions we are taking. Reducing costs involves upfront cost, and providing high quality and reliable service also involves cost. These will affect our H1 financial performance, but we are confident that H2 will see multiple benefits from our current efforts, particularly in raising certain service fees, pass-through on costs, and exiting loss-making business, as well as mitigating selected supplier contracts. We remain on track to move into EBIT profit during this year.



## FINANCIAL INFORMATION - CONSOLIDATED

The numbers and key figures refer to the remaining operations

### Group report over total earnings

| SEK thousand  | Jan-March<br>2018 | Jan-March<br>2017 | Full-Year<br>2017 |
|---|-------------------|-------------------|-------------------|
| Net Sales   | 28 456            | 31 942            | 127 157           |
| Other operating income  | 1 016             | 182               | 8                 |
| Material costs  | -25 249           | -28 681           | -115 809          |
| Other external costs  | -1 654            | -2 705            | -18 766           |
| <i>of which capitalized development costs</i>   | <i>3 266</i>      | <i>1 761</i>      | <i>4 593</i>      |
| Personnel costs   | -8 785            | -10 206           | -48 179           |
| Depreciation  | -3 312            | -634              | -14 037           |
| Other operating costs   | -                 | -388              | -2 605            |
| <b>Operating result</b>   | <b>-9 528</b>     | <b>-10 490</b>    | <b>-72 231</b>    |
| Financial net   | 885               | -1 088            | -18 988           |
| Share of profit after tax from associated companies, reported using the equity method | -                 | -                 | -                 |
| <b>Profit before tax</b>  | <b>-8 643</b>     | <b>-11 578</b>    | <b>-91 219</b>    |
| Income tax  | 318               | 37                | -27 097           |
| <b>Profit for the period from remaining operations</b>                                | <b>-8 325</b>     | <b>-11 541</b>    | <b>-118 316</b>   |
| <b>Profit for the period divested operations and operations under sale</b>            | <b>-</b>          | <b>-13 687</b>    | <b>50 590</b>     |
| - of which SDS  | -                 | 6 230             | 160 548           |
| - of which SEQR B2C   | -                 | -19 738           | -93 056           |
| - of which eProducts Latvia   | -                 | -180              | -16 902           |
| <b>Result of the period</b>   | <b>-8 325</b>     | <b>-25 229</b>    | <b>-67 726</b>    |
| <br><b>OTHER COMPREHENSIVE INCOME</b>   |                   |                   |                   |
| Currency translation differences  | 837               | -134              | -1 299            |
| <b>Total comprehensive income attributable to parent company shareholders</b>         | <b>-7 488</b>     | <b>-25 362</b>    | <b>-69 025</b>    |

The numbers and key figures refer to the remaining operations

## Consolidated Balance Sheet

| SEK thousand                              | 31 March<br>2018 | 31 March<br>2017 | 31 Dec<br>2017 |
|---|------------------|------------------|----------------|
| <b>ASSETS</b>                             |                  |                  |                |
| Intangible assets                         | 50 455           | 36 452           | 48 240         |
| - of which goodwill                       | 7 934            | 6 067            | 7 655          |
| - of which capitalized development costs  | 24 677           | 8 140            | 22 385         |
| - of which customer agreements            | -                | 618              | -              |
| - of which other intangible assets        | 17 844           | 21 627           | 18 201         |
| Tangible fixed assets                     | 1 896            | 8 768            | 2 313          |
| Holdings reported using the equity method | 161              | -                | 161            |
| Deferred tax                              | -                | 27 757           | -              |
| Other long-term receivables               | 38 401           | 489              | 37 474         |
| Inventories of finished goods             | 1 803            | 2 793            | 2 831          |
| Accounts receivables                      | 13 847           | 14 194           | 13 762         |
| Other receivables                         | 14 824           | 11 325           | 47 423         |
| Prepaid expenses and accrued income       | 7 273            | 5 390            | 7 542          |
| Cash and cash equivalents                 | 6 737            | 1 368            | 3 443          |
| <i>Total assets held for sale</i>         | -                | 140 640          | -              |
| - of which SEQR B2C                       | -                | 89 099           | -              |
| - of which eProducts Latvia               | -                | 2 809            | -              |
| - of which SDS                            | -                | 48 732           | -              |
| <b>Total assets</b>                       | <b>135 397</b>   | <b>249 176</b>   | <b>163 189</b> |
| <b>EQUITY AND LIABILITIES</b>             |                  |                  |                |
| Equity                                    | 101 137          | 110 761          | 108 716        |
| Appropriation                             | 146              | 166              | 143            |
| Other non-current liabilities             | 125              | 6 402            | 125            |
| Deferred tax liability                    | 4 310            | 92               | 4 470          |
| Trade accounts payable                    | 17 416           | 17 072           | 23 273         |
| Current tax liability                     | -                | 721              | 12             |
| Other current liabilities                 | 4 140            | 44 983           | 4 387          |
| Accrued expenses and deferred income      | 8 123            | 10 047           | 22 063         |
| <i>Total liabilities held for sale</i>    | -                | 58 932           | -              |
| - of which SEQR B2C                       | -                | 10 174           | -              |
| - of which eProducts Latvia               | -                | 2 157            | -              |
| - of which SDS                            | -                | 46 601           | -              |
| <b>Total Equity and Liabilities</b>       | <b>135 397</b>   | <b>249 176</b>   | <b>163 189</b> |

## Consolidated statement of changes in Equity

| SBK thousand                        | Jan-March<br>2018 | Jan-March<br>2017 | Full-YBar<br>2017 |
|-------------------------------------|-------------------|-------------------|-------------------|
| <b>Balance at start of period</b>   | <b>108 716</b>    | <b>135 762</b>    | <b>135 762</b>    |
| Comprehensive income for the period | -7 488            | -25 362           | -69 025           |
| New share issue                     | -                 | -                 | 41 975            |
| Transaction costs                   | -91               | -                 | -5 995            |
| Reclassification                    | -                 | -                 | -1                |
| Options program                     | -                 | 361               | -                 |
| Share repurchase                    | -                 | -                 | 6 000             |
| <b>As per end of the period</b>     | <b>101 137</b>    | <b>110 761</b>    | <b>108 716</b>    |

The numbers and key figures refer to the remaining operations

## Consolidated statement of cash flows

| SEK thousand  | Jan-March<br>2018 | Jan-March<br>2017 | Full-Year<br>2017 |
|---|-------------------|-------------------|-------------------|
| Cash flow from operations before changes in working capital | -6 340            | -4 988            | -76 025           |
| Change in working capital                                   | 12 341            | -1 942            | -28 911           |
| Cash flow from operating activities                         | 6 001             | -6 930            | -104 936          |
| Cash flow from investing activities                         | -6 731            | -476              | 136 771           |
| Cash flow from financing activities                         | 4 173             | 131               | -590              |
| <b>Cash flow during the period</b>                          | <b>3 443</b>      | <b>-7 275</b>     | <b>31 245</b>     |
| <i>Cash flow from divested operations</i>                   | -                 | -                 | <b>-36 133</b>    |
| Cash and cash equivalents at beginning of period            | 3 443             | 8 663             | 8 663             |
| Exchange difference of cash and cash equivalents            | -148              | -20               | -333              |
| <b>Cash and cash equivalents at end of period</b>           | <b>6 738</b>      | <b>1 368</b>      | <b>3 443</b>      |

## Key figures

|  | Jan-March<br>2018 | Jan-March<br>2017 | Full-Year<br>2017 |
|--|-------------------|-------------------|-------------------|
| Return on equity   | neg               | neg               | neg               |
| Earnings per share, basic and diluted, SEK               | -0.10             | -0.20             | -2.01             |
| Operating income, SEK thousand                           | -9 528            | -10 490           | -72 231           |
| Growth Net sales (compared to the same period last year) | neg               | neg               | neg               |
| Operating margin   | neg               | neg               | neg               |
| Average number of shares, basic and diluted              | 82 084 955        | 58 765 305        | 58 830 082        |
| Liquidity  | 144%              | 44%               | 145%              |
| Equity ratio   | 75%               | 44%               | 67%               |
| Equity, SEK thousand                                     | 101 137           | 110 761           | 108 716           |
| Equity per share, SEK                                    | 1.23              | 1.88              | 1.32              |
| Number of employees at end of period                     | 38                | 42                | 39                |

## Quarterly overview

|  | Q3 2016 | Q4 2016 | Q1 2017 | Q2 2017 | Q3 2017 | Q4 2017 | Q1 2018 |
|--|---------|---------|---------|---------|---------|---------|---------|
| Net sales                                    | 37 782  | 34 064  | 31 942  | 34 513  | 31 541  | 29 161  | 28 456  |
| Operating result                             | -10 796 | -4 137  | -10 489 | -14 566 | -33 500 | -13 676 | -9 528  |
| Earnings per share, basic and diluted*       | -0.38   | -0.10   | -0.43   | -0.65   | -1.07   | -0.46   | -0.10   |
| Growth Net sales (compared to prev. quarter) | 5%      | neg     | neg     | 8%      | neg     | neg     | neg     |
| Liquidity                                    | 54%     | 42%     | 44%     | 46%     | 88%     | 145%    | 144%    |
| Equity ratio                                 | 59%     | 54%     | 44%     | 30%     | 68%     | 67%     | 75%     |
| Equity, SEK thousand                         | 155 723 | 135 762 | 110 761 | 77 741  | 128 875 | 108 716 | 101 137 |
| Equity per share, SEK                        | 2.65    | 2.25    | 1.88    | 1.32    | 2.19    | 1.32    | 1.23    |

## FINANCIAL INFORMATION – PARENT COMPANY

### Parent company income statement

| SEK thousand                 | Jan-March<br>2018 | Jan-March<br>2017 | Full-Year<br>2017 |
|------------------------------|-------------------|-------------------|-------------------|
| Net sales                    | 909               | 1 095             | 4 128             |
| Other operating income       | -                 | -                 | 5                 |
| Operating expenses           | -7 348            | -3 136            | -23 869           |
| <b>Operating result</b>      | <b>-6 439</b>     | <b>-2 041</b>     | <b>-19 736</b>    |
| Net financial items          | 898               | -26 485           | 3 818             |
| <b>Earnings before tax</b>   | <b>-5 541</b>     | <b>-28 526</b>    | <b>-15 918</b>    |
| Income tax                   | -                 | -                 | -12 225           |
| <b>Income for the period</b> | <b>-5 541</b>     | <b>-28 526</b>    | <b>-28 143</b>    |

### Parent company balance sheet

| SEK thousand                        | 31 March<br>2018 | 31 March<br>2017 | 31 Dec<br>2017 |
|-------------------------------------|------------------|------------------|----------------|
| <b>ASSETS</b>                       |                  |                  |                |
| Fixed assets                        | 64 666           | 17 346           | 63 741         |
| Total current assets                | 65 603           | 154 288          | 87 898         |
| <b>Total Assets</b>                 | <b>130 268</b>   | <b>171 634</b>   | <b>151 639</b> |
| <b>EQUITY AND LIABILITIES</b>       |                  |                  |                |
| Equity                              | 98 839           | 62 109           | 104 472        |
| Short-term liabilities              | 31 429           | 109 525          | 47 167         |
| <b>Total equity and liabilities</b> | <b>130 268</b>   | <b>171 634</b>   | <b>151 639</b> |
| Pledged assets                      | -                | -                | -              |
| Contingent liabilities              | None             | None             | None           |

## Invuo's share Jan-March 2018

|                                 |                 |
|---------------------------------|-----------------|
| Price trend first quarter       | 35.29 %         |
| Ticker symbol                   | INVUO           |
| Market Cap (per 31 Mar)         | SEK 189 million |
| High                            | SEK 3.04        |
| Low                             | SEK 0.95        |
| Total no of shares (per 31 Mar) | 80 084 955      |

## FINANCIAL CALENDAR

|              |                        |
|--------------|------------------------|
| 26 Apr 2018  | Annual General meeting |
| 19 July 2018 | Interim report Q2      |
| 22 Nov 2018  | Interim report Q3      |

## About Invuo

Invuo has two main business areas: Mobile payment solutions provided under the trademarks of MeaWallet™ and distribution of eProducts. [www.invuo.com](http://www.invuo.com)

Invuo's interim report for the period Jan-March 2018 has been approved for publication by the Board of Directors, by its decision on April 24, 2018. This financial report has not been subjected to a review by the Company's auditors.

## Certification

The Board of Directors and the CEO for Invuo Technologies AB (publ) declare that the report gives a true and fair view of the Company and Group's business operations, financial position and financial results in terms of net profits/losses, and describes the principal risks and uncertainties that the Company, and the companies included in the Group, face.

Stockholm April 24, 2018

Tomas Jalling  
Chairman of the Board of Directors

Petra Sas  
Member of the Board

Robin Saunders  
Member of the Board

John Longhurst  
CEO

Invuo Technologies AB (publ), Corporate identification no. 556610 – 2660  
All information is published on [www.invuo.com](http://www.invuo.com) immediately after public release.

### CONTACT DETAILS

For further information, please contact:  
Martin Schedin, CFO/IR  
[martin.schedin@invuo.com](mailto:martin.schedin@invuo.com) +46 8 564 878 00

**Definitions**

*Return on equity capital (%)*

Net profit/loss for the quarter as a percentage of the average equity capital. Included to help investors get an idea of the return on equity capital.

*Average number of shares before and after dilution*

Average number of shares before and after dilution. Included to help investors get an idea of how the number of shares has changed over time.

*Cash liquidity*

Current assets, excluding inventories and ongoing works, as a percentage of short-term liabilities

*Net sales growth*

Net sales compared to the previous period, as a percentage.

*Earnings per share, before and after dilution*

Net profit/loss for the quarter derived from the Company's shareholdings divided by the average number of shares before and after dilution in the same period. Included to help investors get an idea of the earnings per share for the quarter

*Operating margin (%)*

Earnings Before Interest and Taxes (EBIT) as a percentage of the operating income. Included to help investors get an idea of the Company's profitability.

*Equity ratio (%)*

Shareholder equity as a percentage of the balance sheet total. Included to help investors get an idea of how much of the assets consist of equity capital