

Good order intake of smaller orders - but continued delay in larger ones



SEK in millions	2021	2020	Δ %	2021	2020	Δ %	2020
	Q3	Q3		Jan-Sep	Jan-Sep		Full year
Revenue	142.7	118.7	20	440.8	359.2	23	532.0
Gross profit	82.4	59.8	38	254.6	206.9	23	309.0
Gross margin, %	57.7	50.3		57.8	57.6		58.1
EBITDA	8.3	19.1	-56	57.4	62.7	-8	108.1
EBITDA margin, %	5.8	16.1		13.0	17.4		20.3
Operating profit/loss	-3.4	16.4	-121	23.6	55.2	-57	95.4
Operating margin, %	-2.4	13.8		5.3	15.4		17.9
Profit/loss for the period	-2.8	6.2	-146	13.2	33.7	-61	61.2
Earnings per share, SEK	-0.06	0.14	-145	0.30	0.76	-61	1.39
Order intake	164.9	212.1	-22	466.1	409.7	14	525.7
Order book	210.4	183.1	15	210.4	183.1	15	123.2

“During the quarter we have seen a continued good intake of smaller orders, but in terms of larger orders we are still seeing a pandemic-related delay. This is mainly due to customers’ purchasing processes taking longer than before, difficulties in implementing tests and temporary changes in budget priorities among some customers. However, our assessment is that INVISIO has not lost any orders or procurements. To date during the pandemic, we have not been affected by delivery problems or component shortages, but we are now seeing slightly longer lead times. This may affect our normally fast customer deliveries in the fourth quarter and the beginning of 2022. All in all, however, conditions for strong and sustainable growth continue to be very good.”

Lars Højgård Hansen, CEO

IMPORTANT EVENTS DURING THE QUARTER

- INVISIO entered a sales and distribution partnership for the Intercom system with the RIB boat manufacturer Zodiac.
- The Intercom system was certified for use in some Black Hawk helicopters.

IMPORTANT EVENTS AFTER THE QUARTER

- INVISIO signed a distribution agreement with SkyRunner, manufacturer of ultralight aircraft for professional use.

Good order intake of smaller orders – but continued delay in larger ones

During the quarter we have seen a continued good small and medium order intake. However, for larger projects and orders we are still seeing pandemic related delays. This is mainly due to customers' more extensive purchasing processes taking longer than before and challenges in implementing tests. In addition, some organizations have had to make temporary changes in budget priorities that impact purchases negatively.

In this context it should be pointed out that in our assessment INVISIO has not lost any order or procurement. Delays and deferrals have affected the entire market.

Despite the lack of larger orders, order intake in the quarter was SEK 164.9 million (212.1). The level of order intake is a clear sign of strength and a direct consequence of a larger customer base and broader offer.

At the close of the period INVISIO's order book amounted to SEK 210.4 million (183.1). To date during the pandemic, we have not been affected by delivery problems or component shortages, but we are now seeing slightly longer lead times. This may affect our normally fast customer deliveries in the fourth quarter and the beginning of 2022.

Weak sales of INVISIO products in the quarter

Total revenue in the quarter was SEK 142.7 million (118.7), an increase of 20 per cent compared with the corresponding quarter in the previous year. The pandemic related challenges have mainly affected revenues from products under the INVISIO brand. Revenues from products under the Racal Acoustics brand continue to develop positively and amounted during the quarter to SEK 57 million. The difference can be explained by the fact that the market for Racal Acoustic's products is more mature and has a larger share of recurring sales.

The gross margin was 57.7 per cent (50.3). The margin level mainly depends on the product and sales mix, which may vary over time.

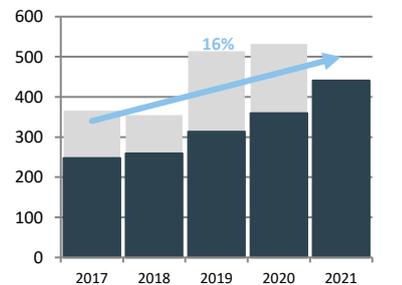
The operating profit (EBIT) was SEK -3.4 million (16.4), which is not satisfactory. The operating profit is in particular a consequence of the negative sales growth for INVISIO's product line and higher costs. The cost increases are due to organizational development in line with our growth strategy and consolidation of Racal Acoustics, as well as substantially increased depreciation. The higher depreciation is a consequence of launching several new products on the market in the past twelve months.

However, compared with the second quarter of 2021, operating expenses are at approximately the same level, with the exception of acquisition related non-recurring costs.



Lars Højgård Hansen, CEO

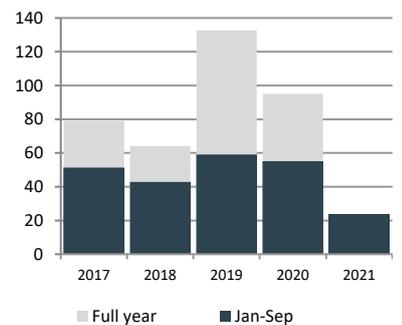
Sales (SEK million)



Full year Jan-Sep CAGR

CAGR refers to the past 20 quarters

EBIT (SEK million)



The average EBIT margin for the past 20 quarters was 18 per cent.

Sales of products under the Racal Acoustics brand continue to show positive growth.

Well-equipped for utilizing market opportunities

The demand for our world leading products is growing as requirements concerning communications equipment grow and as awareness of the consequences of hearing loss become increasingly known. Through the efforts we have made in recent years we are now better equipped than ever before. We have further developed the product portfolio, broadened the customer base, established ourselves in new geographies and strengthened our sales organization.

The underlying conditions for strong and sustainable growth continue to be very good.

We have also developed a new, AI-based technology platform. This enables a considerably higher degree of flexibility in developing and launching new functions and customized solutions. The AI-platform is a clear example of how we use technical innovation to continually drive development forward in our industry and thereby increase our advantage over our competitors.

Great interest in the Intercom system

We note continued strong interest in the recently launched Intercom system:

Cooperation with two partners

INVISIO has initiated sales and distribution partnership with Zodiac and signed a distribution agreement with SkyRunner for the use of the Intercom system in RIB boats and ultralight aircraft.

Great interest in the Intercom system.

The Intercom system is used in Black Hawk helicopters

Interest in using the Intercom system in helicopters is strong. During the third quarter the system was certified by a number of customers for use in Black Hawk helicopters and is already in use today in live environments. The successes constitute an important reference in future marketing.

Evaluation projects are currently ongoing with several potential customers in Europe and the USA and with several manufacturers and outfitters of transport vehicles, boats and helicopters. It is worth remembering, however, that when it comes to volume orders, considerable time often passes between initial tests and an order.

Strong growth opportunities despite short-term challenges

Despite this year's development, we are convinced that our long-term investments in organizational structure and broadened product portfolio will take the company to the next level.

Clear signs that the market situation is beginning return to the more normal.

As regards market development in the short perspective, we see clear signs that the situation, as vaccines are rolled out, is starting to return to something more normal. We are also noticing considerably increased activity as regards physical trade fairs and exhibitions. One example of this is that the two large trade exhibitions, AUSA in Washington DC and Milipol in Paris, could be arranged now in October. All this in combination of course facilitates marketing and sales work quite significantly.

The pandemic impacted sales in 2020 and 2021 negatively – but the underlying conditions for strong and sustainable growth continue to be very good.

Lars Højgård Hansen, CEO

Sales and profit

Third quarter 2021

Sales in the third quarter amounted to SEK 142.7 million (118.7), which is an increase of 20 per cent compared with the corresponding period in the previous year. Adjusted for exchange rate effects, sales increased by 22 per cent. Sales of products under the INVISIO brand amounted in total to SEK 85.7 million (118.7). Sales of the Racal Acoustics product line continued to show strong growth, contributing SEK 56.9 million in total.

The order intake in the quarter was SEK 164.9 million (212.1). The decrease compared with the corresponding quarter in the previous year was mainly due to the absence of major orders. As regards small and medium-sized orders, intake continued to be good.

The order book amounted to SEK 210.4 million (183.1) at the close of the quarter. Most of INVISIO's deliveries take place in the two quarters directly following receipt of orders. Deliveries of products sold under the Racal Acoustics brand may, however, lie further in the future. It is not unusual for a first part-delivery to be within six months and the following deliveries within 12-24 months, in accordance with the customers' roll-out plans.

Gross profit was SEK 82.4 million (59.8) and the gross margin was 57.7 per cent (50.3). The growth was mainly due to changes in the product mix and an increased share of direct sales to end customers.

Operating expenses in the quarter were SEK 85.7 million (43.7). The increase refers to a larger organization in accordance with the growth strategy, consolidation of Racal Acoustics and substantially increased depreciation/amortization.

Compared with the previous quarter operating expenses are at approximately the same level, with the exception of acquisition related non-recurring costs.

Depreciation/amortization in the quarter amounted to SEK 11.7 million (2.7). The higher level is mainly due to depreciation of several completed development projects. During the period this depreciation amounted to SEK 4.9 million, compared with SEK 1.2 million in the corresponding period in 2020. Of the remaining SEK 6.8 million (1.5), SEK 3.0 million (-) 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 2.1 million (1.1) is also included, as well as depreciation of property, plant and equipment of SEK 1,7 million (0.4). For further information, please see Note 3 on page 15 of this report.

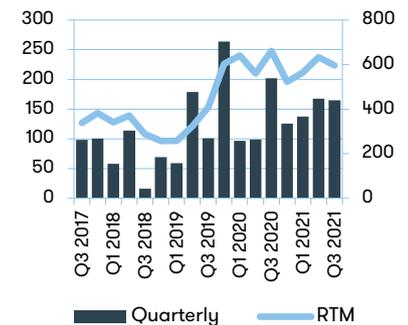
EBITDA was SEK 8.3 million (19.1), which resulted in a margin of 5.8 per cent (19.1). The rolling twelve-month EBITDA margin was 17 per cent (25).

The operating profit was SEK -3.4 million (16.4). The operating margin was -2.4 per cent (13.8).

During the quarter development costs of SEK 1.5 million (4.0) were capitalized.

Net financial income was SEK 1.0 million (-8.2).

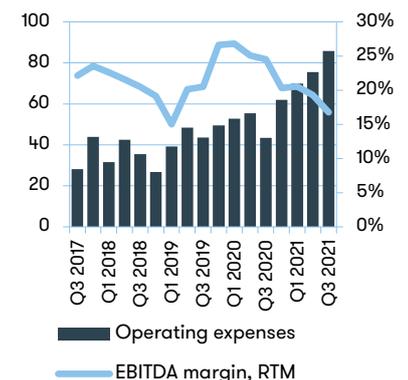
Order intake per quarter and rolling 12 months (SEK million)



Sales per quarter and rolling 12 months (SEK million)



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



Profit/loss before tax amounted to SEK -2.3 million (8.2) and profit/loss for the period was SEK -2.8 million (6.2). Earnings per share were SEK 0.06 (0.14).

The period January to September 2021

Sales in the period January to September 2021 amounted to SEK 440.8 million (359.2), an increase of 23 per cent compared with the corresponding period in 2020. After currency adjustment growth was 27 percent. In the period February to September Racal Acoustics contributed SEK 112.0 million.

Gross profit was SEK 254.6 million (206.9) and the gross margin was 57.8 per cent (57.6).

Operating expenses for the first nine months of 2021 were SEK 231.0 million (151.6).

During the period development costs of SEK 10.9 million (15.1) were capitalized. Operating expenses include depreciation of capitalized development costs of SEK 14.0 million (2.9). The higher level is mainly due to amortization of a number of completed development projects and amortization of other intangible assets arising in connection with the acquisition of Racal Acoustics. This also includes amortization of rights of use (leasing) and amortization of tangible assets. For further information, see Note 3 on page 15 of this report.

EBITDA was SEK 57.4 million (62.7), which resulted in a margin of 13.0 per cent (17.4).

Operating profit for the period was SEK 23.9 million (55.2) and the operating margin was 5.3 per cent (15.4).

Net financial income was SEK -2.1 million (-9.1).

Profit before tax amounted to SEK 21.4 million (46.1) and profit for the period was SEK 13.2 million (33.7). Earnings per share were SEK 0.30 (0.76).

Cash flow, investments and financial position

Cash flow and investments

The Group's cash flow for the period January to September 2021 was SEK -40.1 million (-22.0), of which cash flow from operating activities was SEK 67.9 million (35.2) and cash flow from investing activities was SEK -188.0 million (-17.8). Cash flow from financing activities was SEK 80.0 million (-39.4), of which SEK 90.0 million (-) was loans taken up including amortization.

During the period the Group's investments amounted to SEK 188.0 million (17.8), of which SEK 185.6 million referred to investments in the subsidiary Racal Acoustics and SEK 10.9 million (15.1) was capitalized development costs and SEK 3.4 million (2.7) was net investment in property, plant and equipment.

During the period the Group sold the rights to a product line that had previously been licensed out by Racal Acoustics. The selling price was SEK 12.1 million and has a direct impact on cash flow. The sale did not affect profit.

The inventory value at the close of the quarter amounted to SEK 117.6 million (143.8)

14%

Investments in R&D for 2016-2020 amounted to an average of 14 per cent per year of the company's total revenue.

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 120.9 million (123.7). Group equity at the close of the period amounted to SEK 406.6 million (368.2), which gave an equity/assets ratio of 58 per cent (73).

Parent company

Net sales for the parent company for the period January to September 2021 amounted to SEK 0.0 million (0.0). The operating profit was SEK -6.4 million (-6.5). Net financial income was SEK -2.4 million (50.2).

At the close of the quarter the parent company's cash and bank balances amounted to SEK 13.7 million (38.5). Equity amounted to SEK 222.6 million (123.4), which gave an equity/assets ratio of 70 per cent (96). 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 185 (122) at the close of the period. Of the employees, 153 were men (101) and 32 women (21).

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 anticipated risks and to assess how each respective risk is to be managed. INVISIO's 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 2020.

Financial instruments

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

Nominating Committee for the Annual General Meeting 2022

Ahead of the Annual General Meeting to be held in 2022 the members of the Nominating Committee are Elisabet Jamal Bergström, chair of the Nominating Committee, appointed by SEB Investment Management, Simon Vesterby Kold, appointed by Novo Holdings and Lennart Francke, appointed by Swedbank Robur Fonder as well as the Chair of the Board Annika Andersson.

Shareholders who wish to submit proposals to the Nominating Committee can email to ir@invisio.com or send an ordinary letter to: The Nominating Committee, INVISIO AB, P O Box 151, SE 201 21 Malmö. To enable the Nominating Committee to process proposals submitted, they should have been received by the Nominating Committee at the latest by December 31, 2021.

Annual General Meeting for the 2021 financial year

INVISIO's Annual General Meeting for the 2021 financial year will be held in Stockholm on May 4, 2022, at 13:00. Shareholders wishing to have a matter considered at the Annual General Meeting can send a written request by email to ir@invisio.com or by ordinary mail addressed to: The Board of Directors, INVISIO AB, 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.

Financial calendar

Year-end report 2021	February 14, 2022
Interim report January - March 2022	April 27, 2022
Annual General Meeting 2022	May 4, 2022, 13.00

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

Stockholm, October 28, 2021.

Annika Andersson
Chair of the Board

Charlotta Falvin
Board member

Ulrika Hagdahl
Board member

Lage Jonason
Board member

Martin Krupicka
Board member

Charlott Samuelsson
Board member

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 October 28, 2021, at 14.00 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 Friday, October 29, at 10:00, when the President and CEO Lars Højgård Hansen will present INVISIO's interim report.

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) 856618467, (Free of charge): +46 (0) 200125160

Denmark (Local number):

+45 32720417, (Free of charge): +45 80711246

United Kingdom (Local number):

+44 (0) 8444819752, (Free of charge): +44 (0) 8002796619

Germany (local number):

+49 (0) 6922222625, (Free of charge): +49 (0) 8007234756

France (Local number):

+33 (0) 170700781, (Free of charge): +33 (0) 805101465

Switzerland (Local number):

+41 (0) 445807145, (Free of charge): +41(0) 800000367

Conference-ID: 618 1206

Webcast

To follow the presentation online, use the link below:

<https://edge.media-server.com/mmc/p/4tidytzuh>

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 the military and defense as well as law enforcement and security in the USA, 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 about 90 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 and the United Kingdom. Sales are also via a global network of partners and resellers. Major business transactions are normally via procurements, which often take a long time due to extensive administrative processes and customer tests. INVISIO has long-term framework agreements with defense and law enforcement authorities in the USA, Canada, the United Kingdom, Australia, Sweden and Denmark.

Uneven order flow and sales

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

An organizational structure focused on core business

INVISIO focuses on development, marketing and sales, while selected contract manufacturers are responsible for manufacturing the products. Outsourcing manufacture 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 2016-2020 average sales grew annually by just over 18 per cent and the average operating margin was just over 22 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

Auditor's review report

INVISIO AB org nr 556651-0987

Introduction

We have reviewed the condensed interim financial information (interim report) of INVISIO AB as of 30 September 2021 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Malmö, October 28, 2021

PricewaterhouseCoopers AB

Mats Åkerlund
Authorized Public Accountant
Auditor in charge

Condensed consolidated income statement and consolidated statement of comprehensive income

SEK in millions	Note	2021 Q3	2020 Q3	2021 Jan-Sep	2020 Jan-Sep	2020 Full year
Revenue	2	142.7	118.7	440.8	359.2	532.0
Cost of goods sold		-60.3	-59.0	-186.2	-152.3	-222.9
Gross profit		82.4	59.8	254.6	206.9	309.0
Operating expenses*	3	-85.7	-43.4	-231.0	-151.6	-213.6
Operating profit/loss		-3.4	16.4	23.6	55.2	95.4
Net financial items		1.0	-8.2	-2.1	-9.1	-10.5
Profit/loss before tax		-2.3	8.2	21.4	46.1	84.9
Income tax	4	-0.5	-1.9	-8.2	-12.3	-23.7
Profit/loss for the period		-2.8	6.2	13.2	33.7	61.2
OTHER COMPREHENSIVE INCOME						
<i>Items that may subsequently be reclassified to profit and loss</i>						
Translation differences		4.0	1.9	15.3	3.4	-14.4
Comprehensive income for the period		1.1	8.1	28.6	37.1	46.8
<i>(Profit/loss attributable to equity holders of the parent company.)</i>						
*Depreciation/amortization incl. in operating expenses	3	-11.7	-2.7	-33.8	-7.4	-12.7
Per-share data						
Earnings per share, SEK		-0.06	0.14	0.30	0.76	1.39
Earnings per share after dilution, SEK		-0.06	0.14	0.29	0.75	1.37
Shareholders' equity per share, SEK		9.13	8.35	9.13	8.35	8.59
Shareholders' equity per share after dilution, SEK		8.89	8.04	8.89	8.04	8.28
Equity ratio, %		58	73	58	73	73
Number of shares, thousand		44,540	44,098	44,540	44,098	44,098
Average number of outstanding shares, thousand		44,540	44,098	44,296	44,098	44,098
Average number of outstanding shares after dilution, thousand		45,758	45,798	45,758	45,412	45,578
Share price at end of period, SEK		174.30	175.20	174.30	175.20	250.00

Condensed consolidated statement of financial position

SEK in millions

Assets	Note	30/09/2021	30/09/2020	31/12/2020
Goodwill	5	52.8	-	-
Capitalized development costs	3	93.2	99.0	94.8
Other intangible assets	3, 5	89.5	-	-
Equipment	3	17.7	3.4	4.1
Right-of-use assets, leases	3	35.4	23.1	24.0
Deposits for rent, long-term		2.4	2.3	2.3
Deferred tax assets	4	3.4	4.2	2.8
Inventories		117.6	143.8	115.7
Trade receivables		132.6	86.5	100.4
Other short-term receivables		29.6	16.1	14.0
Cash and cash equivalents		120.9	123.7	157.7
Total assets		695.1	501.9	515.8

Shareholders' equity and liabilities

Shareholders' equity		406.6	368.2	378.9
Liabilities to credit institutions		90.0	-	-
Lease liabilities		35.8	24.0	23.8
Deferred tax liabilities	4	35.8	15.8	20.5
Trade payables		45.3	33.0	35.3
Other current liabilities		81.5	61.0	57.3
Total shareholders' equity and liabilities		695.1	501.9	515.8

Condensed consolidated statement of changes in equity	2021 Jan-Sep	2020 Jan-Sep	2020 Full year
Opening balance	378.9	366.0	366.0
New issue through exercising employee stock options	26.9	-	-
Employee stock option program	3.1	2.6	3.5
Dividend	-30.9	-37.5	-37.5
Comprehensive income for the period	28.6	37.1	46.8
Closing balance	406.6	368.2	378.9

Condensed consolidated statement of cash flow

SEK in millions	Note	2021 Q3	2020 Q3	2021 Jan-Sep	2020 Jan-Sep	2020 Full year
Operating activities						
Profit/loss before tax		-2.3	8.2	21.4	46.1	84.9
Adjustments for non-cash items		11.5	5.6	35.9	13.3	24.0
Income tax paid		-0.2	-4.2	-2.3	-5.3	-12.3
Cash flow from operating activities before changes in working capital		9.0	9.6	54.9	54.1	96.7
Changes in inventories		2.1	-8.5	19.8	-48.5	-27.1
Changes in operating receivables		-15.5	-60.4	-3.3	20.1	-1.6
Changes in operating liabilities		12.9	-7.2	-3.6	9.5	17.6
<i>Cash flow from changes in working capital</i>		-0.4	-76.1	13.0	-18.9	-11.1
Cash flow from operating activities		8.5	-66.5	67.9	35.2	85.6
Investing activities						
Capitalization of development costs		-1.5	-4.0	-10.9	-15.1	-19.1
Changes in other intangible assets		0.0	-	12.1	-	-
Investments in subsidiaries	5	-	-	-185.6	-	-
Acquisition of property, plant, and equipment		-0.8	-0.9	-3.4	-2.7	-6.2
Acquisition of financial assets		0.0	0.0	-0.1	0.0	-0.1
Cash flow from investing activities		-2.3	-4.9	-188.0	-17.8	-25.4
Financing activities						
New issues through exercising employee stock options		0.2	-	26.9	-	-
Borrowings		-5.0	-	90.0	-	-
Changes in lease liabilities		-1.9	-1.0	-6.0	-1.9	-2.1
Dividend paid		-	-	-30.9	-37.5	-37.5
Cash flow from financing activities		-6.6	-1.0	80.0	-39.4	-39.5
CASH FLOW FOR THE PERIOD		-0.4	-72.3	-40.1	-22.0	20.7
Cash and cash equivalents at start of period		120.4	194.0	157.7	145.1	145.1
Translation differences in cash and cash equivalents		0.8	2.0	3.2	0.5	-8.1
Cash and cash equivalents at end of period		120.9	123.7	120.9	123.7	157.7

Condensed parent company income statement

SEK in millions	2021 Q3	2020 Q3	2021 Jan-Sep	2020 Jan-Sep	2020 Full year
Revenue	0.0	0.0	0.0	0.0	0.1
Operating expenses	-2.2	-2.3	-6.4	-6.6	-8.7
Operating profit/loss	-2.2	-2.3	-6.4	-6.5	-8.6
Net financial items**	-0.5	0.0	-2.4	50.2	160.3
Profit/loss before tax	-2.7	-2.3	-8.8	43.7	151.6
Income tax	-	-	-	-	-
Profit/loss for the period	-2.7	-2.3	-8.8	43.7	151.6
**Of which, dividend from subsidiaries	-	-	-	50.0	160.0

Condensed parent company balance sheet

SEK in millions	30/09/2021	30/09/2020	31/12/2020
Assets			
Participations in Group companies	303.1	88.0	88.9
Receivables from Group companies	-	0.6	108.7
Other current receivables	0.6	0.7	0.8
Cash and bank balances	13.7	38.5	38.9
Total assets	317.5	127.9	237.3
Shareholders' equity and liabilities			
Restricted shareholders' equity	66.1	65.7	65.7
Non-restricted shareholders' equity	156.5	57.7	166.6
Liabilities to credit institutions	90.0	-	-
Trade payables	0.4	0.2	0.6
Liabilities to Group companies	2.8	2.7	2.7
Other current liabilities	1.6	1.6	1.7
Total shareholders' equity and liabilities	317.5	127.9	237.3
Parent company changes in shareholders' equity	2021 Jan-Sep	2020 Jan-Sep	2020 Full year
Opening balance	232.3	114.6	114.6
New issues through exercising employee stock options	26.9	-	-
Employee stock option program	3.1	2.6	3.5
Dividend	-30.9	-37.5	-37.5
Profit/loss for the period**	-8.8	43.7	151.6
Closing balance	222.6	123.4	232.3
**Of which, dividend from subsidiaries	-	50.0	160.0

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 2020.

New standards

None of the new standards and amendments of interpretations and existing standards which are effective for the financial year beginning after January 1, 2021, have had any significant impact on the Group's financial statements.

Note 2. Revenue by geographical area

	2021	2020	2021	2020	2020
SEK in millions	Q3	Q3	Jan-Sep	Jan-Sep	Full year
Sweden	5.8	3.0	16.9	11.5	26.0
Europe	47.6	51.7	170.7	149.4	181.0
North America	62.7	62.1	194.0	183.6	280.1
Rest of the world	26.5	2.0	59.2	14.6	44.9
Total	142.7	118.8	440.8	359.2	532.0

Note 3. Depreciation/amortization

	2021	2020	2021	2020	2020
SEK in millions	Q3	Q3	Jan-Sep	Jan-Sep	Full year
Depreciation of capitalized development costs	4.9	1.2	14.0	2.9	6.4
Amortization of Other intangible assets*	3.0	-	8.1	-	-
Amortization of Right of use assets, leases	2.1	1.1	7.3	3.2	4.4
Depreciation of Equipment	1.7	0.4	4.3	1.3	1.9
Total	11.7	2.7	33.8	7.4	12.7

*Other intangible assets consist of values allocated to intangible assets, such as customer relations, technology and trademarks, in connection with the acquisition of Rascal 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 the loss carry-forwards.

The Group's total loss carry-forwards as of September 30, 2021, were SEK 132.5 million (147.4), of which SEK 0 million (25.8) are capitalized.

Unutilized loss carry-forwards amounted to SEK 132.5 million (121.6) and refer mainly to the parent company and cannot be capitalized at present. All loss carry-forwards have an unlimited life.

SEK in millions	30/09/2021	30/09/2020
Deferred tax assets		
Receivables attributable to other temporary differences	3.4	4.2
Closing balance	3.4	4.2
Deferred tax liabilities		
Receivables attributable to tax loss carry-forwards in Denmark	-	5.7
Liabilities attributable to capitalized development costs in Denmark	-20.1	-21.8
Liabilities attributable to temporary differences in other intangible assets	-16.1	-
Receivables attributable to other temporary differences in Denmark	0.3	0.3
Closing balance	-35.8	-15.8

Note 5. Business combinations

On January 29, 2021, INVISIO acquired 100 per cent of the shares in Rascal Acoustics Ltd and its sister company Rascal Acoustics Inc. Since the date of the acquisitions, their impact on the Group's net sales was SEK 112.0 million.

The assets and liabilities included in the year's acquisitions, according to the preliminary acquisition analysis are as follows:

SEK in millions	
Acquisition price	
Purchase price, cash	202.1
Total	202.1
Fair value of acquired assets and liabilities	
Intangible assets	106.4
Other non-current assets	32.1
Inventories	17.6
Other current assets	37.9
Cash and cash equivalents	16.5
Deferred tax liability	-20.1
Other liabilities	-39.5
Total	150.9
Goodwill*	51.2
Change in the Group's cash and cash equivalents	
Purchase price paid in cash	202.1
Less cash and cash equivalents in the acquired operations	-16.5
Impact on the Group's cash and cash equivalents	185.6

*In the quarter, the preliminary acquisition analysis from the acquisition of Rascal Acoustics has been updated, which decreased goodwill by SEK 4.8 million.

Financial key figures, alternative performance measures and other definitions

INVISIO's financial statements include both financial key figures that are specified in current financial reporting rules, alternative key figures (APM) 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		2021 Q3	2020 Q3	2021 Jan-Sep	2020 Jan-Sep	2020 Full year
Gross profit	A	82.4	59.8	254.6	206.9	309.0
Operating expenses	B	85.7	43.4	231.0	151.6	213.6
EBIT (Operating profit)	A-B	-3.4	16.4	23.6	55.2	95.4
EBIT (Operating profit/loss)	A	-3.4	16.4	23.6	55.2	95.4
Depreciation, amortization and impairment losses	B	11.7	2.7	33.8	7.4	12.7
EBITDA	A+B	8.3	19.1	57.4	62.7	108.1
SEK in millions		30/06/2021	30/06/2020	31/12/2020		
Equity	A	406.6	368.2	378.9		
Number of shares, thousands	B	44,540	44,098	44,098		
Shareholders' equity per share, SEK	A/B	9.13	8.35	8.59		
Equity	A	406.6	368.2	378.9		
Number of shares after dilution, thousands	B	45,758	45,798	45,758		
Shareholders' equity per share after dilution, SEK	A/B	8.89	8.04	8.28		

Overview - eight past quarters

	2019	2020	2020	2020	2020	2021	2021	2021
SEK in millions	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Revenue	200.5	116.8	123.6	118.7	172.8	143.7	154.3	142.7
Cost of goods sold	-77.4	-49.6	-43.7	-59.0	-70.6	-61.1	-64.8	-60.3
Gross profit	123.1	67.2	79.9	59.8	102.2	82.7	89.6	82.4
Operating expenses	-49.6	-52.8	-55.4	-43.4	-61.9	-69.9	-75.4	-85.7
Operating profit/loss	73.5	14.4	24.4	16.4	40.2	12.8	14.2	-3.4
Net financial items	-1.4	-0.5	-0.5	-8.2	-1.4	-2.1	-1.1	1.0
Profit/loss before tax	72.1	13.9	24.0	8.2	38.9	10.7	13.0	-2.3
Income tax	-16.7	-4.5	-5.9	-1.9	-11.4	-4.0	-3.7	-0.5
Profit/loss for the period	55.4	9.4	18.1	6.2	27.5	6.7	9.4	-2.8
Cash flow from operating activities	58.6	51.9	49.7	-66.5	50.4	34.0	25.4	8.5
Gross margin, %	61.4	57.5	64.6	50.3	59.1	57.5	58.0	57.7
Operating margin, %	36.7	12.3	19.8	13.8	23.3	8.9	9.2	-2.4
Profit margin %	27.6	8.1	14.6	5.2	15.9	4.7	6.1	-2.0
Equity ratio, %	76	76	72	73	73	57	59	58
Earnings per share, SEK*	1.26	0.21	0.41	0.14	0.62	0.15	0.21	-0.06
Shareholders' equity per share, SEK*	8.30	9.03	8.14	8.35	8.59	9.05	9.08	9.13

* Before dilution