

Interim Report Q1

January–March 2022

JANUARY – MARCH 2022

- Revenue grew 9% organically to SEK 246 million (207)
- Gross margin was 64% (67%).
- Operating profit totaled SEK 17 million (28), corresponding to an operating margin of 7.0% (13.5%).
- Cash flow after current investments was SEK -28 million (48).
- Basic earnings per share were SEK 0.09 (0.16) and diluted earnings per share were SEK 0.09 (0.16).

SIGNIFICANT EVENTS DURING THE QUARTER

- In March, it was announced that the acquisition of [the Belgian company Acapela Group](#) will be completed on April 29, 2022, since the deal has been approved by the relevant authorities and all conditions of the agreement have been met.
- February saw the launch of a [new version of the TD I-110](#), our best-selling touch-based product which marked a clear upgrade in durability and powerful performance.
- In January, the group entered into a strategic partnership with Tencent-owned [Sogou](#). Sogou is used by over 600 million to type Mandarin on computers and mobile devices. The partnership enables people who use Tobii Dynavox eye tracking to use the Sogou technology.
- Mikael Bäckström was appointed as the new Chief People and Sustainability Officer.

SIGNIFICANT EVENTS AFTER THE END OF THE QUARTER

- On April 1, the Group [acquired 100% of the shares in the Irish company Obear Technologies Limited](#), operating under the name Safe Care Technologies. The company is a Tobii Dynavox reselling partner in Ireland.

FINANCIAL OVERVIEW

SEK m (except for earnings per share)	Q1 2022	Q1 2021	Δ	Δ Organic	Full year 2021
Revenue	246,4	207,1	19 %	9 %	871,6
EBITDA	42,6	49,8	-14 %		155,0
Operating profit/loss (EBIT)	17,2	28,0	-39 %	-43 %	60,0
EBIT margin	7 %	14 %	-48 %		7 %
Net profit/loss for the period	9,9	15,8	-37 %	-	29,8
Earnings per share, (SEK)	0,09	0,16	-40 %	-	0,30
Earnings per share after dilution (SEK)	0,09	0,16	-41 %	-	0,30
Cashflow after continuous investments	-27,8	48,0	-158 %	-	-233,7

Comments from the CEO

The first quarter was characterized by several important events, while the pandemic initially continued to impact the business and earnings. Towards the end of the period, however, we saw clear signs of an increased growth in our North American business as a result of the easing of restrictions. The underlying demand for our products is high and continues to grow, this gives us confidence for the year ahead.

In the first half of the quarter in particular, the spread of the omicron virus variant and associated restrictions continued to limit our ability to meet with customers, prescribers and users. Challenges in logistics and component supply resulted in a lower than normal gross margin, but in line with the previous quarter. We have taken a strategic decision to increase our finished goods inventory to minimize the risk of delivery problems, and hence it was not a limiting factor for sales.

Despite the difficult pandemic situation, mainly in January and February, our revenues grew organically by 9% in the quarter. Sales of communication aids in North America continued to develop well, with steady growth in both revenue and new insurance applications. The easing of restrictions was evident in a higher growth rate of business volume toward the end of the quarter. As in previous quarters, other markets, including our special education products, were more hampered by continued pandemic-related effects.

The Apple-based TD Pilot communication device, launched in mid-November, has received a positive response from the market. The medically certified device enables people with disabilities to control an iPad with their eyes. As we have previously communicated, it will probably take until the summer before sales truly takes off, since the communication aid is primarily sold as a prescribed product, which often involves longer processing times.

SEVERAL IMPORTANT EVENTS

In January, we entered into a strategic partnership with Tencent-owned Sogou. Through our TD Control software, it is now possible to use the Sogou Input Method, which has over 600 million users, to be able to type in Mandarin using eye tracking. This represents a significant step forward in accessibility for people with disabilities in China.

In mid-February, we launched a new version of the TD I-110, our best-selling touch-based communication aid for people with conditions such as autism, cerebral palsy and aphasia. The launch marked a clear upgrade of the medical-grade I-110, especially in terms of durability, battery life and speed.

The acquisition of Belgian Acapela Group was, as expected, given the green light by the relevant authorities at the end of the quarter and will be formally closed on April 29. The company is a global provider of synthetic voices and AI-driven voice synthesis technology. The deal means that we are adding Acapela's innovative team and leading products to Tobii Dynavox. This allows new and important solutions to be created for our users.

Our acquisition of Safe Care Technologies at the beginning of April means that we get closer to our customers in the Irish market and thereby can help more people with communication impairments. The deal is in line with our strategy of complementing organic growth with acquisitions that bring us closer to our end customers. Safe Care's focus on educating the market about the often life-changing possibilities of our products is a great fit for us.

Our commercial exposure to Russia and Ukraine is insignificant. Nonetheless, a strong commitment to Ukraine permeates the entire organization. Through our extensive expertise in assistive technology for communication, we can assist in overcoming the language barriers created by the huge influx of refugees. The communication boards between Ukrainian and an array of languages, which we have published online to be printed out locally, are an important part of this effort.

Finally, I would like to thank all our employees, especially for their wholehearted commitment to improving the lives of our users. I look forward to another exciting year.

Fredrik Ruben, CEO



Fredrik Ruben
CEO, Tobii Dynavox

Comments on the Group's performance

JANUARY - MARCH

Revenue

Consolidated revenue was SEK 246 million (207), corresponding to organic growth of 9%. Currency fluctuations had a positive impact of 10% on revenue. Delivery and logistics delays in 2021 caused some revenue to be postponed to the first quarter of 2022, which is estimated to have positively impacted revenue for the quarter by approximately SEK 7 million. During the first part of the quarter, business continued to be strongly affected by the pandemic, but toward the end of the period growth was clearly higher, especially in North America.

Performance

Consolidated gross profit amounted to SEK 158 million (138), corresponding to a gross margin of 64% (67%). The margin decline was attributable in part to non-recurring items, and in part to a pandemic-related increase in costs for components and shipping. Adjusted for these factors, the underlying gross margin is close to 66%.

Operating profit fell to SEK 17 million (28) and the operating margin was 7.0% (13.5%). Deliveries of delayed products from 2021 had a positive impact on operating profit of approximately SEK 5 million. Profit was also negatively impacted by one-off costs of approximately SEK 3 million. The operating margin improved sequentially by 1.6 percentage points compared with the fourth quarter of 2021, to 7.0%.

Research and development expenses had a negative impact on operating profit of SEK 3 million for the quarter compared with the corresponding quarter last year, mainly related to higher depreciation costs because of new product launches. Investments relate to the development of proprietary products, the majority of which involve software.

The comparison period had lower costs due to a lower level of activity because of the pandemic with respect to travel, events, etc.

Financial items amounted to SEK -6 million (-5) and mainly consisted of interest on external loans. Profit before tax was SEK 11 million (24).

Tax for the period amounted to SEK -2 (-8) million, of which SEK -1 (0) million relates to deferred tax.

Profit for the period was SEK 10 million (16). Basic earnings per share were SEK 0.09 (0.16) and diluted earnings per share were SEK 0.09 (0.16).

Currency effects

Higher exchange rates, primarily USD/SEK, impacted revenue by SEK 19 million and operating profit by SEK 2 million compared with the corresponding quarter last year.

Cash flow, liquidity and financial position

Cash flow from operating activities before changes in working capital amounted to SEK 36 million (49). Change in working capital amounted to SEK -35 million (21). The large decrease in working capital is mainly attributable to inventory build-up. We made a strategic decision to increase our finished goods inventory to minimize the risk of delivery problems.

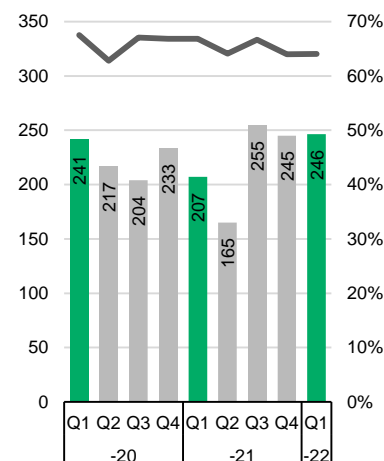
Cash flow from investing activities amounted to SEK -29 million (-23), of which SEK -19 million (-21) was capitalization of R&D costs. Cash flow for the period was SEK -32 million (-13).

At the end of the quarter, the Group had cash and cash equivalents of SEK 167 million (163). Consolidated net debt totaled SEK 440 million (234), including SEK 59 million (63) in IFRS 16 finance leases.

Organization

The number of employees converted to full-time equivalents at the close of the period was 459 (466).

REVENUE, SEK M,
AND GROSS MARGIN, %



KEY PERFORMANCE MEASURES

SEK m	Q1 2022	Q1 2021	Full year 2021
Revenue	246,4	207,1	871,6
Revenue change:	19,0 %	-14,1 %	-2,6 %
- of which organic	9,1 %	-5,5 %	0,3 %
- of which currency	9,9 %	-8,6 %	-2,9 %
Gross margin	64,0 %	66,8 %	65,5 %
Operating profit/loss (EBIT)	17,2	28,0	60,0
EBIT change	-38,6 %	-23,7 %	-52,8 %
EBIT margin	7,0 %	13,5 %	6,9 %

REVENUE BY GEOGRAPHIC MARKET

SEK m	Q1 2022	Q1 2021	Full year 2021
Europe	42,5	43,5	176,9
North America	184,2	147,5	641,1
Other countries	19,7	16,1	53,5
Total revenue	246,4	207,1	871,6

RESEARCH AND DEVELOPMENT

SEK m	Q1 2022	Q1 2021	Full year 2021
Total R&D expenditures ¹	-27,3	-29,9	-114,8
Capitalization	18,6	21,2	76,0
Amortization	-17,5	-14,6	-63,2
R&D expenses in the income statement	-26,3	-23,3	-101,9

¹ A reclassification of operating costs of SEK 15,3 million has been made from R&D expenses to Selling expenses for the year 2021, compared to previously published figures, due to a change in the assessment of certain work performed by parts of the organization.

Group

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK m	Note	Q1 2022	Q1 2021	Full year 2021
Revenues	8	246,4	207,1	871,6
Cost of goods and services sold		-88,7	-68,7	-301,0
Gross profit		157,7	138,4	570,6
Selling expenses ¹		-89,5	-72,5	-318,3
Research- and development expenses ¹		-26,3	-23,3	-101,9
Administrative expenses ¹		-25,7	-18,7	-93,4
Other operating gains and losses		0,9	4,1	3,0
Operating profit/loss (EBIT)		17,2	28,0	60,0
Net financial items		-5,9	-4,5	-19,5
Profit/loss before tax (EBT)		11,4	23,5	40,5
Tax		-1,5	-7,6	-10,7
Net profit for the period		9,9	15,8	29,8
Other comprehensive income				
<i>Items that may be reclassified to net profit for the period:</i>				
Translation differences		2,3	3,3	5,9
Other comprehensive income for the period, net after tax		2,3	3,3	5,9
Total comprehensive income for the period		12,2	19,1	35,8
Earnings per share, SEK		0,09	0,16	0,30
Earnings per share, diluted, SEK		0,09	0,16	0,30
Net profit/loss for the period attributable to:				
Parent Company's shareholders		9,9	15,8	29,8
Net profit/loss for the period		9,9	15,8	29,8
<i>Total comprehensive income for the period attributable to:</i>				
Parent Company's shareholders		12,2	19,1	35,8
Total comprehensive income for the period		12,2	19,1	35,8

¹ A reclassification of operating expenses has been made between the lines for year 2021, compared to earlier published figures, due to changed assessment of some work done by parts of the organisation. For full year 2021 has SEK 15,3 million been moved from Research- and development expenses to Selling expenses, and 9,8 MSEK has been moved from Selling expenses to Administrative expenses.

CONDENSED CONSOLIDATED BALANCE SHEET

SEK m	Mar 31 2022	Mar 31 2021	Dec 31 2021
ASSETS			
Non-current assets			
Intangible fixed assets	575,0	286,5	572,6
Property, plant and equipment	29,5	27,5	23,8
Right-of-use assets	51,9	60,5	52,4
Dererred tax asset	53,4	55,2	51,1
Financial and other non-current assets	0,7	0,3	0,4
Total non-current assets	710,5	430,2	700,3
Current assets			
Trade receivables	157,0	114,0	139,2
Inventories	92,1	34,4	58,4
Other current receivables	46,2	41,5	51,1
Cash and cash equivalents	167,1	163,3	197,3
Total current assets	462,4	353,2	446,1
TOTAL ASSETS	1 172,9	783,3	1 146,3
EQUITY AND LIABILITIES			
Equity	152,5	46,4	139,5
Total equity	152,5	46,4	139,5
Non-current liabilities			
Borrowings, non-current	-	334,9	547,7
Lease liabilities	43,7	50,3	44,9
Other non-current liabilities	107,8	107,4	108,3
Total non-current liabilities	151,5	492,6	700,9
Current liabilities			
Borrowings, current	548,1	-	-
Lease liabilities	15,0	12,2	14,1
Other current liabilities	305,7	232,2	291,8
Total current liabilities	868,9	244,4	305,9
Total liabilities	1 020,4	736,9	1 006,9
TOTAL EQUITY AND LIABILITIES	1 172,9	783,3	1 146,3

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEK m	Attributable to Parent Company shareholders			
	Share capital	Reserves	Retained earnings	Total equity
Opening balance, Jan 1, 2021	0,1	-5,4	34,7	29,3
Comprehensive income for the period		3,3	15,8	19,1
Other transactions with shareholders, Tobii Group			-2,1	-2,1
Closing balance, Mar 31, 2021	0,1	-2,1	48,4	46,4
Comprehensive income for the period		2,6	14,0	16,6
Rights issue	0,5			0,5
Shareholder contributions from Tobii Group			75,0	75,0
Other transactions with shareholders, Tobii Group			1,0	1,0
Closing balance, Dec 31, 2021	0,5	0,6	138,4	139,5
Opening balance, Jan 1, 2022	0,5	0,6	138,4	139,5
Comprehensive income for the period		2,3	9,9	12,2
Share based payments			0,8	0,8
Closing balance, Mar 31, 2022	0,5	2,9	149,1	152,5

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

SEK m	Q1 2022	Q1 2021	Full year 2021
Cash flow from operating activities			
Profit before tax (EBT)	11,4	23,5	40,5
Depreciations and amortization	25,5	21,8	95,0
Other non cash items	2,1	4,2	3,9
Taxes paid	-3,2	-0,1	-3,1
Cash flow before changes in working capital	35,8	49,3	136,3
Change in working capital	-34,8	21,3	0,2
Cash flow from operating activities	1,0	70,6	136,5
Cash flow from investing activities	-28,8	-22,6	-370,3
Cash flow after continuous investments	-27,8	48,0	-233,7
Financing activities			
Proceeds from borrowings	-	-	547,7
Shareholder contribution	-	-	75,0
Repayment of lease liability	-4,4	-2,5	-10,5
Other financing activities	0,5	0,7	2,9
Repayment internal loan and cash flow from other financing activities with Tobii Group	-	-58,9	-362,0
Cash flow from financing activities	-3,9	-60,7	253,1
Cash flow for the period	-31,7	-12,7	19,4
Cash and cash equivalents at the beginning of the period	197,3	172,7	172,7
Currency translation impact on cash and cash equivalents	1,5	5,3	6,4
Other cash flow from transactions with shareholder, Tobii Group ¹	-	-2,1	-1,1
Cash and cash equivalents at the end of the period	167,1	163,3	197,3

¹ The item "Other cash flow from transactions with shareholders, Tobii Group" refers to cash effects from cash flows included in the Tobii Dynavox consolidated financial statements and attributable to legal entities that remains in Tobii Group after the spin-off that took place 9 December, 2021.

The Parent Company

The principal activity of the Group's Parent Company, Tobii Dynavox AB (publ), is research, development, and sales of computer software and computer-related hardware that helps individuals with various disabilities to live richer and more independent lives. The number of employees in the Parent Company is approximately 94.

Net sales for the Parent Company, Tobii Dynavox AB, for the period January 1 to March 31, 2022 amounted to SEK 148 million (107), of which SEK 102 million (65) are attributable to sales to group companies and SEK 46 million (42) to external customers. Operating profit for the corresponding period was SEK 1 million (17). Investments in property, plant and equipment and intangible assets totaled SEK 19 million (21). At the end of the period, the Parent Company had SEK 116 million (78) in cash and cash equivalents.

CONDENSED PARENT COMPANY INCOME STATEMENT

SEK m	Q1 2022	Q1 2021	Full year 2021
Revenues	148,1	107,0	458,2
Cost of goods and services sold	-73,6	-42,4	-202,7
Gross profit	74,5	64,6	255,5
Selling expenses	-15,6	-12,0	-52,4
Research- and development expenses	-24,0	-26,3	-116,1
Administrative expenses	-36,1	-14,0	-89,8
Other operating gains and losses	1,7	4,3	32,8
Operating profit/loss (EBIT)	0,5	16,6	30,0
Financial items	-5,3	0,9	-15,7
Profit/loss before tax (EBT)	-4,9	17,4	14,3
Tax	-	-	-2,9
Net profit/loss for the period	-4,9	17,4	11,4

CONDENSED PARENT COMPANY BALANCE SHEET

SEK m	Mar 31 2022	Mar 31 2021	Dec 31 2021
NON-CURRENT ASSETS			
Intangible assets	454,3	206,0	469,8
Property, plant and equipment	6,1	7,8	7,6
Financial assets	149,3	151,3	147,6
Total non-current assets	609,7	365,1	625,0
CURRENT ASSETS			
Inventories	28,9	10,3	14,9
Trade receivables	18,2	18,6	16,6
Receivables from Group companies	66,7	43,4	38,4
Other current assets	16,6	85,5	20,8
Cash and cash equivalents	115,5	78,5	138,9
Total current assets	245,8	236,2	229,5
TOTAL ASSETS	855,6	601,2	854,6
EQUITY AND LIABILITIES			
Equity	144,9	79,6	149,0
Untaxed reserves	0,4	0,2	0,3
NON-CURRENT LIABILITIES			
Borrowings, non-current	-	-	547,7
Liabilities to Group companies, non- current	42,7	355,5	40,6
Other non-current liabilities	15,3	14,0	15,0
Total non-current liabilities	58,0	369,6	603,3
CURRENT LIABILITIES			
Borrowings, current	548,1	-	-
Trade payables	51,1	29,8	50,1
Liabilities to Group companies, current	0,8	-	0,8
Other current liabilities	52,3	122,0	51,1
Total current liabilities	652,3	151,8	101,9
Total liabilities	710,6	521,6	705,5
TOTAL EQUITY AND LIABILITIES	855,6	601,2	854,6

KEY PERFORMANCE MEASURES FOR THE GROUP

	Q1 2022	Q1 2021	Full year 2021
Earnings per share, SEK	0,09	0,16	0,30
Earnings per share, diluted, SEK	0,09	0,16	0,30
Equity per share, SEK	1,45	0,46	1,39
EBITDA, SEKm	42,6	49,8	155,0
Operating profit (EBIT), SEKm	17,2	28,0	60,0
Cash flow from operating activities, SEKm	1,0	70,6	136,5
Cash flow after continuous investments, SEKm	-27,8	48,0	-233,7
Working capital, SEKm	-110,1	-140,6	-143,1
Total assets, SEKm	1 172,9	783,3	1 146,3
Net debt, SEKm	439,8	234,1	409,4
Net Debt/EBITDA LTM	3,0	1,1	2,6
Equity, SEKm	152,5	46,4	139,5
Equity/assets ratio, %	13,0	5,9	12,2
Debt/equity, %	398,1	856,4	435,0
Gross margin, %	64,0	66,8	65,5
EBITDA margin, %	17,3	24,0	17,8
Operating margin, %	7,0	13,5	6,9
Average number of outstanding shares, million	104,9	99,8	100,5
Average number of outstanding shares after dilution, million	105,3	99,8	100,5
Number of outstanding shares at period end, million	104,9	99,8	104,9
Number of outstanding shares after dilution at period end, million	105,3	99,8	104,9
Average number of employees	459	466	467

Definitions, see note 10.

QUARTERLY DATA

	2019				2020				2021				2022
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Revenue, SEKm	215,1	221,2	220,3	252,1	241,2	217,0	204,0	233,1	207,1	164,9	254,5	245,0	246,4
Gross Margin, %	63,4	67,3	67,2	63,6	67,5	62,8	67,0	66,9	66,8	64,1	66,7	64,0	64,0
EBITDA, SEKm	38,3	45,0	48,6	49,0	60,1	50,5	48,1	56,2	49,8	0,9	66,0	38,3	42,6
EBIT, SEKm	17,6	25,3	30,2	28,0	36,7	28,5	27,8	34,3	28,0	-23,2	41,9	13,3	17,2
Operating Margin, %	8,2	11,4	13,7	11,1	15,2	13,1	13,6	14,7	13,5	-14,1	16,5	5,4	7,0
Profit/Loss for the period, SEKm	18,8	22,8	29,8	-3,7	28,3	16,1	17,7	67,7	15,8	-12,8	21,4	5,4	9,9

Notes

Note 1. Accounting principles

Tobii Dynavox applies International Financial Reporting Standards (IFRS) as adopted by the European Union. This interim report has been prepared in accordance with IAS 34, Interim Financial Reporting.

Tobii Dynavox's interim report contains condensed financial statements. For the Group, this mainly means that the note disclosures are limited compared with the financial statements presented in the annual report. The financial statements of the Parent Company are generally presented in condensed format, with limited disclosures compared with the annual accounts. The interim reports for Tobii Dynavox AB have been prepared in accordance with the Swedish Annual Accounts Act and standard RFR 2, Accounting for legal entities.

The accounting policies applied are in effect in all periods and are consistent with the accounting policies applied in Tobii Dynavox Annual and sustainability report 2021.

At the Extraordinary General Meeting on November 5, 2021 it was resolved to adopt two share programs to replace the programs that earlier was held in Tobii Group. The share programs are offered to senior executives and key employees in the Company and consists of stock units and synthetic stock units. Participants of the share programs are offered to be granted, free of charge, performance awards that may entitle them to receive shares, provided that performance conditions are fulfilled. Maximum number of outstanding shares, 854,370, was determined by the Board in March 2022. The dilution effect is expected to amount to a maximum of 0.9 percent. Since the programs in 2021 were handled in the Tobii group, Tobii recharged Tobii Dynavox its part of the costs of the program and the costs was thereby handled via income statement. Tobii Dynavox did not report any IFRS 2 related costs through equity in 2021. As the programs now have been decided, taken over, recalculated, and assigned in Tobii Dynavox Group, these share programs are reported in accordance with IFRS 2 Share-based Payment from January 2022.

Note 2. Risks and uncertainty factors

Tobii Dynavox's business risks include the economic climate, the competitive situation, currency risks, credit risks in relation to customers, financing risks, the risk of impairment write-downs of capitalized R&D and other intangible assets, and regulatory risks (Tobii Dynavox in the U.S. is under the supervisory control of the U.S. Food and Drug Administration (FDA)). The Group's risks and risk management are described in more detail in Tobii Dynavox Annual and sustainability report 2021.

Note 3. Segment reporting

The assessment of which operating segments exist in the Group shall be based on the internal reporting provided to the chief operating decision maker. The chief operating decision maker is the function responsible for allocation of resources and analyzing the segment's profit/loss. In the Tobii Dynavox Group, this function has been identified as Group Management. The financial information provided to Group Management within Tobii Dynavox, as a basis for decisions on the allocation of resources, applies to the business as a whole without any subdivision into underlying segments. Given this situation, the management of the Tobii Dynavox Group has determined that the business as a whole should be considered a segment until further notice. Sales by geographic market is broken down into the following markets: North America, Europe and other countries

Note 4. Transactions with related parties

Significant transactions with related parties are described in note 27 in Tobii Dynavox Annual and sustainability report 2021. No significant changes have taken place in relationships or transactions with related parties compared with what is described in the annual and sustainability report for 2021.

Note 5. Sustainability information

The Group's work on sustainability is described in more detail in Tobii Dynavox Annual and sustainability report 2021.

Note 6. Pledged assets and contingent liabilities

Tobii Dynavox has assigned a floating charge of SEK 50 million to Swedbank. The group does not have any contingent liabilities.

Note 7. Share data

As of March 31, 2022, Tobii Dynavox held 104,851,201 common shares, each carrying one vote.

Note 8. Break down of revenue

SEK m	Q1 2022	Q1 2021	Full year 2021
REVENUE BY PRODUCT TYPE			
Goods	221,5	187,1	786,8
Services	23,8	18,9	80,5
Royalty	1,1	1,2	4,2
Total revenues	246,4	207,1	871,6
REVENUE BY DATE OF REVENUE RECOGNITION			
Point in time	222,9	188,7	792,8
Over time	23,5	18,4	78,8
Total revenues	246,4	207,1	871,6

Note 9. Acquisitions

On 1 April 2022, the acquisition of the Irish company Obear Technologies Limited, operating under the business name Safe Care Technologies, was completed. The company is reselling partner of Tobii Dynavox and a leading supplier of assistive technology products in Ireland. The company reported sales of around SEK 9 million, with an EBIT of around 10% for the financial year ending June 30th 2021. Safe Care Technologies will be consolidated into Tobii Dynavox Group from April 1 2022. The purchase price allocation is in process and has not yet been finalized.

In October 2021, Tobii Dynavox entered an agreement to acquire the Belgian company Acapela Group, a global provider of speech synthesis and digital voices. The acquisition has been cleared by relevant regulatory bodies, including the UK Competition and Markets Authority (CMA), and will be finalized 29 April 2022.

Note 10. Alternative performance measures

The company presents certain financial measures in the interim report that are not defined under IFRS (so-called alternative performance measures according to ESMA guidelines). Management believes that this information helps investors to analyze the Group's performance and financial position. Investors should consider these disclosures as a complement rather than a substitute for financial reporting under IFRS.

Key Performance measures	Definition	Justification for use of metrics
Number of employees	Average number of full-time employees during the period, including part-time employees converted to FTEs	Number of employees is a measure of the number of employees in the Company needed to generate profit for the period.
Gross margin, %	Gross profit relative to the operations' net sales	Gross margin is used to measure production profitability.
EBITDA	Operating profit/loss before depreciation, amortization and impairment	EBITDA is used to measure earnings from operating activities excluding depreciation, amortization and impairment.
EBITDA margin, %	Operating profit/loss before depreciation/amortization in relation to net sales	The EBITDA margin is used to illustrate EBITDA in relation to sales.
Equity per share	Equity divided by average number of shares outstanding	A measure of the proportion of the company's recognized equity that each share represents.
Cash flow after investing activities	Cash flow from operating and investing activities	Cash flow after investing activities is used as a measure of the cash flow generated by operating activities and investments.
Net debt	Interest-bearing liabilities less cash and cash equivalents	Net debt represents the Company's capacity to pay off all debts should they fall due for payment as of the balance sheet date using the Company's available cash and cash equivalents on the balance sheet date.
Net debt/EBITDA	Net debt at the end of the period in relation to rolling 12-month EBITDA	A measure of financial risk showing net debt to cash generation.
Organic growth, %	Change in total revenue for the period adjusted for acquisitions, disposals and currency, compared with total revenue for the comparative period	Organic growth is used to analyze the underlying change in sales driven by comparable units between different periods.
Working capital	Inventories, accounts receivable and other current receivables less accounts payable and other liabilities	Working capital is used to measure the Company's ability to meet short-term capital requirements.
Operating margin (EBIT margin), %	Operating profit/loss in relation to net sales	The operating margin is used to illustrate EBIT in relation to sales and is a measure of the Company's profitability.
Net debt/equity, factor	Interest-bearing liabilities divided by shareholders' equity	Net debt-equity ratio measures the extent to which the Company is financed by loans.
Equity/assets ratio, %	Shareholders' equity as a percentage of total assets	The equity/assets ratio shows the percentage of total assets financed by the shareholders through equity.

RECONCILIATION OF ALTERNATIVE PERFORMANCE MEASURES

The tables below show how the alternative performance measures that are not directly reconcilable to the financial statements are calculated

SEK m	Q1 2022	Q1 2021	Full year 2021
Gross margin			
Gross profit	157,7	138,4	570,6
Revenues	246,4	207,1	871,6
Gross margin, %	64,0%	66,8%	65,5%

SEK m	Q1 2022	Q1 2021	Full year 2021
EBITDA and EBITDA-margin			
Operating profit	17,2	28,0	60,0
Amortization and impairment on intangible assets	17,5	14,6	63,1
Depreciation, amortization and impairment on tangible assets	7,9	7,3	31,9
EBITDA	42,6	49,8	155,0
Revenue	246,4	207,1	871,6
EBITDA-marginal, (%)	17,3%	24,0%	17,8%

SEK m	Q1 2022	Q1 2021	Full year 2021
Equity/share			
Equity	152,5	46,4	139,5
Average number of outstanding shares, million	104,9	99,8	100,5
Equity/share	1,45	0,46	1,39

SEK m	Q1 2022	Q1 2021	Full year 2021
Net debt			
Cash and cash equivalents	167,1	163,3	197,3
Interest-bearing liabilities	606,9	397,3	606,7
Net debt	439,8	234,1	409,4

SEK m	Q1 2022	Q1 2021	Full year 2021
Net debt/EBITDA ratio			
Net debt	439,8	234,1	409,4
EBITDA last twelve months	147,9	204,6	155,0
Net debt/EBITDA LTM	3,0	1,1	2,6

SEK m	Q1 2022	Q1 2021	Full year 2021
Organic growth			
Revenue corresponding period previous year	207,1	241,2	895,2
Currency effect	18,7	-25,9	-26,6
Currency-adjusted income corresponding period last year	225,8	215,3	868,6
Revenue current year	246,4	207,1	871,6
Organic growth, %	9,1%	-3,8%	0,3%

SEK m	Q1 2022	Q1 2021	Full year 2021
Working capital			
Inventories	92,1	34,4	58,4
Trade receivables	157,0	114,0	139,2
Other receivables	46,2	41,5	51,1
Trade payables	-88,8	-49,6	-77,5
Other liabilities	-316,6	-280,9	-314,4
Working capital	-110,1	-140,6	-143,1

SEK m	Q1 2022	Q1 2021	Full year 2021
Operating margin (EBIT-margin)			
Operating profit	17,2	28,0	60,0
Revenue	246,4	207,1	871,6
Operating margin, %	7,0%	13,5%	6,9%

SEK m	Q1 2022	Q1 2021	Full year 2021
Net debt/equity ratio			
Interest-bearing liabilities	606,9	397,3	606,7
Equity	152,5	46,4	139,5
Net debt/equity ratio, factor	398,1	856,4	435,0

SEK m	Q1 2022	Q1 2021	Full year 2021
Equity/assets ratio			
Equity	152,5	46,4	139,5
Total assets	1 172,9	783,3	1 146,3
Equity/assets ratio, %	13,0%	5,9%	12,2%

Stockholm, April 27, 2022

Åsa Hedin
Chairperson of the Board

Charlotta Falvin
Board Member

Caroline Ingre
Board Member

Carl Bandhold
Board Member

Henrik Eskilsson
Board Member

Fredrik Ruben
CEO

The report has not been subject to review by the Company's auditors.

This is a translation of the original Swedish interim report. In the event of a discrepancy between this translation and the Swedish original, the Swedish interim report takes precedence.

This information is inside information that Tobii Dynavox AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out below, on April 27, 2022, at 07:30 CET.

Information to shareholders

WEB PRESENTATION

A web presentation will be held in English today at 9:00 (CET). See investors.tobiidynavox.com for more information about the conference. The images from the presentation can then be downloaded from the website.

CONTACT DETAILS

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FINANCIAL CALENDAR

Annual General Meeting 2022	May 19, 2022
Half-Year Report Q2 2022	July 21, 2022
Interim Report Q3 2022	October 28, 2022
Year-end Report Q4 2022	February 8, 2023