

# Year-End Report Q4 and Full Year January–December 2022

## QUARTER: OCTOBER - DECEMBER 2022

- Revenue grew 48% to SEK 362 million (245). Organic growth was 18%.
- Gross margin was 65% (64).
- Operating profit totaled SEK 25 million (13), corresponding to an operating margin of 6.8% (5.4).
- Cash flow after current investments was SEK 41 million (-274).
- Basic and diluted earnings per share were SEK 0.16 (0.05).

## PERIOD JANUARY – DECEMBER 2022

- Revenue grew 40% to SEK 1 216 million (872). The organic growth was 16%.
- Gross margin was 65% (65).
- Operating profit totaled SEK 82 million (60), corresponding to an operating margin of 6.8% (6.9).
- Cash flow after current investments was SEK -26 million (-234).
- Basic and diluted earnings per share were SEK 0.46 (0.30).
- The Board of Directors proposes to the Annual General Meeting that no dividend be paid for fiscal year 2022.

## SIGNIFICANT EVENTS DURING THE QUARTER

- [In early October, a new three-year financing agreement was signed with Swedbank. The credit facilities include the same financing framework as before, SEK 700 million, and are classified as social loans.](#) This means that Tobii Dynavox qualifies as a company that contributes to the development of society through sustainable social initiatives.
- In early November, TD Browse, a custom-built browser for I-Series users that allows them to easily browse the Internet using eye control, was launched.
- [In December, the TD Phone app for the I-Series was launched. This app enables users to control a phone with their eyes for both calls and texts.](#)

## FINANCIAL OVERVIEW

SEK m (except for earnings per share)	Q4 2022	Q4 2021	Δ	Δ Organic	Full year 2022	Full year 2021	Δ	Δ Organic
Revenue	362	245	48%	18%	1,216	872	40%	16%
Gross margin	65%	64%	1%	-	65%	65%	-1%	-
EBITDA	61	38	58%	-	206	155	33%	-
Operating profit/loss (EBIT)	25	13	85%	-15%	82	60	37%	-21%
EBIT margin	6.8%	5.4%	25%	-	6.8%	6.9%	-2%	-
Net profit/loss for the period	17	5	220%	-	49	30	63%	-
Earnings per share, (SEK)	0.16	0.05	213%	-	0.46	0.30	56%	-
Earnings per share after dilution (SEK)	0.16	0.05	211%	-	0.46	0.30	55%	-
Cash flow after continuous investments	41	-274	-	-	-26	-234	-	-

# Comments from the CEO

The strong sales trend continued in the fourth quarter, with Europe and the rest of the world now also showing good growth, breaking with the previous trend from the beginning of the year. Our underlying profitability continues to develop strongly in the right direction, but earnings continue to be affected by cost increases of temporary nature related to components and shipping, as well as some one-time costs. Costs were also affected by the normalization of operations following the lower level of activity during the pandemic. In the US, Medicare announced in December that it is increasing the reimbursement rate of our products for 2023 by just over 9%. Medicare, which accounts for about 25% of our sales in the US, also sets the standard for reimbursement rates for the rest of the insurance companies in that country. The new level will be gradually phased in during 2023. This improvement, combined with the likelihood of decreased component prices and shipping costs in the near future, gives us an optimistic outlook about the profitability trend going forward.



**Fredrik Ruben**  
CEO, Tobii Dynavox

Organic growth was a robust 18% in the quarter. The effect of high component and shipping costs on gross margin was about 2 percentage points. The majority of our sales consisted of products with components purchased at higher prices than we pay today, which will help margins going forward. We also expect shipping costs to drop. Profit was impacted by certain one-time costs during the quarter, for a total of approximately SEK 7 million.

## SEVERAL MAJOR PRODUCT LAUNCHES

During the quarter, we launched two important software applications that strengthen our eye-controlled flagship product, the I-Series. In early November, we launched TD Browse, a custom-built browser for I-Series users that allows them to easily browse the Internet using eye control. Most of us take access to the web for granted and with the launch of TD Browse, people with disabilities can can enjoy a more natural web browsing experience. The product has been very well-received by our users.

In December, we launched TD Phone, which enables users to control a phone with their eyes for both calls and texts in the I-Series. This functionality has been long-awaited among our users. At the same time, we released new features that enable users to play Xbox games and draw with their eyes.

At the end of November, it was announced that our subsidiary Acapela Group's voice banking solution, my-own-voice, had won the CES 2023 innovation award in the Digital Health category. This achievement confirms the importance of my-own-voice for people with voice impairment by creating a personalized synthetic voice quickly and easily. My-own-voice is an excellent example of the new solutions that can be created by combining Acapela Group's leading position in voice synthesis with our communication tools.

In 2022, we dedicated considerable effort to putting the structures and procedures in place that are required in an independent, listed company. This task has been both challenging and stimulating. With the lifting of the pandemic restrictions, business has largely returned to normal, including travel, client meetings and participation in trade fairs and conferences, along with the associated costs. We are now entering a phase during which we dedicate even greater focus to our business and our users, with the overarching goal of delivering on our significant growth and profitability potential. The long-term growth opportunities are underpinned by generally low awareness of our products and the life-changing differences they often make for individuals with communication disabilities. Therefore, our educational initiatives are a very high priority to drive future growth. The current limited and unfavorable reimbursement systems also represent an opportunity for growth over time when coverage improves. Overall, the market outlook is bright and has historically not been affected by economic downturns. We therefore look to the future with confidence.

Fredrik Ruben, CEO

# Comments on the Group's performance

## QUARTER OCTOBER-DECEMBER

### Revenue

Group revenue increased 48% to SEK 362 million (245). Organic sales grew by 18%. Growth was mainly driven by North America, but now also Europe and the rest of the world showed a positive trend in the quarter. Currency movements had a positive impact of 20% on revenue and acquisitions contributed 9%.

### Performance

Consolidated gross profit amounted to SEK 233 million (157), corresponding to a gross margin of 65% (64%). The margin continued to be affected by high component prices, which are expected to be temporary. Non-recurring costs had an impact on gross profit of approximately SEK 5 million. Adjusted for the above-mentioned transitory effects and one-off items, the underlying gross margin was around 67%.

Operating profit totaled SEK 25 million (13) and the operating margin was 6.8% (5.4%). The improvement is mainly attributable to solid revenue growth. Operating expenses grew organically by 12%.

The comparative period had lower costs due to a low level of activity because of the pandemic with respect to travel, events, conferences, etc. The cost trend was thus influenced by the normalization of the activity level following the lifting of pandemic restrictions. Comparable units were also impacted by salary increases and staff reinforcements in the sales and marketing organization, as well as reinforcements in central functions as a consequence of the transition to an independent company.

Research and development expenses had a negative impact on operating profit of SEK 15 million for the quarter compared with the corresponding quarter last year, mainly related to normalization of development costs as well as even higher depreciation costs because of new product launches. Investments relate to the development of proprietary products, the majority of which involve software and voice technology.

Financial items amounted to SEK -10 million (-5) and mainly consisted of interest on external loans. Profit before tax was SEK 15 million (9).

Tax for the year amounted to SEK 2 (-3) million, of which SEK -3 (-3) million related to deferred tax.

Profit for the period was SEK 17 million (5). Basic and diluted earnings per share were SEK 0.16 (0.05).

### Currency effects

Higher exchange rates, primarily USD/SEK, had a positive impact on revenue of SEK +50 million and on operating profit of SEK 8 million compared with the corresponding quarter last year.

### Cash flow, liquidity and financial position

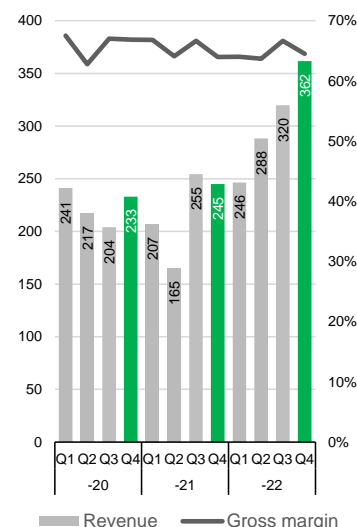
Cash flow from operating activities before changes in working capital amounted to SEK 51 million (15). Change in working capital amounted to SEK 18 million (20). The change in working capital was mainly driven by a decrease in inventories.

Cash flow from investing activities amounted to SEK -28 million (-308), of which SEK -20 million (-21) was capitalization of R&D costs. Cash flow for the period was SEK 0 million (86).

At the end of the quarter, the Group had cash and cash equivalents of SEK 107 million (197). Consolidated net debt totaled SEK 522 million (409), including SEK 59 million (59) in IFRS 16 finance leases. Net debt in relation to the last twelve months EBITDA was 2.5.

In early October, a new three-year financing agreement was signed with Swedbank. The credit facilities include the same financing framework as before, SEK 700 million, and are classified as social loans. This means that Tobii Dynavox qualifies as a company that contributes to the development of society through sustainable social initiatives. The total utilized part of the credit facility was SEK 573 million at the end of the period.

REVENUE, SEK M,  
AND GROSS MARGIN, %



## KEY PERFORMANCE MEASURES

SEK m	Q4 2022	Q4 2021	Full year 2022	Full year 2021
Revenue	362	245	1,216	872
Revenue change:	48%	5%	40%	-3%
- of which organic	18%	3%	16%	0%
- of which currency	20%	2%	18%	-3%
- of which acquisitions	9%	-	6%	-
Gross margin	65%	64%	65%	65%
Operating profit/loss (EBIT)	25	13	82	60
EBIT change	85 %	-61 %	37 %	-53 %
EBIT margin	6.8 %	5.4 %	6.8 %	6.9 %

## REVENUE BY GEOGRAPHIC MARKET

SEK m	Q4 2022	Q4 2021	Full year 2022	Full year 2021
Europe	71	47	207	177
North America	275	183	942	641
Other countries	16	14	67	53
<b>Total revenue</b>	<b>362</b>	<b>245</b>	<b>1216</b>	<b>872</b>

## RESEARCH AND DEVELOPMENT

SEK m	Q4 2022	Q4 2021	Full year 2022	Full year 2021
Total R&D expenditures <sup>1</sup>	-41	-32	-136	-115
Capitalization	20	21	79	76
Amortization	-24	-18	-81	-63
<b>R&amp;D expenses in the income statement</b>	<b>-44</b>	<b>-29</b>	<b>-138</b>	<b>-102</b>

<sup>1</sup> A reclassification of operating costs 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. The adjustment was SEK 5 m Q4 2021 and SEK 15 m for full year 2021.

## PERIOD JANUARY – DECEMBER

## Revenue

Consolidated revenue increased 40% to SEK 1,216 million (872). Organic growth was 16%. Currency movements had a positive impact of 18% on revenue and acquisitions contributed 6%. Growth was mainly driven by North America. Some lingering effects of the pandemic are believed to have negatively impacted the trend in Europe and the rest of the world.

## Performance

Consolidated gross profit amounted to SEK 788 million (571), corresponding to a gross margin of 65% (65%). The margin was impacted by increased costs for components and shipping, which are expected to be transient in the long term. Adjusted for the factors referred to above, the underlying gross margin was close to 67%.

Operating profit increased to SEK 82 million (60), the strong growth in North America contributed to the earnings trend, and the operating margin was 6.8% (6.9%). Operating expenses grew organically by 14%.

Costs were lower in the previous year due to a low level of activity because of the pandemic with respect to travel, trade fairs, etc. Cost developments for comparable units in 2022 were also

impacted by staff reinforcements in the sales and marketing organization, as well as reinforcements in central functions as a consequence of the transition to an independent company. Cost developments were also affected by somewhat higher consultancy costs, partly due to higher staff turnover.

Research and development expenses had a negative impact on operating profit of SEK 36 million compared with the previous year, driven by a more normalized level of development costs, as well as even higher depreciation costs because of new product launches. Investments relate to the development of proprietary products, the majority of which involve software and voice technology. Profit was also negatively impacted by one-off costs of approximately SEK 6 million, primarily related to acquisitions.

Financial items amounted to SEK -29 million (-20) and mainly consisted of interest on external loans. Profit before tax was SEK 54 million (40).

Tax for the year amounted to SEK -5 million (-11), of which SEK -0.5 (-6) million related to deferred tax.

Profit for the year was SEK 49 million (30). Basic and diluted earnings per share were SEK 0.46 (0.30).

### Currency effects

Higher exchange rates, primarily USD/SEK, had a positive impact on revenue of SEK 156 million and on operating profit of SEK 25 million compared with the same period last year.

### Cash flow, liquidity, and financial position

Cash flow from operating activities before changes in working capital amounted to SEK 179 million (136). Change in working capital amounted to SEK -83 million (-0). The large decrease in working capital is mainly explained by increased accounts receivable but also some increase in inventory. In the autumn of 2021, the company made a strategic decision to increase our finished goods inventory in order to minimize the risk of delivery problems. Another contributing factor to the change in working capital is the increase in revenue, especially in North America where payment times are longer.

Cash flow from investing activities amounted to SEK -197 million (-370), of which SEK 79 million (76) was capitalization of R&D costs. Cash flow for the year was SEK -99 million (-19).

At the end of the quarter, the Group had cash and cash equivalents of SEK 107 million (197). Consolidated net debt totaled SEK 522 million (409), including SEK 59 million (59) in IFRS 16 finance leases. Net debt in relation to the last twelve months EBITDA was 2.5.

In early October, a new three-year financing agreement was signed with Swedbank. The credit facilities include the same financing framework as before, SEK 700 million, and are classified as social loans. This means that Tobii Dynavox qualifies as a company that contributes to the development of society through sustainable social initiatives. The total utilized part of the credit facility was SEK 573 million at the end of the period.

### Organization

The number of employees converted to full-time equivalents at year-end was 576 (464). Acquired companies contributed with an increase of 46 FTEs.

### Acquisitions

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 and a leading supplier of assistive technology for communication in Ireland. The company had revenue of approximately SEK 9 million, with an operating margin of approximately 10% for the financial year that ended June 30, 2021. Safe Care Technologies was consolidated into the Tobii Dynavox Group as of April 1, 2022.

In October 2021, Tobii Dynavox agreed to acquire the Belgian company Acapela Group, a global provider of voice synthesis and digital voices. The acquisition was completed on April 29, 2022. Acapela Group's revenue in 2020 was approximately SEK 62 million with an operating margin of 14%. Acapela Group was consolidated into the Tobii Dynavox Group as of April 29, 2022.

On June 23, the Group agreed to acquire all business activities and assets of its reselling partner ASK in Denmark, effective July 1.

As a result of these acquisitions, Tobii Dynavox expects to both strengthen its product offering and come closer to users in the countries where these acquisitions are active, with the hope of giving more people a voice. Tobii Dynavox also expects to reduce costs through synergies.

## Dividends

The Board of Directors proposes to the Annual General Meeting that no dividend be paid for fiscal year 2022.

# Group

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK m	Note	Q4 2022	Q4 2021	Full year 2022	Full year 2021
Revenues	8	362	245	1,216	872
Cost of goods and services sold		-128	-88	-428	-301
<b>Gross profit</b>		<b>233</b>	<b>157</b>	<b>788</b>	<b>571</b>
Selling expenses <sup>1</sup>		-132	-82	-451	-318
Research- and development expenses <sup>1</sup>		-44	-29	-138	-102
Administrative expenses <sup>1</sup>		-37	-32	-130	-93
Other operating gains and losses		4	0	13	3
<b>Operating profit/loss (EBIT)</b>		<b>25</b>	<b>13</b>	<b>82</b>	<b>60</b>
Net financial items		-10	-5	-29	-20
<b>Profit/loss before tax (EBT)</b>		<b>15</b>	<b>9</b>	<b>54</b>	<b>40</b>
Tax		2	-3	-5	-11
<b>Net profit for the period</b>		<b>17</b>	<b>5</b>	<b>49</b>	<b>30</b>
<b>Other comprehensive income</b>					
Items that may be reclassified to net profit for the period:					
Translation differences		-4	2	19	6
Other comprehensive income for the period, net after tax		-4	2	19	6
<b>Total comprehensive income for the period</b>		<b>13</b>	<b>8</b>	<b>67</b>	<b>36</b>
Earnings per share, SEK		0.16	0.05	0.46	0.30
Earnings per share, diluted, SEK		0.16	0.05	0.46	0.30
Net profit/loss for the period attributable to:					
Parent Company's shareholders		17	5	49	30
<b>Net profit/loss for the period</b>		<b>17</b>	<b>5</b>	<b>49</b>	<b>30</b>
Total comprehensive income for the period attributable to:					
Parent Company's shareholders		13	8	67	36
<b>Total comprehensive income for the period</b>		<b>13</b>	<b>8</b>	<b>67</b>	<b>36</b>

<sup>1</sup> A reclassification of operating expenses has been made 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 million been moved from Research- and development expenses to Selling expenses (SEK 5 million for Q4 2021) and SEK 10 million has been moved from Selling expenses to Administrative expenses (SEK 3 million Q4 2021).

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

SEK m	Dec 31 2022	Dec 31 2021
<b>ASSETS</b>		
<b>Non-current assets</b>		
Intangible fixed assets	674	573
Property, plant and equipment	37	24
Right-of-use assets	50	52
Dererred tax asset	59	51
Financial and other non-current assets	15	0
<b>Total non-current assets</b>	<b>835</b>	<b>700</b>
<b>Current assets</b>		
Trade receivables	237	139
Inventories	88	58
Other current receivables	56	51
Cash and cash equivalents	107	197
<b>Total current assets</b>	<b>488</b>	<b>446</b>
<b>TOTAL ASSETS</b>	<b>1 323</b>	<b>1 146</b>
<b>EQUITY AND LIABILITIES</b>		
Equity	211	139
<b>Total equity</b>	<b>211</b>	<b>139</b>
<b>Non-current liabilities</b>		
Borrowings, non-current	521	548
Lease liabilities	40	45
Other non-current liabilities	126	108
<b>Total non-current liabilities</b>	<b>687</b>	<b>701</b>
<b>Current liabilities</b>		
Borrowings, current	49	-
Lease liabilities	18	14
Other current liabilities	358	292
<b>Total current liabilities</b>	<b>425</b>	<b>306</b>
<b>Total liabilities</b>	<b>1 112</b>	<b>1 007</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1 323</b>	<b>1 146</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEK m	Attributable to Parent Company shareholders			
	Share capital	Reserves	Retained earnings	Total equity
<b>Opening balance, Jan 1, 2021</b>	<b>0.1</b>	<b>-5</b>	<b>35</b>	<b>29</b>
Comprehensive income for the period		6	30	36
Other transactions with shareholders, Tobii Group			-1	-1
Rights issue	0.5			0.5
Shareholder contributions from Tobii Group			75	75
<b>Closing balance, Dec 31, 2021</b>	<b>1</b>	<b>1</b>	<b>138</b>	<b>139</b>
<b>Opening balance, Jan 1, 2022</b>	<b>1</b>	<b>1</b>	<b>138</b>	<b>139</b>
Comprehensive income for the period		19	49	67
Share based payments			5	5
Acquisition of own shares			-1	-1
<b>Closing balance, Dec 31, 2022</b>	<b>1</b>	<b>19</b>	<b>191</b>	<b>211</b>

**CONSOLIDATED STATEMENT OF CASH FLOWS**

SEK m	Note	Q4 2022	Q4 2021	Full year 2022	Full year 2021
<b>Cash flow from operating activities</b>					
Profit before tax (EBT)		15	9	54	40
Depreciations and amortization		36	25	124	95
Other non cash items		2	-16	8	4
Taxes paid		-1	-2	-6	-3
<b>Cash flow before changes in working capital</b>		<b>51</b>	<b>15</b>	<b>179</b>	<b>136</b>
Change in working capital		18	20	-83	0
<b>Cash flow from operating activities</b>		<b>69</b>	<b>35</b>	<b>96</b>	<b>137</b>
<b>Investing activities</b>					
Investments in intangible assets		-21	-301	-87	-357
Investments in tangible assets		-5	-7	-32	-11
Other		-3	-1	-4	-3
<b>Continuous investments</b>		<b>-28</b>	<b>-308</b>	<b>-122</b>	<b>-370</b>
<b>Cash flow after continuous investments</b>		<b>41</b>	<b>-274</b>	<b>-26</b>	<b>-234</b>
Aquisitions		0	-0	-75	-0
<b>Cash flow from investing activities</b>		<b>-28</b>	<b>-308</b>	<b>-197</b>	<b>-370</b>
<b>Financing activities</b>					
Proceeds from borrowings		-30	550	26	550
Shareholder contribution		-	75	-	75
Repayment of lease liability		-4	-4	-16	-10
Other financing activities		-6	-2	-7	1
Repayment internal loan and cash flow from other financing activities with Tobii Group		-	-260	-	-362
<b>Cash flow from financing activities</b>		<b>-41</b>	<b>360</b>	<b>2</b>	<b>253</b>
<b>Cash flow for the period</b>		<b>0</b>	<b>86</b>	<b>-99</b>	<b>19</b>
Cash and cash equivalents at the beginning of the period		109	110	197	173
Currency translation impact on cash and cash equivalents		-2	2	8	6
Other cash flow from transactions with shareholder, Tobii Group <sup>1</sup>		-	-0	-	-1
<b>Cash and cash equivalents at the end of the period</b>		<b>107</b>	<b>197</b>	<b>107</b>	<b>197</b>

<sup>1</sup> 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.

# 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 104.

Net sales for the Parent Company, Tobii Dynavox AB, for the period October 1 to December 31 2022 amounted to SEK 142 million (137), of which SEK 86 million (91) refers to sales to group companies and SEK 56 million (46) to external customers. Operating profit for the corresponding period was SEK -10 million (15). Investments in property, plant and equipment and intangible assets totaled SEK -20 million (-303) for the quarter. At the end of the period, the Parent Company had SEK 23 million (139) in cash and cash equivalents.

## CONDENSED PARENT COMPANY INCOME STATEMENT

SEK m	Q4 2022	Q4 2021	Full year 2022	Full year 2021
<b>Revenues</b>	<b>142</b>	<b>137</b>	<b>582</b>	<b>458</b>
Cost of goods and services sold	-75	-63	-289	-203
<b>Gross profit</b>	<b>68</b>	<b>74</b>	<b>293</b>	<b>256</b>
Selling expenses	-34	-17	-84	-52
Research- and development expenses	-37	-35	-123	-116
Administrative expenses	-47	-37	-161	-90
Other operating gains and losses	41	30	48	33
<b>Operating profit/loss (EBIT)</b>	<b>-10</b>	<b>15</b>	<b>-26</b>	<b>30</b>
Financial items	-9	-4	-9	-16
<b>Profit/loss before tax (EBT)</b>	<b>-18</b>	<b>11</b>	<b>-36</b>	<b>14</b>
Tax	7	-3	7	-3
<b>Net profit/loss for the period</b>	<b>-11</b>	<b>8</b>	<b>-29</b>	<b>11</b>

## CONDENSED PARENT COMPANY BALANCE SHEET

SEK m	Dec 31 2022	Dec 31 2021
<b>NON-CURRENT ASSETS</b>		
Intangible assets	397	470
Property, plant and equipment	7	8
Financial assets	281	148
<b>Total non-current assets</b>	<b>685</b>	<b>625</b>
<b>CURRENT ASSETS</b>		
Inventories	28	15
Trade receivables	18	17
Receivables from Group companies	82	38
Other current assets	10	21
Cash and cash equivalents	23	139
<b>Total current assets</b>	<b>161</b>	<b>230</b>
<b>TOTAL ASSETS</b>	<b>846</b>	<b>855</b>
<b>EQUITY AND LIABILITIES</b>		
Restricted equity	174	172
Unrestricted equity	-50	-23
<b>Equity</b>	<b>124</b>	<b>149</b>
Untaxed reserves	1	0
<b>NON-CURRENT LIABILITIES</b>		
Borrowings, non-current	521	548
Liabilities to Group companies, non- current	47	41
Other non-current liabilities	16	15
<b>Total non-current liabilities</b>	<b>584</b>	<b>603</b>
<b>CURRENT LIABILITIES</b>		
Borrowings, current	49	-
Trade payables	40	50
Liabilities to Group companies, current	4	1
Other current liabilities	44	51
<b>Total current liabilities</b>	<b>138</b>	<b>102</b>
<b>Total liabilities</b>	<b>722</b>	<b>706</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>846</b>	<b>855</b>

## KEY PERFORMANCE MEASURES FOR THE GROUP

	Q4 2022	Q4 2021	Full year 2022	Full year 2021
Earnings per share, SEK	0.16	0.05	0.46	0.30
Earnings per share, diluted, SEK	0.16	0.05	0.46	0.30
Equity per share, SEK	2.0	1.4	2.0	1.4
EBITDA, SEKm	61	38	206	155
Operating profit (EBIT), SEKm	25	13	82	60
EBITA, MSEK	50	31	166	123
Cash flow from operating activities, SEKm	69	35	96	137
Cash flow after continuous investments, SEKm	41	-274	-26	-234
Working capital, SEKm	-85	-143	-85	-143
Total assets, SEKm	1,323	1,146	1,323	1,146
Net debt; IFRS 16 Leasing excluded, SEKm	463	350	463	350
Net Debt/EBITDA LTM	-	-	2.5	2.6
Equity, SEKm	211	139	211	139
Equity/assets ratio, %	16	12	16	12
Debt/equity, factor	3.0	4.4	3.0	4.4
Gross margin, %	65	64	65	65
EBITDA margin, %	17	16	17	18
Operating margin, %	6.8	5.4	6.8	6.9
Average number of outstanding shares, million	104.9	102.5	104.9	100.5
Average number of outstanding shares after dilution, million	105.4	102.5	105.3	100.5
Number of outstanding shares at period end, million	104.9	104.9	104.9	104.9
Number of outstanding shares after dilution at period end, million	105.4	104.9	105.4	104.9
Average number of employees	569	468	525	467

Definitions, see note 11.

## QUARTERLY DATA

	2022				2021				2020			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Revenue, SEKm	362	320	288	246	245	255	165	207	233	204	217	241
Gross Margin, %	65	67	64	64	64	67	64	67	67	67	63	68
EBITDA, SEKm	61	59	44	43	38	66	1	50	56	48	51	60
EBIT, SEKm	25	25	16	17	13	42	-23	28	34	28	29	37
Operating Margin, %	6.8	7.8	5.4	7.0	5.4	16.5	-14.1	13.5	14.7	13.6	13.1	15.2
Profit/Loss before tax, SEKm	15	18	9	11	9	37	-29	23	29	20	20	34
Profit/Loss for the period, SEKm	17	16	6	10	5	21	-13	16	68	18	16	28

# Notes

## Note 1. Accounting policies

Tobii Dynavox applies International Financial Reporting Standards (IFRS) as adopted by the Euro-pean 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.

The period January to September 2021 and the third quarter 2021 are combined financial statements. In December 2021 Tobii AB distributed all common shares in the wholly owned subsidiary Tobii Dynavox to the common shareholders of Tobii with subsequent stock ex-change listing.

The formation of the Tobii Dynavox Group involves transactions between entities under common control. As neither these transactions nor the combined financial statements are subject to any IFRS standard, management should develop and apply an accounting policy that is, among other things, relevant and reliable, in accordance with IAS 8 Accounting policies, changes in accounting estimates and errors). An appropriate and established method is to use the predecessor value method, which is the principle used by Tobii Dynavox.

The assets and liabilities of the entities brought into the newly formed Tobii Dynavox Group have been included at their carrying amounts in the consolidated financial statements of Tobii AB from the date they became part of the Tobii AB Group. The Parent Company of the new group, Tobii Dynavox AB, was established on January 1, 2019. From this date, all companies merged into the Tobii Dynavox Group have been under common control under Tobii AB.

Tobii Dynavox has started entities in Germany and China in 2021. The Tobii Dynavox segment activities of the Tobii Group companies in Germany and China were transferred to these newly established companies in 2021. In the combined financial statements, the results generated in the Tobii Dynavox segment of the Tobii Group companies in Germany and China have been added to the Tobii Dynavox Group. Since no consideration was paid between the companies for these transactions, they have been reported as "Other transactions with shareholders of the Tobii Group" in Shareholders' equity and Cash flow in the combined financial statements.

### **Share-based payment to employees**

The amount of allocated stock units as per December 31, 2022, is 1 037 603.

The dilutive effect is expected to be a maximum of 1.2 percent. Since the plans were in the Tobii Group in 2021, Tobii Dynavox bore its share of the cost of the plans through the income statement by re-invoicing from the Tobii Group. Tobii Dynavox therefore did not recognize any IFRS 2-related costs against equity. Since these plans are now approved, transferred, translated, and allocated in the Tobii Dynavox Group, these share-based plans are accounted for in accordance with IFRS 2 Share-based Payment as of January 2022.

The number of stock units allocated under the 2020 plan amounts to 258,796 share rights as of the end of December 2022. The number of stock units allocated under the 2021 plan amounts to 345,720 share rights as of the end of December 2022.

The 2022 plan has resulted in an allocation as of December 31 of 433,087 stock units. The number of stock units that are not yet allocated is 230,913.

In addition to the above allocated stock units, approximately 270,000 additional common shares may be issued to cover the company's social security costs.

### **Borrowing costs**

Borrowing costs attributable to the construction of qualifying assets are capitalized as a portion of the qualifying asset's cost. A qualifying asset is an asset that takes a substantial time period to get ready for its intended use or sale. The Group considers a period in excess of one year to be a substantial time period.

**Business acquisitions**

In connection with a business acquisition, the Group's acquisition cost is established through a purchase price allocation. In the analysis, the fair value of the identifiable assets and the assumed liabilities is determined. For business acquisitions where the acquisition cost exceeds the net carrying amount of the acquired identifiable assets and the assumed liabilities, the difference is reported as goodwill in the Balance Sheet. The purchase price allocation also identifies assets and liabilities that are not reported in the acquired company, such as trademarks and customer contracts. Intangible assets that have been identified when making the purchase price allocation are amortized over the estimated useful life. Goodwill and strong trademarks that are considered to have an indefinite useful life, are not amortized but tested annually for impairment, or whenever there is any indication of impairment.

Consideration that is contingent upon the outcome of future events is valued at fair value and the change in value is recognized in the Income Statement.

The acquired Voice Technology is amortized over 10 years, while the amortization period for customer relations is 5 years.

Subsidiaries acquired during the financial year are included in the consolidated accounts from the date on which control is transferred to the Group. Subsidiaries disposed of during the financial year are included in the consolidated financial statements until the date on which control ceases.

---

**Note 2. Risks and uncertainty factors**

Tobii Dynavox 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)). More information on risks and risk management can be found in the Tobii Dynavox Annual and Sustainability Report for 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 related party transactions are disclosed in the Group's Note 27 in the Tobii Dynavox Annual and Sustainability Report for 2021. There have been no material changes in related party relationships or transactions compared with those described in the 2021 Annual and Sustainability Report.

---

**Note 5. Sustainability information**

More information on the Group's sustainability efforts can be found in the Tobii Dynavox Annual and Sustainability Report 2021.

---

**Note 6. Pledged assets and contingent liabilities**

Tobii Dynavox has a chattel mortgage of SEK 50 million to Swedbank. The Group has no contingent liabilities.

## Note 7. Share data

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

## Note 8. Breakdown of revenue

SEK m	Q4 2022	Q4 2021	Full year 2022	Full year 2021
REVENUE BY PRODUCT TYPE				
Goods	331	221	1 103	787
Services	30	23	107	80
Royalty	2	1	6	4
<b>Total revenues</b>	<b>362</b>	<b>245</b>	<b>1 216</b>	<b>872</b>
REVENUE BY DATE OF REVENUE RECOGNITION				
Point in time	303	179	1 022	719
Over time <sup>1</sup>	59	66	194	153
<b>Total revenues</b>	<b>362</b>	<b>245</b>	<b>1 216</b>	<b>872</b>

<sup>1</sup> The assessment of what revenue is over time has changed from previously reported data

## Note 9. Acquisition

On April 1, 2022, Tobii Dynavox acquired the Irish company Obear Technologies Limited, operating under the name Safe Care Technologies. The company is a reselling partner to Tobii Dynavox and a leading supplier of assistive technology for communication in Ire-land. The company had sales of approximately SEK 9 million, with an operating margin of approximately 10% for the financial year that ended June 30, 2021. The total purchase con-sideration for the acquired net assets was SEK 6 million. A cash payment of SEK 5.8 million was paid at the time of acquisition. The agreed con-tingent consideration is linked to future performance.

Safe Care Technologies was consolidated into the Tobii Dynavox Group as of April 1, 2022

The acquisition of the Belgian company Acapela Group, a global provider of voice synthesis and digital voices, was completed on April 29, 2022. The purchase consideration was SEK 101 million, including cash and liabilities, and was paid in cash and financed partly with own cash and partly through an existing revolving credit facility.

Tobii Dynavox and Acapela Group have been successful partners for many years. The merger will further deepen this relationship, providing great opportunities to develop solutions that enable our users to create their own voice identity and express themselves clearly, personally and effectively in the way that they want.

Acapela Group was included in the Group's accounts from April 29, 2022.

On June 23, Tobii Dynavox signed an agreement to acquire all business activities and as-sets of its reselling partner ASK in Denmark, effective July 1, 2022.

ASK is a supplier of assistive technology products and services to customers in Denmark, including municipalities, schools, communication centers, care centers and other institutions. Tobii Dynavox solutions comprise the majority of ASK's revenue of some DKK 6-9 million per year. The compa-nies have had a long-standing partnership in the Danish market. The purchase consideration was DKK 5.2 million and was paid in cash on July 1, 2022.

As a result of these acquisitions, Tobii Dynavox expects to both strengthen its product offering and come closer to users in the countries where these acquisitions are active, with the hope of giving more people a voice. Tobii Dynavox also expects to reduce costs through synergies.

The following tables summarize the purchase consideration paid and the preliminary fair value of assets acquired, and liabilities assumed for acquisitions completed by December 31, 2022. The fair value of assets acquired, and liabilities assumed is provisional pending final valuation.

**EFFECTS OF ACQUISITIONS <sup>1</sup>**

SEK m	Acapela Group	Obear Technologies Ltd	Assets & Liabilities Agreement ASK
<b>Breakdown of Purchase considerations</b>			
Cash consideration	101	6	8
Contingent consideration <sup>3</sup>	-	0	-
Total consideration	101	6	8
<b>Change in acquired assets and liabilities</b>			
Voice technology	15	-	-
Brands	-	-	-
Customer relations/contracts	18	1	2
Other fixed assets	9	2	0
Net other assets and liabilities	-25	-1	0
Cash and cash equivalents	31	0	-
Deferred tax liability	8	0	-
<b>Net identifiable assets and liabilities</b>	<b>55</b>	<b>3</b>	<b>2</b>
<b>Goodwill</b>	<b>46</b>	<b>3</b>	<b>5</b>
<b>Impact on cash and cash equivalents</b>			
Cash consideration (included in cash flow from investing activities)	-101	-6	-8
Cash and cash equivalents of acquired companies (included in cash flow from investing activities)	31	0	-
Acquisition costs (included in cash flow from operating activities)	-3	-1	0
<b>Total impact on cash and cash equivalents</b>	<b>-74</b>	<b>-6</b>	<b>-8</b>
<b>Impact on sales and operating profit (loss) during the holding period</b>			
Sales	42	9	2
Operating profit (loss)	14	-1	0
<b>Impact on sales and operating profit (loss) as if the acquisitions had taken place on 1 January 2022 <sup>2</sup></b>			
Sales	61	11	-
Operating profit (loss)	7	-1	-

<sup>1</sup> The acquisition analysis is preliminary

<sup>2</sup> As the acquisition of ASK is an asset acquisition, Tobii Dynavox does not have access to financial data for the company concerning the period prior to the acquisition (July 1, 2022)

<sup>3</sup>2,4 MSEK of the contingent liability for Obear Technologies Ltd has been reclassified as employee remuneration. Goodwill has been reduced with the same amount.

## Note 10. Financial instruments

SEK m	Dec 31 2022		Dec 31 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial liabilities measured at fair value</b>				
Contingent considerations	0.1	0.1	-	-

The Group categorizes financial assets and financial liabilities measured at fair value in-to a fair value hierarchy based on the information used to value each asset or liability. For financial instruments in level 3, information that is material to the fair value of the asset or liability is not observable and the Group's own assessments are applied.

Liabilities relating to contingent consideration relate in their entirety to the acquisition of Obear Technologies Limited and is classified under level 3.

## Note 11. 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.

### 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	Q4 2022	Q4 2021	Full year 2022	Full year 2021
<b>Gross margin</b>				
Gross profit	233	157	788	571
Revenues	362	245	1 216	872
<b>Gross margin, %</b>	<b>65%</b>	<b>64%</b>	<b>65%</b>	<b>65%</b>

SEK m	Q4 2022	Q4 2021	Full year 2022	Full year 2021
<b>EBITDA and EBITDA-margin</b>				
Operating profit	25	13	82	60
Amortization and impairment on intangible assets	25	18	84	63
Depreciation, amortization and impairment on tangible assets	11	7	40	32
<b>EBITDA</b>	<b>61</b>	<b>38</b>	<b>206</b>	<b>155</b>
Revenue	362	245	1 216	872
<b>EBITDA-marginal, (%)</b>	<b>17%</b>	<b>16%</b>	<b>17%</b>	<b>18%</b>

SEK m	Q4 2022	Q4 2021	Full year 2022	Full year 2021
<b>EBITA</b>				
Operating profit	25	13	82	60
Amortization R&D	23	18	80	63
Amortization purchased immaterial assets	2	0	4	0
<b>EBITA-margin</b>	<b>50</b>	<b>31</b>	<b>166</b>	<b>123</b>
Revenue	362	245	1 216	872
<b>EBITA-margin, %</b>	<b>14%</b>	<b>13%</b>	<b>14%</b>	<b>14%</b>

SEK m	Q4 2022	Q4 2021	Full year 2022	Full year 2021
<b>Equity/share</b>				
Equity	211	139	211	139
Average number of outstanding shares, million	105	103	105	100
<b>Equity/share</b>	<b>2.0</b>	<b>1.4</b>	<b>2.0</b>	<b>1.4</b>

SEK m	Q4 2022	Q4 2021	Full year 2022	Full year 2021
<b>Net debt</b>				
Cash and cash equivalents	107	197	107	197
Interest-bearing liabilities	628	607	628	607
<b>Net debt</b>	<b>522</b>	<b>409</b>	<b>522</b>	<b>409</b>

SEK m	Q4 2022	Q4 2021	Full year 2022	Full year 2021
<b>Net debt/EBITDA ratio</b>				
Net debt	-	-	522	409
EBITDA last twelve months	-	-	206	155
<b>Net debt/EBITDA LTM</b>	<b>-</b>	<b>-</b>	<b>2,5</b>	<b>2,6</b>

SEK m	Q4 2022	Q4 2021	Full year 2022	Full year 2021
<b>Organic growth</b>				
Revenue current year	362	245	1 216	872
Currency effect	-50	-5	-156	27
Acquisition effect	-22	-	-49	-
Currency-adjusted income corresponding period last year excluding acquisitions	290	240	1 012	898
Revenue corresponding period previous year	245	233	872	895
Organic growth	45	7	140	3
<b>Organic growth, %</b>	<b>18%</b>	<b>3%</b>	<b>16%</b>	<b>0%</b>

SEK m	Q4 2022	Q4 2021	Full year 2022	Full year 2021
<b>Working capital</b>				
Inventories	88	58	88	58
Trade receivables	237	139	237	139
Other receivables	56	51	56	51
Trade payables	-78	-77	-78	-77
Other liabilities	-388	-314	-388	-314
<b>Working capital</b>	<b>-85</b>	<b>-143</b>	<b>-85</b>	<b>-143</b>

SEK m	Q4 2022	Q4 2021	Full year 2022	Full year 2021
<b>Operating margin (EBIT-margin)</b>				
Operating profit	25	13	82	60
Revenue	362	245	1 216	872
<b>Operating margin, %</b>	<b>6,8%</b>	<b>5,4%</b>	<b>6,8%</b>	<b>6,9%</b>

SEK m	Q4 2022	Q4 2021	Full year 2022	Full year 2021
<b>Net debt/equity ratio</b>				
Interest-bearing liabilities	628	607	628	607
Equity	211	139	211	139
<b>Net debt/equity ratio, factor</b>	<b>3.0</b>	<b>4.4</b>	<b>3.0</b>	<b>4.4</b>

SEK m	Q4 2022	Q4 2021	Full year 2022	Full year 2021
<b>Equity/assets ratio</b>				
Equity	211	139	211	139
Total assets	1 323	1 146	1 323	1 146
<b>Equity/assets ratio, %</b>	<b>16%</b>	<b>12%</b>	<b>16%</b>	<b>12%</b>

Key Performance measures	Definition	Justification for use of metrics
<b>Number of employees</b>	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.
<b>Gross margin, %</b>	Gross profit relative to the operations' net sales	Gross margin is used to measure production profitability.
<b>EBITA</b>	Operating profit/loss before amortization and impairment of intangible assets	EBITA is used to measure earnings from operating activities excluding amortization and impairment of intangible assets.
<b>EBITDA</b>	Operating profit/loss before depreciation, amortization and impairment	EBITDA is used to measure earnings from operating activities excluding depreciation, amortization and impairment.
<b>EBITDA margin, %</b>	Operating profit/loss before depreciation/amortization in relation to net sales	The EBITDA margin is used to illustrate EBITDA in relation to sales.
<b>Equity per share</b>	Equity divided by average number of shares outstanding	A measure of the proportion of the company's recognized equity that each share represents.
<b>Cash flow after current investments</b>	Cash flow from operating and investing activities	Cash flow after current investments is used as a measure of the cash flow generated by operating activities and investments.
<b>Net debt</b>	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.
<b>Net debt/EBITDA</b>	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.
<b>Organic growth, %</b>	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.
<b>Working capital</b>	Inventories, trade receivables and other 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.
<b>Operating margin (EBIT margin), %</b>	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.
<b>Net debt/equity, factor</b>	Interest-bearing liabilities divided by shareholders' equity	Net debt-equity ratio measures the extent to which the Company is financed by loans.
<b>Equity/assets ratio, %</b>	Shareholders' equity as a percentage of total assets	The equity/assets ratio shows the percentage of total assets financed by the shareholders through equity.

Stockholm, February 8 2023

**Åsa Hedin**  
Chairman 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 February 8, 2023, at 07:30 CET.

## Information to shareholders

### WEBBPresentation

A web presentation will be held in English today at 09.00 (CET). See [investors.tobiidynavox.com](https://investors.tobiidynavox.com) for more information about the conference. The images from the presentation can then be downloaded from the website.

### CONTACT DETAILS

Fredrik Ruben, Chief Executive Officer, Tel. +46 (0)8-663 69 90  
Linda Tybring, Investor Relations, CFO, [linda.tybring@tobiidynavox.com](mailto:linda.tybring@tobiidynavox.com)

Tobii Dynavox AB (publ) • Corporate ID number: 556914-7563  
Mailing address: Box 743 18217 Danderyd, Sweden  
Tel. +46 (0)8-663 69 90 [www.tobiidynavox.com](https://www.tobiidynavox.com)

### FINANCIAL CALENDAR

Annual Report 2022	Week 15/16, 2023
Interim Report Q1 2023	April 26, 2023
Annual General Meeting 2023	May 10, 2023
Interim Report Q2 2023	July 20, 2023
Interim Report Q3 2023	October 27, 2023
Year-end Report Q4 2023	February 9, 2024