

# Interim Report Q3

## July–September 2023

### QUARTER JULY – SEPTEMBER 2023

- Revenue grew 33% to SEK 424 million (320). The currency adjusted growth was 28%.
- Gross margin was 68% (67).
- Operating profit totaled SEK 48 million (25), corresponding to an operating margin of 11.4% (7.8). The operating margin was 11.6%, excluding non-recurring costs of SEK 1 million.
- Cash flow after continuous investments was SEK 35 million (-9).
- Basic and diluted earnings per share were SEK 0.33 (0.15).

### PERIOD JANUARY – SEPTEMBER 2023

- Revenue grew 33% to SEK 1,141 million (855). The currency adjusted growth was 26%.
- Gross margin was 68% (65).
- Operating profit totaled SEK 99 million (58), corresponding to an operating margin of 8.6% (6.7). The operating margin was 9.3%, excluding non-recurring costs of SEK 7 million.
- Cash flow after continuous investments was SEK 82 million (-67).
- Basic earnings per share totaled SEK 0.56 (0.30) before dilution and SEK 0.55 (0.30) after dilution.

### SIGNIFICANT EVENTS DURING THE QUARTER

- [Tobii Dynavox completed the acquisition of the German company Rehadapt Engineering](#). Rehadapt is included in the Group's accounts as of September 1, 2023.
- [Tobii Dynavox signed a partnership agreement with Team Gleason Foundation](#), the leading provider of technology solutions for people with ALS, to improve access to assistive technology for communication and enable more people to live a more meaningful life.

### FINANCIAL OVERVIEW

SEK m (except for earnings per share)	Q3 2023	Q3 2022	Δ	Δ Organic	Nine months 2023	Nine months 2022	Δ	Δ Organic
Revenue	424	320	33 %	25 %	1,141	855	33 %	20 %
Gross margin	68%	67%	2 %	-	68%	65%	3 %	-
EBITDA	92	59	56 %	-	213	146	46 %	-
Operating profit/loss (EBIT)	48	25	95 %	71 %	99	58	71 %	27 %
EBIT margin	11.4%	7.8%	4 %	-	8.6%	6.7%	2 %	-
Net profit/loss for the period	35	16	119 %	-	59	31	87 %	-
Earnings per share, (SEK)	0.33	0.15	119 %	-	0.56	0.30	87 %	-
Earnings per share after dilution (SEK)	0.33	0.15	117 %	-	0.55	0.30	86 %	-
Cash flow after continuous investments	35	-9	-	-	82	-67	-	-

# Comments from the CEO

**We continue to experience strong growth, despite significantly tougher comparative figures, with all product and user groups on the rise. At the same time, we are making good progress toward our long-term EBIT margin target. In September, we completed the acquisition of the German company Rehadapt, as planned. We continue to invest in skills, systems and tools to ensure continued growth and profitability, while increasing the scalability of the business.**



**Fredrik Ruben**  
CEO, Tobii Dynavox

Sales growth continues to be well above our long-term target at 28% for the quarter, denominated in local currency. In the US, Medicare increased its reimbursement level for our products by more than 9 percent, which will gradually affect revenue in 2023. Approximately 7 percentage points of these price adjustments have materialized thus far and as previously stated, we expect to see the full impact by the end of the year. We continue to see a trend where growth is fastest in markets that have direct sales.

The acquisition of Rehadapt, our longstanding German supplier partner, closed on September 1. Rehadapt provides a natural complement to our offering on mounting solutions for communication aids, while also strengthening our position in Germany. About 30% of Rehadapt's sales relate to sales to Tobii Dynavox. Through this deal, we are pleased to welcome about 50 new team members, mainly in Germany.

Our growth is affected by an array of factors. While we have a strong product offering and a well-functioning organization, our market remains extremely underpenetrated. In practice, the latter means that the vast majority of people in need of communication aids are never informed about or introduced to the assistive devices we and our industry peers offer. This situation includes the most advanced and wealthy economies. The root cause is a significant knowledge deficit about communication aids among the key groups responsible for prescribing them: speech language therapists and occupational therapists. A contributing factor is that relevant education related to assistive communication aids is either non-existent or severely limited.

Some diagnoses where our products can make a huge difference have received considerable attention recently, including the neurological disease ALS. However, for some of our largest user groups, such as non-verbal autism, aphasia, cerebral palsy and hundreds of other diagnoses, awareness of our solutions among prescribers and options for funding is extremely low. Even in the most well-functioning markets, only a very small number of individuals receive any kind of assistance. Vast opportunities are lost for users, families and society at large, and we are passionately dedicated to changing this situation.

I am confident that our unprecedented growth is a consequence of our relentless efforts to educate and spread awareness combined with products and services that truly make a difference – and, we have barely started.

Given the situation and our market position, this translates to significant long-term business opportunities for Tobii Dynavox and other players dedicated to helping individuals who cannot adequately communicate with their environment. In short, much remains to be done. We therefore welcome all efforts made by commercial stakeholders, patient organizations and professionals to jointly build this market. If we succeed, the outcome will be an improved life for users, their families, and society at large, along with substantial business opportunities for those who do it right.

Fredrik Ruben, CEO

# Comments on the Group's performance

## QUARTER JULY - SEPTEMBER

### Revenue

Group revenue increased 33% to SEK 424 million (320). Organic sales grew by 25%. As in the previous quarters of 2023, growth was robust across all markets, as well as in all product and user groups. Currency movements had a positive impact of 5% on revenue and acquisitions contributed 3%.

### Performance

Consolidated gross profit amounted to SEK 290 million (213), corresponding to a gross margin of 68% (67). The net increase was mainly attributable to the normalization of component and freight costs and progressively higher sales prices. In the third quarter of last year, the gross margin was positively affected by currency effects by approximately three percentage points, of which one percentage point was non-recurring.

Operating profit totaled SEK 48 million (25) and the operating margin was 11.4% (7.8).

The operating margin was 11.6%, excluding non-recurring costs.

Operating expenses were affected by non-recurring costs of approximately SEK 1 million, mainly related to the acquisition of Rehadapt Engineering. Excluding these costs, operating expenses increased organically by around 18 percent. The increase in operating expenses was affected by factors such as significant staff increases in the sales and marketing organization and new agreements on salaries and benefits that entered into force on April 1. Investments in systems and tools to manage a growing business also contributed to the cost increase.

Research and development expenses had a negative impact on operating profit of SEK 7 million for the quarter compared with the corresponding quarter last year, mainly related to normalization of development costs as well as higher depreciation costs because of new product launches. Investments relate to the development of own products, the majority of which involve software and voice technology.

Financial items amounted to SEK -8 million (-7) and mainly consisted of interest on external loans. Profit before tax was SEK 41 million (18).

Tax for the quarter amounted to SEK -6 (-2) million, of which SEK -1 (1) million related to deferred tax.

Profit for the period was SEK 35 million (16). Basic and diluted earnings per share were SEK 0.33 (0.15).

### Currency effects

Higher exchange rates, primarily USD/SEK, had a positive impact on revenue of SEK 15 million and on operating profit of SEK 3 million compared with the corresponding quarter last year.

### Cash flow, liquidity and financial position

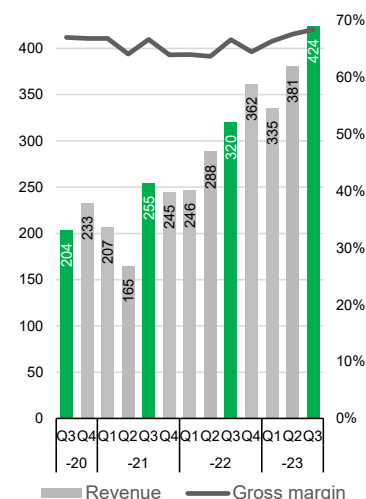
Cash flow from operating activities before changes in working capital amounted to SEK 81 million (53). Change in working capital amounted to SEK -11 million (-27).

Cash flow from investing activities amounted to SEK -192 million (-34), of which SEK -156 million related to the acquisition of Rehadapt Engineering and SEK -21 million (-20) was capitalization of R&D costs. Cash flow for the period was SEK 25 million (-11).

During the quarter, an amortization of the credit facility of SEK 13 million was made.

At the end of the quarter, the Group had cash and cash equivalents of SEK 140 million (109). Consolidated net debt totaled SEK 663 million (565), including SEK 107 million (70) in IFRS 16 finance leases.

REVENUE, SEK M,  
AND GROSS MARGIN, %



## KEY PERFORMANCE MEASURES

SEK m	Note	Q3 2023	Q3 2022	Nine months 2023	Nine months 2022	Full year 2022
Revenue	8	424	320	1,141	855	1,216
Revenue change:		33 %	26 %	33 %	36 %	40 %
- of which organic		25 %	0.3 %	20 %	17 %	16 %
- of which currency		5 %	19 %	8 %	15 %	18 %
- of which acquisitions		3 %	6 %	5 %	4 %	6 %
Gross margin		68 %	67 %	68 %	65 %	65 %
Operating profit/loss (EBIT)		48	25	99	58	82
EBIT change		95 %	-41 %	71 %	23 %	37 %
EBIT margin		11.4 %	7.8 %	8.6 %	6.7 %	6.8 %

## REVENUE BY GEOGRAPHIC MARKET

SEK m	Q3 2023	Q3 2022	Nine months 2023	Nine months 2022	Full year 2022
Europe	73	53	200	137	207
North America	332	252	890	666	942
Other countries	20	15	50	51	67
<b>Total revenue</b>	<b>424</b>	<b>320</b>	<b>1,141</b>	<b>855</b>	<b>1,216</b>

## RESEARCH AND DEVELOPMENT

SEK m	Q3 2023	Q3 2022	Nine months 2023	Nine months 2022	Full year 2022
Total R&D expenditures	-39	-35	-107	-96	-136
Capitalization	21	20	59	58	79
Amortization	-26	-22	-70	-57	-81
<b>R&amp;D expenses in the income statement</b>	<b>-44</b>	<b>-37</b>	<b>-118</b>	<b>-95</b>	<b>-138</b>

## PERIOD JANUARY - SEPTEMBER

## Revenue

Group revenue increased 33% to SEK 1,141 million (855). Organic sales grew by 20%. There was good growth globally, as well as in all product and user groups. Currency movements had a positive impact of 8% on revenue and acquisitions contributed 5%.

## Performance

Consolidated gross profit amounted to SEK 770 million (555), corresponding to a gross margin of 68% (65). The net increase was mainly attributable to the normalization of component and freight costs, some economies of scale, and progressively higher sales prices.

Operating profit totaled SEK 99 million (58) and the operating margin was 8.6% (6.7). The operating margin was 9.3%, excluding non-recurring costs.

Operating expenses were affected by non-recurring costs of approximately SEK 7 million, mainly related to the acquisition of Rehadapt Engineering. Excluding these costs, operating expenses increased organically by around 16 percent. The increase in operating expenses was affected by factors such as significant staff increases in the sales and marketing organization and new agreements on salaries and benefits that entered into force on April 1. Investments in systems and tools to manage a growing business also contributed to the cost increase. In the comparative period, costs were lower than normal due to the effects of the pandemic on the level of activity relating to travel, events, conferences, etc.

Research and development expenses had a negative impact on operating profit of SEK 24 million for the period compared with the corresponding period last year, mainly related to normalization of development costs as well as higher depreciation costs because of new product launches. Investments relate to the development of own products, the majority of which involve software and voice technology.

Financial items amounted to SEK -29 million (-19) and mainly consisted of interest on external loans. Profit before tax was SEK 70 million (39).

Tax for the year amounted to SEK -11 (-7) million, of which SEK 4 (2) million related to deferred tax. Profit for the period was SEK 59 million (31). Basic earnings per share totaled SEK 0.56 (0.30) before dilution and SEK 0.55 (0.30) after dilution.

### Currency effects

Higher exchange rates, primarily USD/SEK, had a positive impact on revenue of SEK 66 million and on operating profit of SEK 12 million compared with the corresponding period last year.

### Cash flow, liquidity and financial position

Cash flow from operating activities before changes in working capital amounted to SEK 180 million (128). Change in working capital amounted to SEK -5 million (-101).

Cash flow from investing activities amounted to SEK -249 million (-169), of which SEK -156 million related to the acquisition of Rehadapt Engineering and SEK -70 million (-58) was capitalization of R&D costs. Cash flow for the period was SEK 30 million (-99).

At the end of the period, the Group had cash and cash equivalents of SEK 140 million (109). Consolidated net debt totaled SEK 663 million (565), including SEK 107 million (70) in IFRS 16 finance leases. Net debt in relation to the last twelve months EBITDA was 2.4.

To finance the acquisition of Rehadapt Engineering, Tobii Dynavox has increased its total credit facility with Swedbank to SEK 800 million by signing and extending its credit facility with an additional term loan of SEK 100 million. Tobii Dynavox has used this new term loan and its revolving credit facility to pay for the acquisition of Rehadapt.

The total utilized part of the credit facility and term loan was SEK 745 million at the end of the period.

### Organization

The number of employees converted to full-time equivalents at the period end was 679 (562). Acquired companies contributed with an increase of 55 FTEs.

### Acquisition

On September 7, 2023, Tobii Dynavox completed the acquisition of all shares in the German company Rehadapt Engineering. After entering the agreement on 30 June 2023, the purchase price has been adjusted to EUR 16.6 million on a cash and debt free basis. The payment for the acquisition is made in two instalments. The first instalment, corresponding to 95% of the payment, has been made and the second instalment will be made within the coming quarter. Additionally, a potential earn-out consideration of up to EUR 3.5 million 12 months after closing of the transaction will be paid depending on the continued financial development of Rehadapt. Rehadapt is consolidated in the Group as of September 1.

Rehadapt is a provider of medically certified mounting solutions for assistive technology, including out-of-the-box and flexible solutions to support individual communication, independent mobility kits and customized accessories. Based on over 20 years of expertise and innovative development, Rehadapt has created a well-respected brand and a valuable asset base in the field of mounting solutions. Rehadapt's products are currently sold together with Tobii Dynavox's products as well as by many other companies in assistive communication. Rehadapt has approximately 55 employees

and is headquartered in Kassel, Germany with a local subsidiary and distribution center in the United States. Rehadapt's turnover in 2022 was approximately EUR 10 million with an adjusted EBIT margin of approximately 20%. The seller, Rehadapt's CEO Uli Ehlert, will remain with Rehadapt for a period of at least one year.

## Group

### CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK m	Note	Q3 2023	Q3 2022	Nine months 2023	Nine months 2022	Full year 2022
Revenues	8	424	320	1,141	855	1,216
Cost of goods and services sold		-134	-107	-370	-300	-428
<b>Gross profit</b>		<b>290</b>	<b>213</b>	<b>770</b>	<b>555</b>	<b>788</b>
Selling expenses		-148	-121	-422	-319	-451
Research- and development expenses		-44	-37	-118	-95	-138
Administrative expenses		-50	-33	-136	-93	-130
Other operating gains and losses		-0	3	5	10	13
<b>Operating profit/loss (EBIT)</b>		<b>48</b>	<b>25</b>	<b>99</b>	<b>58</b>	<b>82</b>
Net financial items		-8	-7	-29	-19	-29
<b>Profit/loss before tax (EBT)</b>		<b>41</b>	<b>18</b>	<b>70</b>	<b>39</b>	<b>54</b>
Tax		-6	-2	-11	-7	-5
<b>Net profit for the period</b>		<b>35</b>	<b>16</b>	<b>59</b>	<b>31</b>	<b>49</b>
<b>Other comprehensive income</b>						
<i>Items that may be reclassified to net profit for the period:</i>						
Translation differences		-11	10	0	23	19
Other comprehensive income for the period, net after tax		-11	10	0	23	19
<b>Total comprehensive income for the period</b>		<b>24</b>	<b>26</b>	<b>59</b>	<b>54</b>	<b>67</b>
Earnings per share, SEK		0.33	0.15	0.56	0.30	0.46
Earnings per share, diluted, SEK		0.33	0.15	0.55	0.30	0.46
<i>Net profit/loss for the period attributable to:</i>						
Parent Company's shareholders		35	16	59	31	49
<b>Net profit/loss for the period</b>		<b>35</b>	<b>16</b>	<b>59</b>	<b>31</b>	<b>49</b>
<i>Total comprehensive income for the period attributable to:</i>						
Parent Company's shareholders		24	26	59	54	67
<b>Total comprehensive income for the period</b>		<b>24</b>	<b>26</b>	<b>59</b>	<b>54</b>	<b>67</b>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

SEK m	Sept 30 2023	Sept 30 2022	Dec 31 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible fixed assets	867	681	674
Property, plant and equipment	51	41	37
Right-of-use assets	99	61	50
Dererred tax asset	66	65	59
Financial and other non-current assets	13	12	15
<b>Total non-current assets</b>	<b>1,096</b>	<b>860</b>	<b>835</b>
<b>Current assets</b>			
Trade receivables	274	226	237
Inventories	129	116	88
Other current receivables	65	62	56
Cash and cash equivalents	140	109	107
<b>Total current assets</b>	<b>608</b>	<b>513</b>	<b>488</b>
<b>TOTAL ASSETS</b>	<b>1,704</b>	<b>1,372</b>	<b>1,323</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	272	196	211
<b>Total equity</b>	<b>272</b>	<b>196</b>	<b>211</b>
<b>Non-current liabilities</b>			
Borrowings, non-current	638	-0	521
Lease liabilities	80	51	40
Other non-current liabilities	167	134	126
<b>Total non-current liabilities</b>	<b>885</b>	<b>185</b>	<b>687</b>
<b>Current liabilities</b>			
Borrowings, current	59	604	49
Lease liabilities	26	20	18
Other current liabilities	463	368	358
<b>Total current liabilities</b>	<b>548</b>	<b>991</b>	<b>425</b>
<b>Total liabilities</b>	<b>1,433</b>	<b>1,176</b>	<b>1,112</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,704</b>	<b>1,372</b>	<b>1,323</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, 2022</b>	<b>1</b>	<b>1</b>	<b>138</b>	<b>139</b>
Comprehensive income for the period		23	31	54
Share based payments			3	3
Acquisition of own shares			-1	-1
<b>Closing balance, Sept 30, 2022</b>	<b>1</b>	<b>23</b>	<b>172</b>	<b>196</b>
Comprehensive income for the period		-4	17	13
Share based payments			1	1
<b>Closing balance, Dec 31, 2022</b>	<b>1</b>	<b>19</b>	<b>191</b>	<b>211</b>
<b>Opening balance, Jan 1, 2023</b>	<b>1</b>	<b>19</b>	<b>191</b>	<b>211</b>
Comprehensive income for the period		-0	59	59
Share based payments			6	6
Acquisition of own shares			-4	-4
<b>Closing balance, Sept 30, 2023</b>	<b>1</b>	<b>19</b>	<b>252</b>	<b>272</b>



## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

SEK m	Q3 2023	Q3 2022	Nine months 2023	Nine months 2022	Full year 2022
<b>Cash flow from operating activities</b>					
Profit before tax (EBT)	41	18	70	39	54
Depreciations and amortization	43	34	114	88	124
Other non cash items	-3	1	2	6	8
Taxes paid	-0	-1	-6	-5	-6
<b>Cash flow before changes in working capital</b>	<b>81</b>	<b>53</b>	<b>180</b>	<b>128</b>	<b>179</b>
Change in working capital	-11	-27	-5	-101	-83
<b>Cash flow from operating activities</b>	<b>71</b>	<b>25</b>	<b>176</b>	<b>27</b>	<b>96</b>
<b>Investing activities</b>					
Investments in intangible assets	-23	-25	-64	-66	-87
Investments in tangible assets	-15	-8	-32	-27	-32
Other	1	-1	2	-1	-4
<b>Continuous investments</b>	<b>-36</b>	<b>-34</b>	<b>-93</b>	<b>-94</b>	<b>-122</b>
<b>Cash flow after continuous investments</b>	<b>35</b>	<b>-9</b>	<b>82</b>	<b>-67</b>	<b>-26</b>
Aquisitions	-156	0	-156	-75	-75
<b>Cash flow from investing activities</b>	<b>-192</b>	<b>-34</b>	<b>-249</b>	<b>-169</b>	<b>-197</b>
<b>Financing activities</b>					
Proceeds from borrowings	152	2	120	56	26
Repayment of lease liability	-6	-4	-15	-12	-16
Other financing activities	-1	1	-2	-1	-7
<b>Cash flow from financing activities</b>	<b>145</b>	<b>-2</b>	<b>104</b>	<b>43</b>	<b>2</b>
<b>Cash flow for the period</b>	<b>25</b>	<b>-11</b>	<b>30</b>	<b>-99</b>	<b>-99</b>
Cash and cash equivalents at the beginning of the period	116	115	107	197	197
Currency translation impact on cash and cash equivalents	-0	4	3	10	8
<b>Cash and cash equivalents at the end of the period</b>	<b>140</b>	<b>109</b>	<b>140</b>	<b>109</b>	<b>107</b>

# 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 121.

Net sales for the Parent Company, Tobii Dynavox AB, for the period July 1 to September 30 2023 amounted to SEK 204 million (153) of which SEK 153 million (116) refers to sales to group companies and SEK 51 million (37) to external customers. Operating profit for the corresponding period was SEK 29 million (0). Investments in property, plant and equipment and intangible assets totaled SEK -22 million (-19) for the quarter. At the end of the period, the Parent Company had SEK 24 million (32) in cash and cash equivalents.

## CONDENSED PARENT COMPANY INCOME STATEMENT

SEK m	Q3 2023	Q3 2022	Nine months 2023	Nine months 2022	Full year 2022
Revenues	204	153	542	440	582
Cost of goods and services sold	-90	-68	-251	-214	-289
<b>Gross profit</b>	<b>114</b>	<b>85</b>	<b>291</b>	<b>226</b>	<b>293</b>
Selling expenses	-24	-16	-68	-49	-84
Research- and development expenses	-37	-33	-104	-86	-123
Administrative expenses	-41	-38	-125	-115	-161
Other operating gains and losses	17	2	34	8	48
<b>Operating profit/loss (EBIT)</b>	<b>29</b>	<b>0</b>	<b>27</b>	<b>-17</b>	<b>-26</b>
Financial items	-7	-6	-27	-1	-9
<b>Profit/loss before tax (EBT)</b>	<b>22</b>	<b>-6</b>	<b>-0</b>	<b>-17</b>	<b>-36</b>
Tax	-	-	-	-	7
<b>Net profit/loss for the period</b>	<b>22</b>	<b>-6</b>	<b>-0</b>	<b>-17</b>	<b>-29</b>

## CONDENSED PARENT COMPANY BALANCE SHEET

SEK m	Sept 30 2023	Sept 30 2022	Dec 31 2022
<b>NON-CURRENT ASSETS</b>			
Intangible assets	344	419	397
Property, plant and equipment	8	7	7
Financial assets	502	271	281
<b>Total non-current assets</b>	<b>853</b>	<b>696</b>	<b>685</b>
<b>CURRENT ASSETS</b>			
Inventories	29	40	28
Trade receivables	17	12	18
Receivables from Group companies	122	87	82
Other current assets	17	11	10
Cash and cash equivalents	24	32	23
<b>Total current assets</b>	<b>208</b>	<b>182</b>	<b>161</b>
<b>TOTAL ASSETS</b>	<b>1,062</b>	<b>877</b>	<b>846</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	126	134	124
Untaxed reserves	1	0	1
<b>NON-CURRENT LIABILITIES</b>			
Borrowings, non-current	632	-	521
Liabilities to Group companies, non- current	79	40	47
Other non-current liabilities	18	16	16
<b>Total non-current liabilities</b>	<b>730</b>	<b>56</b>	<b>584</b>
<b>CURRENT LIABILITIES</b>			
Borrowings, current	59	604	49
Trade payables	48	35	40
Liabilities to Group companies, current	2	2	4
Other current liabilities	97	47	44
<b>Total current liabilities</b>	<b>205</b>	<b>687</b>	<b>138</b>
<b>Total liabilities</b>	<b>936</b>	<b>743</b>	<b>722</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,062</b>	<b>877</b>	<b>846</b>

## KEY PERFORMANCE MEASURES FOR THE GROUP

	Q3 2023	Q3 2022	Nine months 2023	Nine months 2022	Full year 2022
Earnings per share, SEK	0.33	0.15	0.56	0.30	0.46
Earnings per share, diluted, SEK	0.33	0.15	0.55	0.30	0.46
Equity per share, SEK	2.6	1.9	2.6	1.9	2.0
EBITDA, SEKm	92	59	213	146	206
Operating profit (EBIT), SEKm	48	25	99	58	82
EBITA, MSEK	76	48	174	117	166
Cash flow from operating activities, SEKm	71	25	176	27	96
Cash flow after continuous investments, SEKm	35	-9	82	-67	-26
Working capital, SEKm	-120	-80	-120	-80	-85
Total assets, SEKm	1,704	1,372	1,704	1,372	1,323
Net debt, SEKm	663	565	663	565	522
Net Debt/EBITDA LTM	-	-	2.4	3.1	2.5
Equity, SEKm	272	196	272	196	211
Equity/assets ratio, %	16	14	16	14	16
Debt/equity, factor	3.0	3.4	3.0	3.4	3.0
Gross margin, %	68	67	68	65	65
EBITDA margin, %	22	18	19	17	17
Operating margin, %	11.4	7.8	8.6	6.7	6.8
Average number of outstanding shares, million	104.9	104.9	104.9	104.9	104.9
Average number of outstanding shares after dilution, million	106.7	105.8	106.4	105.5	105.3
Number of outstanding shares at period end, million	104.9	104.9	104.9	104.9	104.9
Number of outstanding shares after dilution at period end, million	106.7	105.4	106.7	105.4	105.4
Average number of employees	639	555	607	511	525

Definitions, see note 11.

## QUARTERLY DATA

	2023			2022				2021				2020
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Revenue, SEKm	424	381	335	362	320	288	246	245	255	165	207	233
Gross Margin, %	68	68	66	65	67	64	64	64	67	64	67	67
EBITDA, SEKm	92	65	56	61	59	44	43	38	66	0.9	50	56
EBIT, SEKm	48	29	21	25	25	16	17	13	42	-23	28	34
Operating Margin, %	11.4	7.6	6.3	6.8	7.8	5.4	7.0	5.4	16.5	-14.1	13.5	14.7
Profit/Loss before tax, SEKm	41	17	12	15	18	9	11	9	37	-29	23	29
Profit/Loss for the period, SEKm	35	17	7	17	16	6	10	5	21	-13	16	68

# Notes

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## Note 1. Accounting policies

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 2022.

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

The amount of allocated stock units as per September 30, 2023, is 1 556 659.

The dilutive effect is expected to be a maximum of 1.8 percent.

The number of stock units allocated under the 2020 plan amounts to 200 116 share rights as of September 30, 2023. The number of stock units allocated under the 2021 plan amounts to 249 046 share rights as of September 30, 2023.

The 2022 plan has resulted in an allocation as of September 30 of 425 497 stock units.

The 2023 Annual General Meeting resolved to adopt a new long-term incentive program, LTI 2023. The number of stock units granted under the 2023 program amounts to 682 000 as of September 30, 2023.

The number of stock units that are not yet allocated is 351 503.

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.

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## 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 2022.

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## 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 28 in the Tobii Dynavox Annual and Sustainability Report for 2022. There have been no material changes in related party relationships or transactions compared with those described in the 2022 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 2022.

## 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 September 30, 2023, Tobii Dynavox held 104,851,201 common shares, each carrying one vote.

## Note 8. Breakdown of revenue

SEK m	Q3 2023	Q3 2022	Nine months 2023	Nine months 2022	Full year 2022
REVENUE BY PRODUCT TYPE					
Goods	393	291	1,052	773	1,103
Services	29	28	83	77	107
Royalty	2	1	6	5	6
<b>Total revenues</b>	<b>424</b>	<b>320</b>	<b>1,141</b>	<b>855</b>	<b>1,216</b>
REVENUE BY DATE OF REVENUE RECOGNITION					
Point in time	358	271	950	719	1,022
Over time	66	49	191	135	194
<b>Total revenues</b>	<b>424</b>	<b>320</b>	<b>1,141</b>	<b>855</b>	<b>1,216</b>

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## Note 9.Acquisition

On September 7, 2023, Tobii Dynavox completed the acquisition of all shares in the German company Rehadapt Engineering. After entering the agreement on 30 June 2023, the purchase price has been adjusted to EUR 16.6 million on a cash and debt free basis. The payment for the acquisition is made in two instalments. The first instalment, corresponding to 95% of the payment, has been made and the second instalment will be made within the coming quarter. Additionally, a potential earn-out consideration of up to EUR 3.5 million 12 months after closing of the transaction will be paid depending on the continued financial development of Rehadapt.

Rehadapt is a provider of medically certified mounting solutions for assistive technology, including out-of-the-box and flexible solutions to support individual communication, independent mobility kits and customized accessories. Based on over 20 years of expertise and innovative development, Rehadapt has created a well-respected brand and a valuable asset base in the field of mounting solutions. Rehadapt's products are currently sold together with Tobii Dynavox's products as well as by many other companies in assistive communication. Rehadapt has approximately 50 employees and is headquartered in Kassel, Germany with a local subsidiary and distribution center in the United States. Rehadapt's turnover in 2022 was approximately EUR 10 million with an adjusted EBIT margin of approximately 20%. The seller, Rehadapt's CEO Uli Ehlert, will remain with Rehadapt for a period of at least one year.

Rehadapt was included in the Group's accounts from September 1, 2023.

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

The following table summarize the purchase consideration paid and the preliminary fair value of assets acquired, and liabilities assumed for the acquisition of Rehadapt Engineering.

**EFFECTS OF ACQUISITIONS**

	Rehadapt <sup>1</sup>
<b>SEK m</b>	
<b>Breakdown of Purchase considerations</b>	
Cash consideration	165
Contingent consideration	42
Consideration short term debt	9
Total consideration	216
<b>Change in acquired assets and liabilities</b>	
Technology	19
Brands	-
Customer relations/contracts	33
Other fixed assets	21
Net other assets and liabilities	-38
Cash and cash equivalents	10
Deferred tax liability	16
<b>Net identifiable assets and liabilities</b>	<b>62</b>
<b>Goodwill</b>	<b>154</b>
<b>Impact on cash and cash equivalents</b>	
Cash consideration (included in cash flow from investing activities)	-165
Cash and cash equivalents of acquired companies (included in cash flow from investing activities)	10
Acquisition costs (included in cash flow from operating activities)	-6
<b>Total impact on cash and cash equivalents</b>	<b>-162</b>
<b>Impact on sales and operating profit (loss) during the holding period</b>	
Sales	9
Operating profit (loss)	3
<b>Impact on sales and operating profit (loss) as if the acquisitions had taken place on 1 January 2023</b>	
Sales	104
Operating profit (loss)	26

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



## Note 10. Financial instrument

SEK m	Sept 30 2023		Sept 30 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial liabilities measured at fair value</b>				
Contingent considerations	42	42	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 2023 relate in their entirety to the acquisition of Rehadapt Engineering while contingent considerations for 2022 related to 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	Q3 2023	Q3 2022	Nine months 2023	Nine months 2022	Full year 2022
<b>Gross margin</b>					
Gross profit	290	213	770	555	788
Revenues	424	320	1,141	855	1,216
<b>Gross margin, %</b>	<b>68%</b>	<b>67%</b>	<b>68%</b>	<b>65%</b>	<b>65%</b>

SEK m	Q3 2023	Q3 2022	Nine months 2023	Nine months 2022	Full year 2022
<b>EBITDA and EBITDA-margin</b>					
Operating profit	48	25	99	58	82
Amortization and impairment on intangible assets	28	23	76	59	84
Depreciation, amortization and impairment on tangible assets	15	11	38	29	40
<b>EBITDA</b>	<b>92</b>	<b>59</b>	<b>213</b>	<b>146</b>	<b>206</b>
Revenue	424	320	1,141	855	1,216
<b>EBITDA-marginal, (%)</b>	<b>22%</b>	<b>18%</b>	<b>19%</b>	<b>17%</b>	<b>17%</b>

SEK m	Q3 2023	Q3 2022	Nine months 2023	Nine months 2022	Full year 2022
<b>EBITA</b>					
Operating profit	48	25	99	58	82
Amortization R&D	26	21	70	57	80
Amortization purchased immaterial assets	2	1	5	2	4
<b>EBITA-margin</b>	<b>76</b>	<b>48</b>	<b>174</b>	<b>117</b>	<b>166</b>
Revenue	424	320	1,141	855	1,216
<b>EBITA-margin, %</b>	<b>18%</b>	<b>15%</b>	<b>15%</b>	<b>14%</b>	<b>14%</b>

SEK m	Q3 2023	Q3 2022	Nine months 2023	Nine months 2022	Full year 2022
<b>Equity/share</b>					
Equity	272	196	272	196	211
Average number of outstanding shares, million	105	105	105	105	105
<b>Equity/share</b>	<b>2.6</b>	<b>1.9</b>	<b>2.6</b>	<b>1.9</b>	<b>2.0</b>

SEK m	Q3 2023	Q3 2022	Nine months 2023	Nine months 2022	Full year 2022
<b>Net debt</b>					
Cash and cash equivalents	140	109	140	109	107
Interest-bearing liabilities	803	674	803	674	628
<b>Net debt</b>	<b>663</b>	<b>565</b>	<b>663</b>	<b>565</b>	<b>522</b>

SEK m	Q3 2023	Q3 2022	Nine months 2023	Nine months 2022	Full year 2022
<b>Net debt/EBITDA ratio</b>					
Net debt	-	-	663	565	522
EBITDA last twelve months	-	-	273	184	206
<b>Net debt/EBITDA LTM</b>	<b>-</b>	<b>-</b>	<b>2.4</b>	<b>3.1</b>	<b>2.5</b>

SEK m	Q3 2023	Q3 2022	Nine months 2023	Nine months 2022	Full year 2022
<b>Organic growth</b>					
Revenue current year	424	320	1,141	855	1,216
Currency effect	-15	-48	-66	-93	-156
Acquisition effect	-9	-16	-45	-27	-49
Currency-adjusted income corresponding period last year excluding acquisitions	400	256	1,030	735	1,011
Revenue corresponding period previous year	320	255	855	627	872
Organic growth	80	1	175	108	140
<b>Organic growth, %</b>	<b>25%</b>	<b>0%</b>	<b>20%</b>	<b>17%</b>	<b>16%</b>

SEK m	Q3 2023	Q3 2022	Nine months 2023	Nine months 2022	Full year 2022
<b>Working capital</b>					
Inventories	129	116	129	116	88
Trade receivables	274	226	274	226	237
Other receivables	65	62	65	62	56
Trade payables	-100	-77	-100	-77	-78
Other liabilities	-488	-407	-488	-407	-388
<b>Working capital</b>	<b>-120</b>	<b>-80</b>	<b>-120</b>	<b>-80</b>	<b>-85</b>
<b>SEK m</b>	<b>Q3 2023</b>	<b>Q3 2022</b>	<b>Nine months 2023</b>	<b>Nine months 2022</b>	<b>Full year 2022</b>
<b>Operating margin (EBIT-margin)</b>					
Operating profit	48	25	99	58	82
Revenue	424	320	1,141	855	1,216
<b>Operating margin, %</b>	<b>11.4%</b>	<b>7.8%</b>	<b>8.6%</b>	<b>6.7%</b>	<b>6.8%</b>

SEK m	Q3 2023	Q3 2022	Nine months 2023	Nine months 2022	Full year 2022
<b>Net debt/equity ratio</b>					
Interest-bearing liabilities	803	674	803	674	628
Equity	272	196	272	196	211
<b>Net debt/equity ratio, factor</b>	<b>3.0</b>	<b>3.4</b>	<b>3.0</b>	<b>3.4</b>	<b>3.0</b>

SEK m	Q3 2023	Q3 2022	Nine months 2023	Nine months 2022	Full year 2022
<b>Equity/assets ratio</b>					
Equity	272	196	272	196	211
Total assets	1,704	1,372	1,704	1,372	1,323
<b>Equity/assets ratio, %</b>	<b>16%</b>	<b>14%</b>	<b>16%</b>	<b>14%</b>	<b>16%</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, October 27, 2023

**Åsa Hedin**  
Chairman of the Board

**Charlotta Falvin**  
Board Member

**Caroline Ingre**  
Board Member

**Carl Bandhold**  
Board Member

**Henrik Eskilsson**  
Board Member

**Maarten Barmiento**  
Board Member

**Fredrik Ruben**  
CEO

The report has 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 October 27, 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

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Linda Tybring, Investor Relations, CFO, [linda.tybring@tobiidynavox.com](mailto:linda.tybring@tobiidynavox.com)

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Mailing address: Löjtnantsgatan 25, 115 50 Stockholm, Sweden  
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### FINANCIAL CALENDER

Year-end Report Q4 2023	February 8, 2024
Annual Report 2023	Week 14/15 2024
Interim Report Q1 2024	April 23, 2024
Annual general meeting	May 3, 2024
Interim Report Q2 2024	July 18, 2024
Interim Report Q3 2024	October 23, 2024
Interim Report Q4 2024	February 5, 2025

**AUDITOR'S REPORT**

Tobii Dynavox AB (publ) corp. Reg. no. 556914-7563

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**INTRODUCTION**

We have reviewed the condensed interim financial information (interim report) of Tobii Dynavox AB as of 30 September 2023 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.

Stockholm October 27, 2023

PricewaterhouseCoopers AB

Camilla Samuelsson  
Authorized Public Accountant