

Press release

Stockholm, Sweden 21 July 2022, 07:30 CET

Tobii Dynavox Interim report for the second quarter 2022

Tobii Dynavox AB (publ) today announced its results for the second quarter of 2022.

Comment by Tobii Dynavox CEO Fredrik Ruben:

“The underlying organic growth was strong in the quarter, clearly driven by our North American business. Europe and the rest of the world are growing but appear to be lagging behind somewhat and still burdened by the aftermath of the pandemic. Our margins continued to be impacted by high component prices, but unlike the same quarter last year, we now have no shortages of components or finished products. We believe that the extremes in component prices are of temporary nature. Demand for our products remains strong and is steadily growing, regardless of economic trends, which gives us strong confidence for the future.”

QUARTER APRIL - JUNE 2022

- Revenue grew 48% organically to SEK 288 million (165).
- Adjusted for supplier disruptions in the comparative quarter of 2021, underlying organic growth was 23%.
- Gross margin was 64% (64).
- Operating profit totaled SEK 16 million (-23), corresponding to an operating margin of 5.5% (-14.1).
- Cash flow after continuous investments amounted to SEK -27 million (-11).
- Basic earnings per share totaled SEK 0.06 (-0.13) before dilution and SEK 0,06 (-0,12) after dilution.

PERIOD JANUARY – JUNE 2022

- Revenue grew 26% organically to SEK 535 million (372).
- Adjusted for supplier disruptions in the comparative period of 2021, underlying organic growth was 10%.
- Gross margin was 64% (66).
- Operating profit totaled SEK 33 million (5), corresponding to an operating margin of 6.2% (1.3).
- Cash flow after continuous investments amounted to SEK -55 million (37).
- Basic earnings per share totaled SEK 0.15 (0.03) before and after dilution.

SIGNIFICANT EVENTS DURING THE QUARTER

- [Acquired the Irish company Obear Technologies Ltd](#), operating under the name Safe Care Technologies. The company has until now been Tobii Dynavox's reseller in Ireland.
- Completed the previously announced [acquisition of Belgian Acapela Group](#).
- Announced the acquisition of [all business operations and all assets from the reseller partner ASK in Denmark](#). The deal was completed on July 1.
- Launch of a [new "voice banking" solution used in TD Talk software](#). By using the My-own-voice solution from the subsidiary Acapela Group, people with conditions such as ALS can now create a personalized synthetic voice and use it directly in TD Talk.

COMMENTS FROM THE CEO

The underlying organic growth was strong in the quarter, clearly driven by our North American business. Europe and the rest of the world are growing but appear to be lagging behind somewhat and still burdened by the aftermath of the pandemic. Our margins continued to be impacted by high component prices, but unlike the same quarter last year, we now have no shortages of components or finished products. We believe that the extremes in component prices are of temporary nature. Demand for our products remains strong and is steadily growing, regardless of economic trends, which gives us strong confidence for the future.

Our net sales grew organically by about 23% in the quarter, adjusted for the supply disruptions we experienced in the second quarter of last year. Opportunities to meet with customers, prescribers and users have largely returned to normal since March, after a long period of pandemic-related restrictions. Our North American communication aids portfolio is characterized by strong demand across the board, including touch controlled devices such as the new TD I-110, software and the new Apple-based eye-controlled TD Pilot. There is also an unmet growing need from certain user groups that have been particularly affected by the pandemic restrictions, including children with autism.

In Europe and other markets outside North America, the picture is more diverse. The trend here generally lags behind since the prescribing process takes around 6-12 months, which is longer than in North America. Consequently, we anticipate that further positive effects of lifting the pandemic restrictions will be delayed until the second half of the year.

To avoid disruptions to the supply of our end products, we continue to prioritize the availability of input goods over costs. A well-stocked finished goods inventory also helps to minimize the risk of delivery problems and secures maintained sales.

At the same time, continued challenges in logistics and component supply entail a significantly lower than normal gross margin. We expect this situation to return to normal in due course. As a result, margins will gradually improve from today's historically low levels.

ACQUISITION OF ACAPELA GROUP CREATES GREAT OPPORTUNITIES

The acquisition of Acapela Group, which closed on April 29, clearly bore fruit already at the end of June with the launch of a new solution for saving and creating a synthetic version of one's own voice, known as "voice banking" and used in our software TD Talk. Acapela Group is the world leader in synthetic voices. By using their My-own-voice solution, people with conditions such as ALS can create their own synthetic voice and use it directly in TD Talk. The launch is an excellent example of the important new solutions for our users that

can be created by cross-pollinating Acapela's innovative team and leading products with Tobii Dynavox communication aids.

The acquisitions of Irish Safe Care Technologies in early April and Danish ASK in July bring us even closer to our customers. As a result, we can help more people with disabilities to interact with the world around them. These deals are also an important part of our strategy to complement organic growth with acquisitions that bring us closer to our users and increase our ability to educate the market about the often life-changing opportunities our solutions can offer.

GOOD GROWTH PROSPECTS REGARDLESS OF THE ECONOMY

There is still a huge unmet need for communication aids around the world. Moreover, since our sales are almost entirely linked to prescriptions, they are independent of economic trends. Together, these factors ensure long-term sustainable and robust sales growth in the future, regardless of external economic developments.

Fredrik Ruben, CEO

Webcast

Today at 09:00 a.m. CET, Tobii Dynavox will host a webcast presentation for media, analysts and investors. If you want to attend the webcast click the following [link](#). The interim report and a recording of the webcast will be available [here](#).

This is a translation of the Swedish original. In case of any inconsistency between the Swedish and English version, the Swedish version shall prevail.

This information is inside information that Tobii Dynavox AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Swedish Securities Market Act. The information was submitted for publication, through the agency of the contact person set out below, at 07.30 CET on July 21st, 2022.

Contact

Linda Tybring, CFO & Investor Relations, Tobii Dynavox AB

Mobile: +46(0) 70 68 14 980, e-mail: linda.tybring@tobiidynavox.com

About Tobii Dynavox

Tobii Dynavox is the global leader in assistive technology for communication. Our custom designed solutions enable people with disabilities such as cerebral palsy, ALS and spinal cord injury to communicate with a voice of their own, develop literacy skills and live more independently. To date, hundreds of thousands of people worldwide have benefited from our integrated solutions, which include hardware, software, clinically developed language systems, special education tools, training, and dedicated support. We offer an extensive funding system to reach as many people as possible. Headquartered in Sweden, Tobii Dynavox employs around 500 people with office in the US, the UK, Norway and China, and reselling partners in 60+ countries. For more information, [please visit our website](#).