



# Admission to trading of the common shares in Tobii Dynavox AB (publ) on Nasdaq Stockholm



# Important information to investors

This prospectus (the "**Prospectus**") has been prepared by reason of the decision on Tobii AB's (publ) ("**Tobii AB**") extraordinary general meeting held on 25 October 2021, to distribute all common shares in Tobii Dynavox AB (publ) (a Swedish public limited liability company) ("**Tobii Dynavox**" or the "**Company**") to Tobii AB's shareholders as well as Tobii Dynavox's Board of Directors' application for listing of Tobii Dynavox's common shares on Nasdaq Stockholm. In the Prospectus, "**Tobii Dynavox**", the "**Company**" or the "**Group**" refers to Tobii Dynavox AB (publ), the group in which Tobii Dynavox is the parent company or a subsidiary of the group, as the context may require. See section "**Definitions**" for the definitions of these and other terms in the Prospectus. "**BoFA Securities**" refer to Bank of America Europe Designated Activity Company, Stockholm Branch. The figures included in the Prospectus have, in certain cases, been rounded off and, consequently, the tables contained in the Prospectus do not necessarily add up. Further, some percentages presented in this Prospectus has been calculated on the basis of underlying figures which has not been rounded off and, as a consequence, these can deviate from percentages calculated based on figures that has been rounded off. All financial amounts are in Swedish kronor ("**SEK**"), unless indicated otherwise, and "**MSEK**" indicates millions of Swedish kronor.

Except as expressly stated herein, no financial information in the Prospectus has been audited or reviewed by the Company's auditor. Financial information relating to the Company in the Prospectus that is not part of the information audited or reviewed by the Company's auditor as outlined herein originates from the Company's internal accounting and reporting systems.

This Prospectus are governed by Swedish law. The courts of Sweden have exclusive jurisdiction to settle any conflict or dispute arising out of or in connection with the Prospectus. A separate prospectus in Swedish has been prepared. In the event of discrepancies between the Prospectus and the Swedish Prospectus (as defined below), the Swedish prospectus shall prevail.

A Swedish language version of the prospectus (the "**Swedish Prospectus**") has been approved by and registered with the SFSA as competent authority pursuant to the European Union Regulation (EU) 2017/1129. The SFSA only approves that the Swedish Prospectus meets the standards of completeness, comprehensibility and consistency imposed by the prospectus regulation. Further, this approval should not be considered as any endorsement, neither of the issuer referred to in the Swedish Prospectus nor of the quality of the securities that are the subject of the Swedish Prospectus, and investors should make their own assessment as to the suitability of investing in the securities. The Swedish Prospectus was approved by the SFSA on 23 November 2021. The Swedish Prospectus is valid for twelve months, provided that it is completed with supplements when required pursuant to article 23 Regulation (EU) 2017/1129. The obligation to supplement the Swedish Prospectus in the event of significant new circumstances, factual errors or material inaccuracies does not apply when the Swedish Prospectus is no longer valid.

## Information to investors in the United States

The Tobii Dynavox's common shares and the distribution contemplated herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended ("**the Securities Act**") or the securities laws of any state or other jurisdiction of the United States, and may not be offered, sold or otherwise transferred, directly or indirectly, in or into the United States (as defined in Regulation S under the U.S. Securities Act), except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in accordance with applicable securities laws of the relevant state or other jurisdiction of the United States. The Tobii Dynavox's common shares have not been approved or disapproved by the U.S. Securities and Exchange Commission ("**SEC**"), any state securities commission in the United States or any U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the distribution of the Tobii Dynavox common shares or the accuracy or the adequacy of this document. Any representation to the contrary is a criminal offence in the United States. Shareholders must rely on their own examination of Tobii AB and Tobii Dynavox, as well as the terms of the distribution, including the merits and risks involved. See "**Risk Factors**."

Tobii Dynavox will be relying on an exemption provided by Rule 12g3-2(b) under the U.S. Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), and therefore will not be required to register its share with the SEC or be subject to reporting requirements under the Exchange Act. In accordance with Rule 12g3-2(b), Tobii Dynavox will make available certain documents on its website. These documents will consist primarily of English-language versions of the Group's annual reports, press releases and certain other information made public in Sweden. However, Tobii Dynavox will not be required to file any reports with the SEC, including annual reports on Form 20-F or furnish reports on Form 6-K.

The Tobii Dynavox's common shares generally should not be treated as "**restricted securities**" within the meaning of Rule 144(a)(3) under the Securities Act, and persons who receive securities as a result of the separation of Tobii Dynavox from Tobii AB (other than "**affiliates**" within the meaning of Rule 144) may resell them without restriction under the Securities Act. A receiving shareholder who is an affiliate of Tobii Dynavox as of the date and time at which the separation of Tobii Dynavox and Tobii AB becomes effective or who became affiliates thereafter, including during the preceding three months, will be subject to certain U.S. transfer restrictions relating to the common shares received pursuant to the separation and may only resell such shares pursuant to applicable exemptions under the Securities Act, including Rule 144. Such shareholders are advised to seek legal advice before reselling their shares.

Tobii Dynavox is a corporation incorporated under the laws of Sweden. A majority of its directors, executive officers and auditors reside outside the United States, and a majority of its assets and the assets of these persons are located outside the United States. It may not be possible, therefore, for U.S. shareholders of Tobii Dynavox to effect service of process within the United States or elsewhere outside Sweden upon the Company or these persons, or to enforce against the Company or these persons judgments obtained in U.S. courts or elsewhere, whether or not predicated upon the civil liability provisions of the U.S. federal securities or other laws of the United States or any state thereof.

For the avoidance of doubt, BoFA Securities will not, in its capacity as financial advisor, be engaging in direct communications with shareholders located within the United States of America (whether on a reverse-inquiry basis or otherwise) relating to the distribution of the common shares in Tobii Dynavox and the listing of Tobii Dynavox's common shares.

## Forward-looking statements

The Prospectus contains certain forward-looking statements and opinions. Forward-looking statements are statements that do not relate to historical facts and events and such statements and opinions pertaining to the future that, by example, contain wording such as "**believes**", "**estimates**", "**anticipates**", "**expects**", "**assumes**", "**forecasts**", "**intends**", "**could**", "**will**", "**should**", "**would**", "**according to estimates**", "**is of the opinion**", "**may**", "**plans**", "**potential**", "**predicts**", "**projects**", "**to the knowledge of**" or similar expressions, which are intended to identify a statement as forward-looking. This applies, in particular, to statements and opinions in the Prospectus concerning the future financial returns, plans and expectations with respect to the business and management of the Company, future growth and profitability and general economic and regulatory environment and other matters affecting the Company.

Forward-looking statements are based on current estimates and assumptions made according to the best of the Company's knowledge. Such forward-looking statements are subject to risks, uncertainties, and other factors that could cause the actual results, including the Company's cash flow, financial condition and results of operations, to differ materially from the results, or fail to meet expectations expressly or implicitly assumed or described in those statements or to turn out to be less favorable than the results expressly or implicitly assumed or described in those statements. Accordingly, prospective investors should not place undue reliance on the forward-looking statements herein, and are strongly advised to read the Prospectus, including the following sections: "**Summary**", "**Risk factors**", "**Business overview**" and "**Operating and financial review**", which include more detailed descriptions of factors that might have an impact on the Company's business and the market in which it operates. None of the Company or BoFA Securities can give any assurance regarding the future accuracy of the opinions set forth herein or as to the actual occurrence of any predicted developments.

In light of the risks, uncertainties and assumptions associated with forward-looking statements, it is possible that the future events mentioned in the Prospectus may not occur. Moreover, the forward-looking estimates and forecasts derived from third-party studies referred to in the Prospectus may prove to be inaccurate. Actual results, performance or events may differ materially from those in such statements due to, without limitation: changes in general economic conditions, in particular economic conditions in the markets on which the Company operates, changes affecting interest rate levels, changes affecting currency exchange rates, changes in competition levels, changes in laws and regulations, and occurrence of accidents or environmental damages.

After the date of this Prospectus, none of the Company or BoFA Securities assume any obligation, except as required by law or Nasdaq Stockholm's Rule Book for Issuers, to update any forward-looking statements or to conform these forward-looking statements to actual events or developments.

## Business and market data

The Prospectus includes industry and market data pertaining to Tobii Dynavox's business and markets. Such information is based on the Company's analysis of multiple sources, including a report dated 29 March, 2021 prepared by Arthur D. Little.

Industry publications or reports generally state that the information they contain has been obtained from sources believed to be reliable, but the accuracy and completeness of such information is not guaranteed. The Company has not independently verified and cannot give any assurances as to the accuracy of industry and market data contained in the Prospectus that were extracted or derived from such industry publications or reports. Business and market data are inherently predictive and subject to uncertainty and not necessarily reflective of actual market conditions. Such data is based on market research, which itself is based on sampling and subjective judgements by both the researchers and the respondents, including judgements about what types of products and transactions should be included in the relevant market.

Information obtained from third parties has been accurately reproduced and, as far as the Company is aware and can ascertain from information published by these third parties, no facts have been omitted that could render the reproduced information inaccurate or misleading.

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## Important dates

3 December 2021	Final day of trading in Tobii AB's share, with right to distribution of common shares in Tobii Dynavox
6 December 2021	Tobii AB's common share will be traded excluding the right to the distribution of common shares in Tobii Dynavox
7 December 2021	Record date for receipt of common shares in Tobii Dynavox
9 December 2021	Expected first day of trading in Tobii Dynavox's common shares on Nasdaq Stockholm

## Other information

Ticker	TDVOX
ISIN code	SE0017105620
LEI code	5493008X1XZR4R5R0P66

## Financial calendar

10 February 2022	Year-end Report for January – December 2021
27 April 2022	Q1 Interim Report January – March 2022
21 July 2022	Q2 Interim Report January – June 2022
28 October 2022	Q3 Interim Report January – September 2022
8 February 2023	Year-end Report for January – December 2022

# Summary

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## Introduction and warnings

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### Introduction and warnings

This summary should be read as an introduction to the Prospectus. Any decision to invest in the securities should be based on an assessment of the Prospectus in its entirety by the investor. Any decision to invest in securities entails risks and an investor may lose all or part of the invested capital. Where statements in respect of information contained in a Prospectus are challenged in a court of law, the plaintiff investor may, in accordance with member states' national legislation, be forced to pay the costs of translating the Prospectus before legal proceedings are initiated. Under civil law, only those individuals who have produced the summary, including translations thereof, may be enjoined, but only if the summary is misleading, incorrect or inconsistent with the other parts of the Prospectus or if it does not, together with other parts of the Prospectus, provide key information to help investors when considering whether to invest in the securities.

### The Issuer

Tobii Dynavox AB, Reg. No. 556914-7563, Karlsrovägen 2D,  
SE-182 53 Danderyd, Sweden.  
Telephone number: +46 (0)8-663 69 90.  
LEI-code: 5493008X1XZR4R5R0P66.  
Ticker: TDVOX.  
ISIN code: SE0017105620.

### Competent Authority

Finansinspektionen is the Swedish Financial Supervisory Authority (the "SFSA") and the competent authority responsible for approving the Swedish language version of the prospectus (the "**Swedish Prospectus**"). The SFSA's registered address is Finansinspektionen, Brunnsgatan 3 SE-111 38, Stockholm, Sweden. The SFSA may be contacted by phone, at +46 8 408 980 00 or by email at finansinspektionen@fi.se. The SFSA's website is [www.fi.se](http://www.fi.se). The Swedish Prospectus was approved by the SFSA on 23 November 2021.



# Key information on the issuer

## WHO IS THE ISSUER OF THE SECURITIES?

Issuer information	Issuer of the securities is Tobii Dynavox AB, Reg. No. 556914-7563. The Company's registered office is in Danderyd Municipality. The Company is a Swedish public limited liability company founded in Sweden under Swedish law, incorporated in Sweden and operating under Swedish law. The Company's form of association is governed by the Swedish Companies Act (2005:551). The Company's LEI-code is 5493008X1XZR4R5R0P66.																																		
The issuer's principal activities	Tobii Dynavox is the global market leader <sup>1</sup> in development and sales of assistive technology for communication. Today, Tobii Dynavox has over 100,000 users worldwide who rely on its solutions to communicate. This gives users the opportunity to lead more independent lives and often has a dramatic positive impact on quality of life for both users and those around them. Tobii Dynavox sees it as its obligation, in addition to developing products, to support and educate users and the people around them throughout the journey and to provide clear advice on choices that help users and ensure that the solutions the Company delivers really work.																																		
Major shareholders and control over the issuer	As of the date of this Prospectus, Tobii Dynavox is a wholly owned subsidiary of Tobii AB. The table below shows Tobii AB's shareholders who have a direct or indirect holding that corresponds to five percent or more of the shares or votes in Tobii AB on 30 September 2021. If the record date for the distribution of Tobii Dynavox shares had been 30 September 2021, the largest shareholders in Tobii Dynavox would initially have been the ones shown in the table below. The ownership structure for Tobii Dynavox will initially be the same as for Tobii AB on the record date of the proposed distribution.																																		
<table><tr><th>Shareholders</th><th>Number of common shares</th><th>Total number of C-shares</th><th>Total number of shares</th><th>Share of capital, %</th><th>Share of votes, %</th></tr><tr><td>Handelsbanken Fonder</td><td>8,628,340</td><td>0</td><td>8,628,340</td><td>8.57</td><td>8.64</td></tr><tr><td>Swedbank Robur Fonder</td><td>8,166,853</td><td>0</td><td>8,166,853</td><td>8.11</td><td>8.18</td></tr><tr><td>Other shareholders</td><td>83,005,330</td><td>900,000</td><td>83,905,330</td><td>83.32</td><td>83.19</td></tr><tr><td>Total</td><td>99,800,523</td><td>900,000</td><td>100,700,523</td><td>100</td><td>100</td></tr></table>						Shareholders	Number of common shares	Total number of C-shares	Total number of shares	Share of capital, %	Share of votes, %	Handelsbanken Fonder	8,628,340	0	8,628,340	8.57	8.64	Swedbank Robur Fonder	8,166,853	0	8,166,853	8.11	8.18	Other shareholders	83,005,330	900,000	83,905,330	83.32	83.19	Total	99,800,523	900,000	100,700,523	100	100
Shareholders	Number of common shares	Total number of C-shares	Total number of shares	Share of capital, %	Share of votes, %																														
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Total	99,800,523	900,000	100,700,523	100	100																														
Key managing directors	<p>The Company's Board of Directors consists of Åsa Hedin (chairman), Carl Bandhold, Henrik Eskilsson, Charlotta Falvin and Caroline Ingre.</p> <p>The Company's executive management consists of Fredrik Ruben (CEO), Albert Biglan, Kristen Cook, Rebecca Kastell, Nils Normell, Anthony Pavlik, Tara Rudnicki and Linda Tybring.</p>																																		
Auditor	Pricewaterhousecoopers AB with auditor in charge Johan Engstam.																																		

<sup>1</sup> According to a market research conducted by Arthur D. Little (2021). According to the market research, Tobii Dynavox was the market leader with an estimated market share of just under 40 percent.

## WHAT IS THE KEY FINANCIAL INFORMATION REGARDING THE ISSUER?

### Key financial information in summary

#### Selected items from the combined income statement

MSEK, unless otherwise stated	1 Jan – 31 Dec		1 Jan – 30 Sep	
	2020 <sup>1</sup>	2019 <sup>2</sup>	2021 <sup>3</sup>	2020 <sup>4</sup>
Net sales	895.2	908.8	626.5	662.1
Operating profit	127.2	101.0	46.7	93.0
The result of the period	129.8	67.7	24.5	62.1
Operating margin (EBIT margin), %	14.2	11.1	7.5	14.0
Earnings per share, SEK <sup>5</sup>	1.30	0.68	0.25	0.62
Earnings per share, diluted, SEK <sup>6</sup>	1.30	0.68	0.25	0.62

#### Selected items from the combined balance sheet

MSEK	1 Jan – 31 Dec		1 Jan – 30 Sep	
	2020 <sup>1</sup>	2019 <sup>2</sup>	2021 <sup>3</sup>	2020 <sup>4</sup>
Total assets	778.2	669.3	739.3	731.6
Total equity	29.3	-97.4	56.7	-9.4

#### Selected items from the combined statement of cash flows

MSEK	1 Jan – 31 Dec		1 Jan – 30 Sep	
	2020 <sup>1</sup>	2019 <sup>2</sup>	2021 <sup>3</sup>	2020 <sup>4</sup>
Cash flow from operating activities	272.5	184.7	101.9	200.4
Cash flow from investing activities	-102.0	-108.6	-61.9	-79.7
Cash flow from financing activities	-39.6	-77.6	-106.5	-49.2

## WHAT ARE THE KEY RISKS THAT ARE SPECIFIC TO THE ISSUER?

### Main risks related to the issuer

- There are several risks associated with products, quality issues and warranty claims. For example, defects in Tobii Dynavox products, components or software may have several negative consequences, including triggering recall programs. There is also a risk that, although the Company's products function as intended, users may be unable to use the Company's products due to various circumstances, including circumstances attributable to the user. If one or more of the above risks were to materialize, it could have a negative impact on the Group's business and financial position.
- There are several risks associated with deliveries. Operational problems, price increases, incorrect delivery forecasts, or suppliers not delivering according to the Company's needs for other reasons may lead to quality issues or delays in deliveries, resulting in delays or loss of revenue and increased costs. If one or more of the above risks were to materialize, it could have a negative impact on the Group's business and results of operations.
- There are several risks associated with information security. For example, any external or internal breach of the Company's data protection, or intrusion into the premises where the Company operates, may cause, among other things, information leakage to third parties, with or without the Company's knowledge. If the Company's IT system providers are subject to a data breach, or are otherwise unable to provide their services, the Company's products, services and software may not function as intended. If one or more of the above risks were to materialize, it could have a negative impact on the Group's business and financial position.

<sup>1</sup> Derived from the Group's audited combined financial statements for the financial years ending 31 December 2020 and 2019.

<sup>2</sup> Derived from the Group's audited combined financial statements for the financial years ending 31 December 2020 and 2019.

<sup>3</sup> Derived from the Group's audited combined financial statements for the nine-month period ending 30 September 2021, with unaudited comparative figures for the nine-month period ending 30 September 2020.

<sup>4</sup> Derived from the Company's interim report for the period ending 30 September 2021 on pages F-1–F-3, which is not audited or reviewed.

<sup>5</sup> Calculation of earnings per share for each period is based on Tobii Dynavox net profit attributable to shareholders of the parent divided by the number of common shares in Tobii AB as of 30 September 2021. As of 30 September 2021, Tobii AB had 99,800,523 common shares.

<sup>6</sup> Calculation of earnings per share for each period is based on Tobii Dynavox net profit attributable to shareholders of the parent divided by the number of common shares in Tobii AB as of 30 September 2021. As of 30 September 2021, Tobii AB had 99,800,523 common shares.

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**Main risks related to the issuer**

- There are several risks associated with brand and reputation. For example, the Company relies on a few external suppliers to provide its products and components, as well as to manufacture Tobii Dynavox products. If one or more of the above risks were to materialize, it could have a negative impact on the Group's business and financial position.
  - There are several risks associated with changing market conditions and societal disruptions. The Company is dependent on the overall and continuous stability of society and, as such, is subject to risks related to disasters and disruptions, including natural disasters, and other force majeure situations. The occurrence of such events may adversely affect the Company's supply chain and sales, for example, and cause disruptions in the Company's deliveries. If one or more of the above risks were to materialize, it could have a negative impact on the Group's business and financial position.
  - There are several risks associated with rapid technological changes. The ability of Tobii Dynavox to predict technical advances and market needs, as well as to adapt its products accordingly, is thus critical for the continued success of the Group. However, there is a risk that Tobii Dynavox misjudges this development. Furthermore, competitors may launch new technological solutions that offer a better experience and/or a better product than Tobii Dynavox offers. If one or more of the above risks were to materialize, it could have a negative impact on the Group's business and results of operations.
  - There are several risks associated with compliance and business ethics. For example, in the event of incidents or allegations against suppliers or other partners, Tobii Dynavox's brand and reputation may be damaged, even if the Company is not involved. Tobii Dynavox is therefore dependent on the compliance of its employees, suppliers and other partners with applicable laws and regulations, as well as internal and external governance documents and policies. Violation of, or non-compliance with, applicable laws and regulations could adversely affect the Group's business and reputation. If one or more of the above risks were to materialize, it could have a negative impact on the Group's business and financial position.
  - There are several risks associated with competition from other providers of assistive technology for communication. The Company is subject to risks related to competition from consumer electronics and to risks related to industry competitors. If one or more of the above risks were to materialize, it could have a negative impact on the Group's business and financial position.
  - There are several risks associated with changes in reimbursement and insurance schemes. Changes in such reimbursement and insurance schemes, for example as a result of changes in applicable legislation, in procurement procedures, or changes in political leadership, may result in a reduction or absence of reimbursement from public and private reimbursement and insurance schemes. If one or more of the above risks were to materialize, it could have a negative impact on the Group's business and financial position.
  - There are several risks associated with disputes and damages in legal proceedings. The Company risks being involved from time to time in civil, labor, or administrative proceedings, which could involve substantial claims for damages or other demands for payment. Disputes may also arise from claims by customers that the Company's products and components are defective or faulty and have not met the level of quality expected by the customer. If one or more of the above risks were to materialize, it could have a negative impact on the Group's business and financial position.
  - There are several risks associated with financing. For example, The Company has entered into a financing agreement with Swedbank. If Tobii Dynavox does not comply with the commitments or obligations included in the loan agreement, Swedbank may have the right to terminate the loan agreement and demand repayment of outstanding loans and, if repayment of the loans is not made, have the right to pledged collateral. Termination of the loan agreement may, under called cross default provisions included in the loan agreement, give the lender the right to terminate the loan and demand repayment of outstanding loans in the event that a Group company breaches provisions of financial agreements other than the loan agreement, relating to other financial obligations. If one or more of the above risks were to materialize, it could have a negative impact on the Group's results of operations and financial position.
  - There are several risks associated with currencies. Tobii Dynavox's operations are largely conducted outside of Sweden and 72 percent of the Company's revenues for the period January – September 2021 are attributable to the US and 74 percent of the Company's personnel are located in the US, while the Company's reporting currency is SEK. The Company is therefore subject to risks related to fluctuating exchange rates, but the Company is also subject to currency risk when translating the financial statements of foreign operations. If one or more of the above risks were to materialize, it could have a negative impact on the Group's results of operations and financial position.
  - There are several risks associated with that the expected benefits related to the spin-off of Tobii Dynavox may not be realized. For example, there is a risk that the expected benefits of the distribution will not be achieved if the assumptions on which the decision to implement the distribution are based on, prove to be incorrect or if the expected benefits or the underlying drivers have been overestimated. If one or more of the above risks were to materialize, it could have a negative impact on the Company's financial position and results of operations and the expected benefits related to the spin-off would not be realized.
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# Key information on the securities

## WHAT ARE THE MAIN FEATURES OF THE SECURITIES?

<b>Securities subject to admission to trading</b>	Common shares in Tobii Dynavox. ISIN code SE0017105620. The common shares are denominated in SEK.  The quotient value of the shares is SEK 0.0047687.
<b>Number of securities issued</b>	As of the date of this Prospectus there is a total of 104,851,201 common shares in Tobii Dynavox.
<b>Rights associated with the securities</b>	Each common share in the Company entitles the holder to one vote at general meetings, while each C share in the Company entitles the holder to one-tenth of a vote. Every shareholder has the right to cast votes according to the total number of shares they hold in the Company. Upon the Company's liquidation, class C shares carry equivalent right to the Company's assets as other shares, however not to an amount exceeding the quota value of the share. The rights associated with the shares issued by the Company, including rights under the Articles of Association, may only be amended in accordance with the procedures set out in the Swedish Companies Act (2005:551).
<b>Restrictions on free transferability</b>	The common shares in the Company are not subject to any restrictions on transferability, subject to certain transfer limitations under the Securities Act for any affiliates of Tobii Dynavox.
<b>Dividend and dividend policy</b>	The Company's Board of Directors intends to primarily reinvest the Company's profit and use them for several growth opportunities identified by the Board in the near term (both organic and non-organic). The Board of Directors shall continuously evaluate the possibility of dividends, taking into account potential acquisition opportunities and other strategic initiatives.

## WHERE WILL THE SECURITIES BE TRADED?

<b>Admission to trading</b>	On 11 November 2021, Nasdaq Stockholm's listing committee made the assessment that the Company fulfils the listing requirements. Nasdaq Stockholm will approve an application for admission to trading of the Company's common shares on Nasdaq Stockholm subject to certain conditions, including that the Company submits such an application and fulfils the distribution requirement for its common shares. First day of trading in the Company's common shares is expected to be on or about 9 December 2021.
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## WHAT ARE THE KEY RISKS THAT ARE SPECIFIC TO THE SECURITIES?

<b>Main risks related to the securities</b>	<ul style="list-style-type: none"><li>▪ There are several risks associated with that an active, liquid and orderly market may not develop for the trading of Tobii Dynavox's Common shares, the price of the Common shares could become volatile and potential investors could lose part or all of their investment. If one or more of these risks should materialize, it could create difficulties in selling Common shares at the time chosen by the shareholder or at a price that could be obtained if there were more favorable liquidity.</li><li>▪ There are several risks associated with the fact that Tobii Dynavox's ability to pay dividend is dependent upon its future earnings, financial condition, cash flows, net working capital requirements, investment needs and other factors. If one or more of these risks should materialize, it could mean that the return on the investors' invested capital is reduced.</li></ul>
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# Key information on the admission to trading

## UNDER WHICH CONDITIONS AND TIMETABLE CAN I INVEST IN THIS SECURITY?

<b>General conditions</b>	The Prospectus is not ascribable to any offer. The common shares in Tobii Dynavox are distributed in proportion to each common shareholder's holdings of shares in Tobii AB on the record date for distribution as determined by the Board of Directors of Tobii AB.
<b>Issue costs</b>	The total costs for the proposed separation of the Tobii AB Group is estimated to amount to approximately MSEK 30. Tobii Dynavox does not expect to be charged with any transaction costs during 2021.
<b>Admission to trading</b>	On 11 November 2021, Nasdaq Stockholm's listing committee made the assessment that the Company fulfils the listing requirements. Nasdaq Stockholm will approve an application for admission to trading of the Company's common shares on Nasdaq Stockholm subject to certain conditions, including that the Company submits such an application and fulfils the distribution requirement for its common shares. First day of trading in the Company's common shares is expected to be on or about 9 December 2021.

## WHY IS THIS PROSPECTUS BEING PRODUCED?

<b>Background and motives</b>	<p>Since its inception 20 years ago, Tobii AB has built three strong divisions: Tobii Dynavox, Tobii Pro and Tobii Tech. Today, each of these are well-established players in their respective domains. The current structure has served Tobii AB well and has contributed greatly to creating a strong company in both eye tracking technology and assistive technology for communication. Tobii AB's businesses have grown and matured side by side and are now independent and successful businesses, each with its own unique business dynamics. The synergies between Tobii Dynavox and two other divisions have gradually diminished to a point where they are now very limited. Tobii AB's and Tobii Dynavox respective Board of Directors believes that a split of Tobii AB Group into two parts – one consisting of the division Tobii Dynavox and the other of a merger of the two divisions Tobii Pro and Tobii Tech - has the potential to further accelerate the long-term business growth and success of both entities, and thereby create substantial shareholder value.</p>
<b>Interests and conflict of interests</b>	<p>In connection with the admission of the common shares to trading on Nasdaq Stockholm, BofA Securities will provide financial advisory and other services to the Company, for which BofA Securities will receive customary remuneration.</p> <p>Advokatfirman Vinge KB has acted as legal advisor in connection with admission to trading of the common shares on Nasdaq Stockholm. Advokatfirman Vinge KB may provide additional legal advice to the Company.</p>

# Risk factors

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*This section contains the risk factors and significant circumstances considered to be material to the Group's business and future development. The risk factors relate to the Group's business, industry and markets, as well as include further operational risks, legal risks, regulatory risks, risks related to corporate governance, tax risks, financial risk, distribution of the common shares and risk factors related to the securities. The assessment of the materiality of each risk factor is based on the probability of their occurrence and the expected magnitude of their negative impact. In accordance with the Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"), the risk factors mentioned below are limited to risks which are specific to the Company and/or to the securities and which are material for taking an informed investment decision.*

*The description below is based on information available as of the date of this Prospectus. The risk factors that are currently considered to be the most material are presented first in each category and the subsequent risk factors are presented in no particular order.*

*The risks and uncertainties described below could have a material adverse effect on the Group's operations, financial position and/or earnings. They could also cause the value of Company's common shares to decrease, which could entail that shareholders in the Company lose all or part of their invested capital.*

## **RISKS RELATED TO TOBII DYNAVOK AND ITS OPERATIONS**

### **Products, quality issues and warranty claims**

Tobii Dynavox offers a range of different solutions and services, including specially designed communication devices, controlled by eye tracking or touchscreen, as well as a variety of advanced communication and special education software. There is a risk that the products, components and software developed and provided by Tobii Dynavox may not function in whole or in part. Defects in Tobii Dynavox products, components or software may have several negative consequences, including triggering recall programs. For example, Tobii Dynavox's previous products T10 and T15 have been subject to recall programs due to a possible battery failure that could occur under certain specific circumstances. A total of 6,021 units were affected, of which 2,063 units were withdrawn. In addition, it was estimated that 1,260 units were not used and thus, these were not recalled. The recall program, which ended on December 11, 2019, was registered with the U.S. Food and Drug Administration ("**FDA**") and the Swedish Medical Products Agency (Sw. *Läkemedelsverket* ("**MPA**")). The recall program was associated with costs of approximately USD 61,000. Accordingly, if Tobii Dynavox recalls products, components or software, Tobii Dynavox may incur significant costs as a result of liability under warranty and product-related claims, which could adversely affect the Group's financial position and results of operations. In addition, defective products and components, as well as malfunctioning software, regardless of whether they trigger recall

programs, can have a negative impact on the Tobii Dynavox brand and reputation. For risks related to the Tobii Dynavox brand and reputation, refer to the section "*– Brand and Reputation.*"

Warranty periods for Tobii Dynavox products typically vary between one and five years, depending on the product, market and sales channel. In some cases, Tobii Dynavox also sells products directly to consumers, and in such cases, local laws and regulations governing consumer purchases also apply. Such laws and regulations applicable to consumer purchases are generally more favorable to the consumer and thus less favorable to Tobii Dynavox. Defective products or components and malfunctioning software may also give rise to investigations and disputes involving Tobii Dynavox, regardless of whether such investigations and disputes are warranted. For risks related to investigations and disputes, refer to the section "*Risks related to legal and regulatory matters - Disputes and damages in legal proceedings.*" There is also a risk that, although the Company's products function as intended, users may be unable to use the Company's products due to various circumstances, including circumstances attributable to the user. If one or more of the above risks were to materialize, it could have a negative impact on the Group's business and financial position.

### **Risks related to deliveries**

Tobii Dynavox is dependent on a small number of external providers for the supply of components and product assembly. Operational problems, price increases, incorrect delivery forecasts, or suppliers not delivering

according to the Company's needs for other reasons may lead to quality issues or delays in deliveries, resulting in delays or loss of revenue and increased costs.

Tobii Dynavox's production consists of a process chain where interruptions or disruptions in any part of the chain, due to circumstances such as breakdowns, fires, labor disputes or natural disasters, may have repercussions on Tobii Dynavox's ability to fulfil its customer commitments. Replacing assets damaged by such events can be difficult or costly. If Tobii Dynavox has long delivery times, there is also a risk that customers will refrain from ordering products from Tobii Dynavox. In 2021, Tobii Dynavox's I-series inventory has been out of stock for approximately three months, which has had some negative short-term effects in the form of reduced sales, which has had a short term negative impact on the Group's business and results of operations, but which may also have a corresponding long-term impact.

As the Company's sales volumes increase, it is Tobii Dynavox's assessment that the Company will need higher inventory levels to meet demand. Inefficient inventory management, such as faults or omissions in forecasts or orders from Tobii Dynavox or its customers could result in excess or insufficient inventories of a particular component or product. Any excess inventory exposes Tobii Dynavox to the risk that the value of the inventory may have to be written down or that products may have to be discontinued because Tobii Dynavox cannot sell the inventory at a profit, or sell it at all, and the costs and obsolescence associated with this may be significant. For example, Tobii Dynavox wrote down the value of its inventory by MSEK 7 in the second quarter of 2020 as a result of the launch of new products that significantly reduced demand for previous generations of products for which there was significant inventory. Conversely, insufficient inventory exposes Tobii Dynavox to the risk of having to purchase products or components at higher prices in order to deliver on time or incurring express delivery costs or late fees. Inefficient inventory management could therefore have a negative impact on the Group's business and results of operations.

### **Information security**

Any external or internal breach of the Company's data protection, or intrusion into the premises where the Company operates, may cause, among other things, information leakage to third parties, with or without the Company's knowledge. An information leak could have a negative impact on the Group's business and results of operations; moreover, an information leak could also have a negative impact on the Company's reputation and brand; for more information on risks related to the Company's brand and reputation, refer to the section entitled "*- Brand and reputation.*" Recently, there have been ransomware attacks using sophisticated technology that prevents companies from accessing their data, and as such the Company is subject to risks related to ransomware. In some cases, companies subjected to

ransomware attacks have made payments, and in some cases their data has remained inaccessible despite payment. A ransomware attack could therefore have a negative impact on the Group's business and results of operations.

Moreover, by storing data in, for example, Microsoft Azure, the Company has in part entrusted a third party to manage the information securely. As a result, the Company may lack control over how a potential third-party attack is handled, which may affect the Company's ability to respond swiftly and effectively in the event of a breach of the Company's data protection. If the Company's information, including data, becomes permanently or temporarily unavailable, the Company may not be able to process orders, pay suppliers, develop products, or control its supplier process. The Company's products also partly depend on cloud-based IT.

The Company's business as well as its products, services and software depend on access to data in IT systems. If the Company's IT system providers are subject to a data breach, or are otherwise unable to provide their services, the Company's products, services and software may not function as intended. Interruptions may also be caused by the Company, knowingly or unknowingly, taking actions that cause the Company's products, services and software not to function as intended; for example, the Company may have inadvertently deleted user information. If the Company's data or products, services and software are unavailable, it could have a negative impact on the Group's business and results of operations, as well as its reputation. For more information on risks related to the Company's brand and reputation, refer to the section "*- Brand and reputation.*"

If the Company's information security is compromised, either as a result of internal or external breaches or for any other reason, there is a risk that the Company's information will be leaked. Such information leakage may concern, for example, intellectual property rights, personal data related to employees, customers, or customers' customers, financial information, or business strategies. For example, information leakage may lead other companies to copy the Company's business strategy and may thus increase competition. If one or more of the above risks were to materialize, it could have a negative impact on the Group's business and financial position.

### **Data management**

The Company processes data relating to users, customers and personnel. The Company is required to comply with applicable data protection and personal data processing laws and regulations in the jurisdictions in which the Company operates, such as Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data ("**GDPR**"). Because the Company also processes

patient and student information, the Company must also comply with, among other things, U.S. regulations under the Health Insurance Portability and Accountability Act (“**HIPAA**”) and the Family Educational Rights and Privacy Act (“**FERPA**”). Non-compliance with the GDPR could damage the Company’s reputation and result in a penalty of up to MEUR 20 or 4 percent of the Company’s global annual revenue, whichever is higher. In the case of less severe violations, the fine may amount to a maximum of MEUR 10 or 2 percent of the Company’s global annual revenue. The Company has taken measures to ensure that it processes personal and health data in compliance with applicable laws and regulations, but there is a risk that the measures taken by the Company may prove to be inadequate. Consequently, there is a risk that the Company may process personal or health data incorrectly. This could result in penalties, claims for damages from individuals and injunctions from regulatory authorities, which could have a material adverse effect on the Company’s financial position and reputation. If it is found that the Company’s past or future processing of personal and health data has been, or is, incompatible with the GDPR, or other legislation, the Company may be required to pay penalties and/or damages. Such a penalty could have a negative impact on the Company’s results and financial position and could adversely affect the Company’s brand and reputation. For more information on risks related to the Company’s brand and reputation, refer to the section entitled “– *Brand and reputation.*”

### **Brand and reputation**

Tobii Dynavox relies on its brand and reputation for purposes such as acquiring new customers, suppliers and partners, as well as for maintaining such existing relationships. Tobii Dynavox’s brand and reputation are primarily dependent on the quality and functionality of its products, the level of support from the Company’s staff and partners, and overall customer satisfaction. In addition, the Company’s brand and reputation are affected by the Company’s conduct, and how its conduct is perceived, from an ethical perspective.

The risk of exposure to adverse publicity or negative expressions of opinion has increased with the many information and media channels that exist today, making it difficult for the Company to control how its brands are perceived in the marketplace. Moreover, Tobii Dynavox users include people with disabilities and some of society’s most vulnerable groups and their families. Furthermore, Tobii Dynavox products are usually funded by public or private reimbursement schemes. This increases the risk of exposure to adverse publicity and negative opinions. Consequently, any reputational damage resulting from adverse publicity concerning Tobii Dynavox’s business (regardless of whether it is true or false) could result in a loss of customers and, by extension, a decline in earnings. In addition, the Company’s brand and reputation may be damaged by negative events, adverse publicity, or unmet expectations, even if Tobii Dynavox is not directly involved, but

such events or publicity are attributable to its suppliers, resellers, or other partners. In addition, widespread negative publicity regarding regulatory or legal proceedings, violations of laws and regulations, as well as internal and external governing documents and policies, failure to meet important contractual commitments or deadlines could damage Tobii Dynavox’s brand and reputation and undermine the confidence of customers, shareholders and other stakeholders in Tobii Dynavox, which could cause a decline in the Company’s sales. If one or more of the above risks were to materialize, it could therefore have a negative impact on the Group’s business and financial position.

### **Suppliers, resellers and other partners**

The Company relies on a few external suppliers to provide its products and components, as well as to manufacture Tobii Dynavox products. For example, the Company collaborates with one supplier for the products I-13 and I-16 and another supplier for I-110. These three products accounted for more than half of Tobii Dynavox’s sales in 2020. Furthermore, the Company relies on Tobii AB’s eye-tracking technology. The fact that the Company uses one supplier accentuates the associated risks, should the supplier be unable to complete deliveries, for whatever reason, including force majeure events. Additional risks related to deliveries are set out in the section “– *Risks related to deliveries.*”

The Company’s cooperation with suppliers, resellers and other partners is therefore important for its sales and, should the Company need to replace an existing supplier, reseller or other partner, the Company may have difficulties in finding one with equivalent or satisfactory capacity and expertise. If the Company intends to expand, difficulties may also arise if suppliers, resellers, or other partners are unable to meet an expanded undertaking; for example, suppliers may be unable to supply or manufacture products to a satisfactory extent. The volumes and/or high technical specialization of the Company may also entail a risk that it is not advantageous or even possible to use more than one supplier for certain products or components, which accentuates supplier risks in the event that the Company uses only one supplier for a given product, whether for supply or manufacturing.

The Company has also, *inter alia*, entered into a supply and license agreement with Tobii AB. The agreement regards supply of Tobii AB’s eye tracking platforms and the licensing of the associated software. The license is limited to be used in combination with eye tracking platforms from Tobii AB and in the following products: Tobii Dynavox I-13 and I-16, Tobii Dynavox PCEye and Tobii Dynavox Pilot. The Company has further been granted a software development license, including a right for the Company to use the licensed software to develop its own software. The term of the agreement is 60 months, after which the agreement is automatically renewed for 12 months until terminated. The notice period after these 60 months is 12 months. The agreement further contains a provision implying



that orders placed prior to termination of the agreement shall be delivered. If the agreement were to be terminated, it could have a negative impact on the Group's business and financial position.

Tobii Dynavox also relies on suppliers, resellers and other partners to fulfill their contractual commitments in terms of quality, support and delivery time, and to comply with Tobii Dynavox guidelines and other industry standards regarding the environment, work environment, anti-corruption, human rights and business ethics. For risks related to business ethics, refer to "*Risks related to Tobii Dynavox's industry and market – Compliance and business ethics*". There is also a risk that suppliers may not deliver on time, or according to the cost or quality they have committed to provide, or that they do not comply with applicable guidelines and industry standards. In addition, there is a risk that the Company's suppliers are unable to deliver because the suppliers declared bankruptcy. There is also a risk that the components supplied by Tobii Dynavox's suppliers have a shorter useful life than the rest of the product and that the lifetime of Tobii Dynavox products will be shorter than planned.

If Tobii Dynavox fails in its assessment and evaluation of current or future suppliers, resellers or other partners and it is found that they significantly fall short of the level of quality that Tobii Dynavox expects, or that they do not have effective environmental and safety procedures, this may have a negative impact on the Tobii Dynavox brand and reputation. For risks related to the Tobii Dynavox brand and reputation, refer to the section "*– Brand and Reputation*." If Tobii Dynavox were to be forced to change or enter into a collaborative arrangement with a new supplier, reseller, or other partner, it would also risk incurring significant costs and effort to evaluate and approve such a new participant. For example, new suppliers must comply with the Company's Supplier Code of Conduct and be certified to ISO 13485 and ISO 9001. The occurrence of these risks related to suppliers, resellers and other business partners would mainly have a negative impact on the Company's revenue and lead to higher costs, which would have a negative impact on the Group's business and financial position.

### **Acquisition risk**

The Company has a strategy based partly on acquisitions. Implementation of the Company's acquisition strategy exposes the Company to several risks. For example, the expected benefits of acquisitions may not be achieved or entail unforeseen costs, that the Company may fail to find suitable acquisition candidates, or may be prevented from completing acquisitions for other reasons, such as competition rules, or the Company's financial situation, or the Company may fail to integrate acquired businesses and employees.

In connection with an acquisition, Tobii Dynavox makes certain assumptions and conclusions based on information available at the time of the acquisition and certain forecasts based on assumptions about

future development, margins and profitability. These assumptions, conclusions and projections involve risks and uncertainties that could cause the assumptions, conclusions and projections to prove incorrect and the Company may fail to achieve all, or any, of the anticipated benefits of the acquisition. These risks and uncertainties may result in increased or unexpected costs associated with acquisitions, such as restructuring costs or impairment charges. There is also a risk that expected synergies, such as economies of scale and cost savings, may not be realized, or that additional integration costs will be required to achieve the synergies, leaving the Company exposed to unforeseen increases in transaction costs and difficulties in successfully implementing Tobii Dynavox's strategy following the acquisition. If acquired entities do not perform as expected, the Company may need to divest or liquidate an acquired entity. If Tobii Dynavox fails to make strategic acquisitions, there is a risk that the Company's expansion and growth will be adversely affected or may not occur at all.

To implement its acquisition strategy, the Company must search for potential acquisitions and investments, which requires the Company to have the ability to identify suitable acquisition targets and investment opportunities. There is a risk that Tobii Dynavox will be unable to complete acquisitions in the future; for example, the Company may fail to identify targets for acquisition, or that its financial situation or the capital markets in general may not allow for acquisitions. In addition, there is a risk that there are no, or only a limited number of, companies that meet the Company's acquisition criteria, which would prevent the Company from completing acquisitions. There is also a risk that acquisitions may not be completed because competition authorities, in one or more jurisdictions, do not allow it due to applicable competition law rules. In addition, competition authorities may allow acquisitions subject to certain conditions; for example, Tobii Dynavox may be required to divest part of the acquired business. There is also a risk that completed acquisitions may be reviewed by competition authorities after the fact and that competition authorities may subsequently order the Company to divest all or part of the acquired business. Thus, there is a risk that acquisitions cannot be completed due to competition law or other legislation.

Furthermore, in the event of acquisitions, the Company may be required to borrow or issue shares to finance acquisitions and these financing options may not be available on favorable terms on the occasions they are needed. Future acquisitions could also reduce the Company's cash and cash equivalents, and/or increase its indebtedness. In addition, there is a risk that acquisitions may be viewed negatively by the financial markets or investors, for example if the purchase price is deemed to be high or if the acquisition is not considered to be in line with the Company's overall strategy, which in turn could have a negative impact on the price of the Company's share. Moreover, competitors may have greater financial resources than the Company



and a greater capacity to withstand market downturns, better access to potential acquisition targets, compete more effectively, be more adept at retaining skilled personnel and respond more quickly to changes in various local markets. There is also a risk that competition will cause the purchase price of acquisition targets to rise, thereby preventing the Company from completing proposed acquisitions at satisfactory levels.

Acquisitions also entail risks related to the integration of new businesses and employees. In the case of acquisitions, it is important to retain key personnel and to have a well-functioning and efficient integration process. There is a risk that dissatisfaction may arise both among employees and/or consultants of the acquired business or among employees and/or consultants of Tobii Dynavox and that this may ultimately lead to key employees or other employees or consultants choosing to terminate their employment or consulting contracts. There is also a risk that acquired entities do not perform as expected or that acquisitions are cancelled. Following an acquisition, there is also a risk that business relationships with customers and suppliers may change or cease, which means that the Company's purpose of the acquisition may not be fulfilled.

#### **Dependence on key personnel**

In a business environment characterized by fierce competition and rapid technological change, it is important to attract and retain employees with the right skills, experience and values. This in turn could lead to increased compensation levels, which would negatively impact Tobii Dynavox's results of operations. In the financial year 2020, the total salaries, remuneration and social security contributions to employees of the Group amounted to MSEK 408.0. Based on the situation as of 31 December 2020, a 1 percent increase in the Company's salary costs (including social security contributions) would have negatively impacted the operating result by approximately MSEK 4. However, if the Company were to offer compensation levels that are too low, employees may choose to terminate their employment, which would have a negative impact on the Company's competitiveness and business. If Tobii Dynavox fails to attract, develop, retain and motivate the qualified personnel needed in its business, it would make it more difficult for the Group to deliver products and services of the quality and quantity that customers expect. If one or more of the above risks were to materialize, it could have a negative impact on the Group's business and financial position.

#### **Fraud risk**

The Company is subject to risks related to internal or external fraudulent conduct that may entail the omission of important financial events, financial information, personal or health information, or other sensitive information. In addition, there is a risk that the Company's suppliers may be subject to intrusion, which could expose the Company to fraudulent conduct if, for example, the supplier's payment details are changed so that

the Company pays into an incorrect bank account. For example, in 2020, the Company made one such incorrect payment of MSEK 1.5. In addition, the Company's employees may misappropriate funds through fraudulent conduct. If the Company is subject to fraudulent conduct and such fraudulent conduct is successful, in whole or in part, it could have a negative impact on the Group's business and financial position and have a negative impact on the Company's brand and reputation, for risks related to the Tobii Dynavox brand and reputation, refer to "*- Brand and Reputation*".

#### **Personal injury**

Tobii Dynavox products are used in a variety of environments, including users' homes, workplaces, clinical settings and schools. Defects in Tobii Dynavox products could cause personal injury. For example, the products could break in their mounting and fall on the user and/or the batteries in the Company's products could catch fire. As a result of the Company being subject to FDA and MPA oversight, the Company has an extensive formal process (known as the adverse event process) under which both actual incidents and potential incidents are reported and, according to the Company, such events occur less than once per year. However, personal injuries may result in damages, costly recall programs, or product discontinuation, which would have a negative impact on the Company's business and results of operations, while also negatively impacting the Company's brand and reputation. For more information on risks related to the Company's brand and reputation, refer to the section "*- Brand and reputation*".

#### **Company premises**

The Company is subject to risks related to disruption of operations on the Company's premises. Such disruptions may occur, for example, as a result of fires, leaks, power outages, battery explosions and other disruptions that could damage or disrupt the Company's operations. Because the Company produces and handles its own logistics to some extent, deliveries to the Company's customers could also be harmed by disruptions in operations; moreover, disruptions could expose the Company's personnel to health and safety risks. The Company's offices have several entrances, which accentuates security risks related to the Company's premises. If one or more of the above risks were to materialize, it could have a negative impact on the Group's business and financial position.

### **RISKS RELATED TO TOBII DYNVOX'S INDUSTRY AND MARKET**

#### **Changing market conditions and societal disruptions**

The Company is dependent on the overall and continuous stability of society and, as such, is subject to risks related to disasters and disruptions, including natural disasters, and other force majeure situations. The occurrence of such events may adversely affect the Company's supply chain and sales, for example, and

cause disruptions in the Company's deliveries. Abnormal global or local conflicts, wars or other civil disturbances may also have long-term unforeseeable adverse effects on Tobii Dynavox's deliveries and IT networks. If one or more of the above risks were to materialize, it could have a negative impact on the Group's business and financial position.

The Covid-19 pandemic has had and continues to have a significant impact on Tobii Dynavox's business and the markets in which Tobii Dynavox operates. However, the extent to which the Covid-19 pandemic will affect the Company's business, financial position and results of operations will depend on several factors that the Company cannot identify or assess with precision or certainty as of the date of this Prospectus. Governments, authorities and other organizations have responded to the Covid-19 pandemic by providing guidelines, advice and recommendations, as well as by implementing restrictions to limit the spread of infection. Such measures include nationwide lockdowns and restrictions on transports and travel, as well as closures of workplaces, schools and other institutions. The Covid-19 pandemic has thus negatively affected the Company's business, resulting in uncertainty and increased costs. In addition, some of the Company's users belong to risk groups or live in various types of care facilities, for which reason the Company has not been able to conduct physical meetings with these users. Because of school closures, the Company's products were not used or needed to the same extent as usual, while export restrictions and reduced transport options have led to difficulties in delivering the Company's products on time due.

Should the Covid-19 pandemic worsen or continue longer than predicted, or should another pandemic begin, or any other event with similar effects occur, the inability to conduct meetings with users could have, for example, an adverse effect on Tobii Dynavox. As of the date of the Prospectus, it is still difficult to foresee how the Covid-19 pandemic will develop and its long-term impact on social structures and Tobii Dynavox's market and business, for which reason the Covid-19 pandemic may adversely affect the Company's business and financial position through, among other things, continued or extended shutdowns or a worsening economic situation. The coronavirus pandemic and the global and regional economic changes that are occurring as a result of it, as well as changes resulting from possible future virus outbreaks, may also increase risk exposure in relation to other risk factors in this Prospectus.

### **Rapid technological changes**

The markets that Tobii Dynavox addresses and in which it operates are characterized by a certain rate of technological change. The ability of Tobii Dynavox to predict technical advances and market needs, as well as to develop and adapt its products accordingly, is thus critical for the continued success of the Group. However, there is a risk that Tobii Dynavox misjudges this development. Furthermore, competitors may launch new technologi-

cal solutions that offer a better experience and/or a better product than Tobii Dynavox offers. For example, in the few years following the launch of the iPad by Apple, such tablets, combined with assistive communication software, took market shares from custom-designed, more expensive touch-screen-based communication devices, especially for users with less complex needs. If Tobii Dynavox fails to develop its products in pace with the evolution of its markets and available technology, this could have a negative impact on the Group's business and results of operations.

### **Compliance and business ethics**

The Company's operations and its geographic spread expose Tobii Dynavox to risks related to both compliance and business ethics. In the event of incidents or allegations against suppliers or other partners, Tobii Dynavox's brand and reputation may be damaged, even if the Company is not involved. Tobii Dynavox is therefore dependent on the compliance of its employees, suppliers and other partners with applicable laws and regulations, as well as internal and external governance documents and policies. Violation of, or non-compliance with, applicable laws and regulations could adversely affect the Group's business and reputation. Such conduct may include, for example, non-compliance with laws and regulations related to, among other things, competition law, IT security and data protection, corporate governance, bribery, accounting and financial reporting, the environment and health and safety, business ethics and equal treatment. Because of the international nature of the Company's business, it is complex and time-consuming for the Company to fully monitor and verify that the entire organization complies with laws and regulations, as well as internal and external governance documents and policies. Business ethics risks are thus accentuated as a result of the Company's geographical dispersion. In addition, it may be difficult and time-consuming for the Company to oversee applicable laws and regulations, as well as internal and external governance documents and policies in all jurisdictions, which may result in the Company unknowingly violating laws and regulations, as well as internal and external governance documents and policies in certain jurisdictions. For example, the Company must ensure that the product is recommended by the prescriber of the product and that Tobii Dynavox does not assist in the prescription process. Compliance with laws and regulations, as well as internal and external governance documents and policies is also time-consuming and costly. Costs may include, for example, fees to external advisors such as lawyers and auditors. In 2020, the total remuneration to the Company's auditor amounted to MSEK 1.3.

If the Company, its employees, suppliers, or other partners act in violation of applicable laws and regulations, as well as internal and external governing documents and policies, or in a manner that is inconsistent with the level of business ethics and integrity to which Tobii Dynavox is committed, there is a risk that

the Company may be required to pay penalties, which could adversely affect the Company's business and financial position. There is also a risk that such action could cause the FDA to withdraw the approvals that have been granted to the Company's products. The Company, its employees, suppliers or other partners acting in violation of applicable laws and regulations, as well as internal and external governance documents and policies may also have a negative impact on the Company's brand and reputation, refer too *"Risks Related to Tobii Dynavox and its Business – Brand and Reputation"*.

#### **Competition from other providers of assistive technology for communication**

The Company is subject to risks related to competition from consumer electronics and to risks related to industry competitors. For more information on risks related to competition from consumer electronics, refer too *"- Price pressure and competition from consumer products."*

Tobii Dynavox's customers demand high quality and functionality from the products and services the Company provides. The Company risks losing customers and market share if the products and services it delivers do not meet customer expectations regarding quality, functionality, price and support. In order to compete effectively, the Company must also continue to develop and adapt the products and services it provides. In addition, there is a risk that the Company's current or future competitors will develop products and services with better functionality at a lower price. If the Company fails in its product and service development to adapt to new technologies and new business models, or if the Company's competitors develop products and services with better functionality at a lower price, there is a risk that the Company will not be able to compete effectively, which could result in Tobii Dynavox losing market share and customers, which would thereby adversely affect the Group's business and financial position.

#### **Price pressure and competition from consumer products**

Tobii Dynavox offers specialized products that either currently or in the future face, or may face, competition from simpler and less expensive products, including competition from larger technology companies. For example, in the few years following the launch of the iPad by Apple, such tablets, combined with assistive communication software, took market share from custom-designed, more expensive touch-screen-based communication devices, especially for users with less complex needs. There is a risk that similar developments will continue in the future, which could, among other things, cause lower prices for products competing with Tobii Dynavox products. Lower prices of competing products would mean that Tobii Dynavox must meet this lower price through options such as price reduction, reduced costs, increased sales volumes, price differentiation, or by generating other

revenue streams. In the event that Tobii Dynavox fails to properly embrace cost-effective products and thereby offer solutions that offer good price and/or performance to its target market, this could have a negative impact on the Group's business and financial position.

#### **Trade policy**

The Company has sales in many parts of the world, including the US, Western Europe and China, and through its international sales is exposed to trade policy measures such as tariffs, import and export restrictions, and other measures. Of Tobii Dynavox's net sales for the period January – September 2021, 73 percent was generated in North America and 27 percent was generated in Europe and the rest of the world. In September 2018, the US imposed tariffs on certain groups of products produced in and imported from China. Some of Tobii Dynavox's products originate from China and the Company has thus been affected to some extent by the tariffs.

In addition to the impact that the existing tariffs have had on the Company's financial position, the Company may also be affected in the future by further trade policy measures, for example as a result of political tensions between the US and China, or if political tensions arise or intensify between other players, such as China and the EU. Furthermore, Tobii Dynavox also has products manufactured in Taiwan and China and in the event of increased political tension between these countries, this could have a negative impact on the Group's business and financial position. If trade policy measures are imposed, the Company's costs may increase and if the price of the Company's products increases compared with alternative products, demand for the Company's products may decline, along with its revenues. In addition to tariffs, other trade policy disruptions may trigger other trade policy measures that may adversely affect Tobii Dynavox's production and supplies in relation to the US, China and other parts of the world that may be difficult to predict. Continued tariffs or other trade policy measures may therefore have a negative impact on the Group's business and financial position.

#### **RISKS RELATED TO LEGAL AND REGULATORY ISSUES**

##### **Changes in reimbursement and insurance schemes**

Most of Tobii Dynavox's end users depend on reimbursement from public and private reimbursement and insurance schemes to buy the Company's products. Reimbursement from these public and private reimbursement and insurance schemes is critical to Tobii Dynavox's operations and financial position. For example, in Norway, procurement is now carried out by the Norwegian authority Ny Arbeids- og Velferdsforvaltning, which has led to price pressure. Changes in such reimbursement and insurance schemes, for example as a result of changes in applicable legislation, in procurement procedures, or changes in political leadership, may result in a reduction or absence of reimbursement from public and private reimbursement and insurance

schemes, which would have a negative impact on the Group's business and financial position. In order for Tobii Dynavox products to be funded under reimbursement and insurance schemes, the US market requires that Tobii Dynavox products be classified by the FDA in accordance with applicable rules and regulations at the time. If the FDA were to choose not to classify Tobii Dynavox's products, for whatever reason, it could mean that the Company's products could no longer be funded as the products are funded as of the date of the Prospectus, which would have a negative impact on demand for the Company's products and thus a negative impact on the Group's business and financial position.

There is also a risk that Tobii Dynavox handles documentation relating to insurance agencies incorrectly, especially in the US market. Such incorrect handling could result in lost or reduced sales, reduced revenue per product sold, repayment obligations, or credit losses. If one or more of the above risks were to materialize, it could have a negative impact on the Group's business and financial position.

#### **Disputes and damages in legal proceedings**

The Company risks being involved from time to time in civil, labor, or administrative proceedings, which could involve substantial claims for damages or other demands for payment. Disputes may also arise from claims by customers that the Company's products and components are defective or faulty and have not met the level of quality expected by the customer. There is also a risk that a dispute regarding the Company's liability for compensation may arise if Tobii Dynavox terminates a distributor or collaboration agreement. The Company may also be forced to initiate legal proceedings to protect the Company's intellectual property rights. The Company is not, and has not been in the past twelve months, a party to any governmental, legal or arbitration proceedings (including any pending or threatened proceedings of which the Company is aware) that could have, or have had in the recent past, a material effect on the Group's financial position or profitability.

In the event that civil, labor, or administrative proceedings arise, the handling of such disputes and claims is time-consuming for the Company and its management. It may also be difficult to predict the risk of, or possible outcomes of, such proceedings, some of which may be unfavorable to the Company and adversely affect the Group's financial position and results of operations. Regardless of the outcome, Tobii Dynavox risks incurring significant costs in pursuing such proceedings. In addition, civil, labor and administrative proceedings could cause negative publicity, which could also damage the Company's reputation and brand, regardless of the outcome of the proceedings. Legal and administrative proceedings could therefore have a negative impact on the Company's business and financial position.

#### **Inadequate liability insurance coverage**

There is a risk that Tobii Dynavox's insurance coverage may not fully cover Tobii Dynavox for liabilities arising from the business in which the Company engages.

Tobii Dynavox has insured its operations against loss and/or potential liability for third party claims related to property damage, business interruption, workplace injuries, global product liability, and product and software recall programs.

Certain types of losses are usually not insured as they are either not considered insurable, or have been excluded from relevant insurance coverage for other reasons. The Company does not currently have any insurance that specifically protects against claims that the Company or any of its customers are infringing upon the intellectual property rights of a third party. Furthermore, most of Tobii Dynavox's insurance policies (the sums insured) are limited by a compensation limit paid for a single loss event, a series of losses and in total over a period of insurance. Reimbursement also usually requires that the policyholder has paid the deductible and that the maximum amount has not already been paid. A loss not covered by insurance, a loss in excess of the limit, or a series of such losses could adversely affect the Group's business and financial position.

#### **Changes in laws and regulations**

The Company operates through subsidiaries in several countries and business is conducted in accordance with the Company's interpretation of applicable laws and regulations in several jurisdictions, which thus affect the Company's business. Changes to existing laws and regulations, or the introduction of new laws and regulations may be detrimental to the Company and result in additional costs if, for example, new health and safety regulations require the Company to rearrange, or otherwise adapt, its premises. There is also a risk that the Company may incorrectly interpret existing laws and regulations, or that authorities may change their interpretation of existing laws and regulations to the detriment of the Company. In addition, laws and regulations can affect changes in reimbursement and insurance schemes. For more information on risks related to competition from consumer electronics, refer to "*Changes in reimbursement and insurance schemes.*" If one or more of the above risks were to materialize, it could have a negative impact on the Group's business and financial position.



## **RISKS RELATED TO TOBII DYNAVOS'S FINANCIAL POSITION**

### **Financing agreements**

On September 21, 2021, Tobii Dynavox entered into a loan agreement with Swedbank AB (publ) ("**Swedbank**") as lender, whereby Swedbank provides a term loan of MSEK 550 and a multi-denominated revolving credit facility amounting to MSEK 150, that can be drawn down in the form of an overdraft facility for acquisitions.

The Facility Agreement contains customary conditions, warranties, covenants and restrictions, subject to certain agreed exceptions and qualifications. These conditions include the provision of security, financial commitments, restrictions regarding (i) incurrence of financial debt, (ii) provision of security to others than Swedbank (iii) the provision of loans, (iv) disposals, and (v) acquisitions of assets.

If Tobii Dynavox does not comply with the commitments or obligations included in the loan agreement, Swedbank may have the right to terminate the loan agreement and demand repayment of outstanding loans and, if repayment of the loans is not made, have the right to pledged collateral. The collateral to be provided includes a share pledge over all shares in Tobii Dynavox's Swedish material subsidiaries (from time to time) and a pledge over corporate mortgage bonds totaling MSEK 50 within MSEK 50 issued in Tobii Dynavox. Termination of the loan agreement may, under called cross default provisions included in the loan agreement, give the lender the right to terminate the loan and demand repayment of outstanding loans if a Group company breaches provisions of financial agreements other than the loan agreement, relating to other financial obligations.

If the Loan Agreement is terminated, or if Tobii Dynavox fails to perform its obligations under the terms of the Loan Agreement, or breaches any covenants therein, it may adversely affect Tobii Dynavox's business and financial position and its ability to obtain additional financing.

The final repayment date for the term loan and the multi-denominated revolving loan facility is 31 March 2023. If major disruptions in the financial and credit markets were to occur, Tobii Dynavox could be forced to refinance its loans at significantly increased costs, which could have an adverse effect on Tobii Dynavox's financial position and results of operations.

### **Tax risk**

The Company operates through subsidiaries in several countries. The business, including the execution of transactions between Group companies, is conducted in accordance with the Group's interpretation of applicable tax legislation, tax treaties and other tax regulations, as well as the positions of relevant authorities such as the Swedish Tax Agency. The Company and its subsidiaries are subject to tax audits and reviews from time to time. There is a risk that tax audits or reviews may result in additional taxes being imposed or deductions being denied, for example with respect to intra-group transactions or depreciation of assets.

If the Group's interpretation of tax laws, treaties and other tax regulations or their applicability is incorrect, if one or more authorities successfully make negative tax adjustments in respect of a business unit within the Group or if applicable laws, treaties, regulations or interpretations thereof or the administrative practice in relation thereto change, including changes with retroactive effect, the Group's past and current management of tax matters may be called into question. If tax authorities are successful in asserting such claims, this could result in an increased tax expense, including tax surcharge and interest, and have a material adverse effect on the Group's operating results.

The jurisdictions in which the Group operates have transfer pricing rules that require transactions with related parties to be conducted on an arm's length basis. The management of transfer pricing issues within the Group is based on OECD guidelines and national transfer pricing frameworks, as well as documented principles for pricing related party transactions. In the opinion of the Company, transactions between Group companies, such as the distribution of products, inter-company loans and the provision of research and development services, are conducted on an arm's length basis through the application of applicable international guidelines and national regulatory frameworks. There is a risk that tax authorities in any of the jurisdictions in which the Group operates may hold the opinion that transfer pricing is not at arm's length. In the event that a tax authority successfully challenges such pricing, this may result in an increased tax cost, including tax surcharge and interest. This could have a material adverse effect on the Group's operating results.

### **Currency risk**

Tobii Dynavox's operations are largely conducted outside of Sweden and 72 percent of the Company's revenues for the period January – September 2021 are attributable to the US and 74 percent of the Company's personnel are located in the US, while the Company's reporting currency is SEK. Consequently, the Company is therefore subject to risks related to fluctuating exchange rates, but the Company is also subject to currency risk when translating the financial statements of foreign operations. The Company's revenue for the nine-month period ending on 30 September 2021, was 72 percent denominated in USD, which means that if the USD depreciates against the SEK, the Company's reported revenue will decrease. However, since 76 percent of the Company's costs during the same period were denominated in USD, this means that the Company's costs would also decrease in the event that the USD depreciates against the SEK. Since these revenues and expenses do not occur simultaneously, however, there is a risk that this effect could cause the Company's financial position and results of operations to deteriorate more than the currency has depreciated. The Company is also subject to corresponding risks in relation to the EUR and the GBP. In accordance with the Company's foreign exchange policy, no hedging



instruments are used as at the date of the Prospectus and accordingly, fluctuations in foreign exchange rates may adversely affect the Company's financial position and results of operations.

#### **Impairment of intangible fixed assets**

Tobii Dynavox continuously invests in research and development and a large part of these efforts are capitalized expenditure on product development. Expenditure on development projects is capitalized to the extent the expenditure can be expected to generate economic benefits. Capitalization commences when management judges that the product will be technically or economically viable. Capitalized development expenditure is subject to annual impairment testing whereby an assessment is made regarding the technical and economic value of the product.

At 30 September, 2021, the Group's total fixed assets amounted to MSEK 408.6, of which capitalized development expenditure amounted to MSEK 192.7. In addition, in connection with the spin-off, Tobii Dynavox will enter into a licensing agreement with Tobii whereby Tobii Dynavox will license the Tobii trademark in combination with Dynavox. In the event that Tobii Dynavox ceases to use the trademark, there is a risk that an impairment charge will have to be recognized against the value of this asset. There is a risk that the Group's technology and product development efforts may result in products that cannot be commercialized, do not meet stated safety requirements, are non-functional, or otherwise do not meet the requirements of Tobii Dynavox or the market, and if so, the Group may be required to recognize an impairment charge for the value of capitalized product development expenditures. If a future impairment is necessary, this could have a material adverse effect on the Group's recognized earnings and equity. If, for any reason, the Company is unsuccessful in developing, obtaining approval for, or commercializing its products, this could result in significant impairment charges, which could have a material adverse effect on the Group's financial position and results of operations.

#### **Correction of customs declaration in the US**

There is a risk that the scope of customs or customs levels may change so that the Company's products, which have not previously been subject to customs, become subject to customs or that customs levels on existing products are raised. Furthermore, there is a risk that the Company may incorrectly interpret existing customs regulations, or that relevant authorities may change their interpretation of existing customs regulations and that such interpretation may differ from the Company's interpretation. For further risks related to regulatory compliance, refer to "*Risks related to Tobii Dynavox industry and market – Compliance and business ethics*".

As of 27 October 2021, Tobii Dynavox LLC has, with advice of external advisors, initiated a correction of customs declarations in the US regarding products acquired from group companies. According to the external advisors, the correction should not result in additional

duties or penalties of material magnitude being imposed on the Company. If one or more of the above risks were to materialize, or if the assessment of the advisor would prove to be incorrect, it could have a negative impact on the Group's business and financial position.

#### **RISKS RELATED TO THE DISTRIBUTION OF COMMON SHARES IN TOBII DYNVOX**

##### **There is a risk that the expected benefits related to the spin-off of Tobii Dynavox may not be realized**

The intended purpose of the spin-off of Tobii Dynavox from Tobii AB is to enable each company to focus on its core business, for which reason it is the best option for long-term value growth. Tobii Dynavox is deemed to have greater opportunities as a separate company to take advantage of the potential and to further accelerate the long-term business growth and success in order to create substantial shareholder value. However, there is a risk that the expected benefits of the distribution will not be achieved if the assumptions on which the decision to implement the distribution are based prove to be incorrect or if the expected benefits or the underlying drivers have been overestimated. For example, Tobii Dynavox as a stand-alone company may not be able to obtain external financing on the same favorable terms as are available to Tobii Dynavox in the Tobii AB Group prior to the spin-off. To the extent that Tobii Dynavox, as a stand-alone company, incurs additional costs or generates lower revenues, its financial position and results of operations could be adversely affected and the expected benefits from the distribution may not be realized.

##### **Tobii Dynavox is smaller than the Tobii AB Group and more specialized after the spin-off, which means that there is no option to offset the effects**

The asset base of Tobii Dynavox as a stand-alone company will be less than the total asset base of the Tobii AB Group before the spin-off. This means that any risk that exists in the Tobii AB Group before the Tobii Dynavox spin-off and that will exist in Tobii Dynavox after the spin-off will have a greater impact on Tobii Dynavox as a stand-alone company. This may include, for example, the ability to handle unforeseen claims and costs of material importance. In addition, the more specialized business that will be conducted in Tobii Dynavox will be unable to offset the effects of certain business risks that the Tobii AB Group has in its current form. These risks, if they materialize, could have an adverse effect on Tobii Dynavox's business and financial position.

## **RISKS RELATING TO TOBII DYNVOX'S COMMON SHARES**

**An active, liquid and orderly trading market for Tobii Dynavox's common shares may not develop, the price of its common shares may be volatile, and potential investors could lose a portion or all of their investment**

Prior to the listing on Nasdaq Stockholm, no public market exists for Tobii Dynavox's common shares. Accordingly, there is a risk that an active and liquid market for trading in the common shares will not develop following the listing of the shares on Nasdaq Stockholm. Low liquidity of Tobii Dynavox's common shares could entail difficulties in selling common shares of at a point in time that is considered desirable for the shareholder or at a price level that could be obtained if a favorable liquidity situation prevailed. There is also a risk that an active and liquid market, if such a market develops, may not continue after the listing on Nasdaq Stockholm.

**Tobii Dynavox's ability to pay dividend is dependent upon its future earnings, financial condition, cash flows, net working capital needs, investment needs and other factors**

The amount of any future dividend that The Company will pay, if any, will depend upon a number of factors, such as future earnings, financial condition, cash flows, net working capital requirements, capital expenditures and other factors. Tobii Dynavox has adopted a dividend policy, according to which the Company's Board of Directors intends to primarily reinvest the Company's profit and use them for several growth opportunities identified by the Board in the near term (both organic and non-organic). The Board of Directors shall continuously evaluate the possibility of dividends, taking into account potential acquisition opportunities and other strategic initiatives.

**Differences in currency exchange rates may materially adversely affect the value of shareholdings or dividends paid**

Tobii Dynavox's common shares will be quoted in SEK only, and any dividend will be paid in SEK. As a result, shareholders outside Sweden may experience adverse effects on the value of their shareholding and their dividend, when converted into other currencies if SEK depreciates against the relevant currency.

**Shareholders in the United States or other countries outside Sweden may not be able to participate in any potential future cash issues**

If the Company issues new shares in a cash issue, shareholders shall, as a general rule, have preferential rights to subscribe for new shares proportionally to the number of shares held prior to the issue. Shareholders in certain other countries may, however, be subject to limitations that prevent them from participating in such rights offerings, or that otherwise makes participation difficult or limited. For example, shareholders in the United States may be unable to exercise any such subscription rights to subscribe for new common shares unless a registration statement under the Securities Act is filed and declared effective in respect of such common shares or an exemption from the registration requirements under the Securities Act is applicable. Shareholders in other jurisdictions outside Sweden may be similarly affected if the rights and the new common shares being offered have not been registered with, or approved by, the relevant authorities in such jurisdiction. Tobii Dynavox is under no obligation to file a registration statement under the Securities Act or seek similar approvals under the laws of any other jurisdiction outside Sweden in respect of any subscription rights and common shares and doing so in the future may be impractical and costly. To the extent that shareholders in jurisdictions outside Sweden are not able to exercise their rights to subscribe for common new shares in any future rights issues, their ownership in Tobii Dynavox may be diluted or reduced.

**Shareholders in the United States may have difficulties enforcing certain civil rights**

Tobii Dynavox is a corporation incorporated under the laws of Sweden. A majority of its directors, executive officers and auditors reside outside the United States, and a majority of its assets and the assets of these persons are located outside the United States. It may not be possible, therefore, for U.S. shareholders of Tobii Dynavox to effect service of process within the United States or elsewhere outside Sweden upon the Company or these persons, or to enforce against the Company or these persons judgments obtained in U.S. courts or elsewhere, whether or not predicated upon the civil liability provisions of the U.S. federal securities or other laws of the United States or any state thereof.

# Background and reasons

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Since its foundation 20 years ago, Tobii AB has built three strong divisions: Tobii Dynavox, Tobii Pro and Tobii Tech. Today, each of these are well-established players in their respective domains. The current structure has served Tobii AB well and has contributed greatly to creating a strong company in both eye tracking technology and assistive technology for communication. Tobii AB's businesses have grown and matured side by side and are now independent and successful businesses, each with its own unique business dynamics. The synergies between Tobii Dynavox and two other divisions have gradually diminished to a point where they are now very limited. Tobii AB and Tobii Dynavox Board of Directors respectively believes that a split of Tobii AB Group into two parts – one consisting of the division Tobii Dynavox and the other of a merger of the two divisions Tobii Pro and Tobii Tech - has the potential to further accelerate the long-term business growth and success of both entities, and thereby create substantial shareholder value.

*The Board of Directors of Tobii Dynavox is responsible for the contents of this Prospectus and the Board of Directors declares that, having taken all reasonable care to ensure that such is the case, the information in this Prospectus is in accordance with the facts and contains no omission likely to affect its import.*

23 November 2021  
**Tobii Dynavox AB (publ)**  
The Board of Directors

# Information about the distribution of the common shares in Tobii Dynavox

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## **RESOLUTION REGARDING DISTRIBUTION AND DISTRIBUTION RATIO**

The extraordinary general meeting of Tobii AB held on 25 October 2021, resolved in accordance with the Board of Directors's proposal to distribute all of the common shares in the wholly owned subsidiary Tobii Dynavox to Tobii AB's shareholders of common shares. Common shares in Tobii Dynavox will be distributed to Tobii AB's shareholders in proportion to each shareholder's holding in Tobii AB on the record date for the distribution as determined by Tobii AB's Board of Directors.

Aside from being registered as a shareholder on the record date for distribution (directly registered or nominee-registered) it is not necessary to take any other action to receive common shares in Tobii Dynavox. The distribution is intended to take place in accordance with the so-called "Lex Asea provisions", which means that no immediate taxation is incurred for private individuals and limited liability companies that are subject to unlimited tax liability in Sweden. Refer to the section "*Tax considerations in Sweden*" below.

Each common share in Tobii AB entitles to one common share in Tobii Dynavox AB.

## **RECORD DATE**

Tobii AB's Board of Directors has resolved that the record date for the right to receive common shares in Tobii Dynavox is 7 December 2021. The final day of trading in Tobii AB's shares, including the right to the distribution of common shares in Tobii Dynavox, is 3 December 2021. Common shares in Tobii AB will be traded excluding the right to the distribution of common shares in Tobii Dynavox from 6 December 2021.

## **OBTAINING COMMON SHARES IN TOBII DYNAVOK**

Those entered in the share register, maintained by Euroclear Sweden, as common shareholders in Tobii AB on the record date of the distribution of Tobii Dynavox will receive common shares in Tobii Dynavox without taking any further action. Common shares in Tobii Dynavox will be available in the CSD account (Sw. *VP-konto*) of those shareholders who are entitled to receive the distribution (or the CSD account belonging to the party who is otherwise entitled to receive the distribution) not later than two banking days after the record date. Thereafter, Euroclear Sweden will send an account notification containing information on the number of common shares registered in the CSD account of the recipient.

## **NOMINEE-REGISTERED HOLDINGS**

Shareholders whose holdings in Tobii AB are nominee-registered (such as with a bank or other nominee) on the record date for distribution of common shares in Tobii Dynavox, will not receive an account statement from Euroclear Sweden. Notification and removal of the common shares in Tobii Dynavox to the account of nominee-registered shareholders will instead be made in accordance with the routines of each respective nominee.

## **LISTING OF COMMON SHARES IN TOBII DYNAVOK**

On 11 November 2021, Nasdaq Stockholm's listing committee made the assessment that the Company fulfils the listing requirements. Nasdaq Stockholm will approve an application for admission to trading of the Company's common shares on Nasdaq Stockholm subject to certain conditions, including that the Company submits such an application and fulfils the distribution requirement for its common shares. First day of trading in the Company's common shares is expected to be on or about 9 December 2021.

## **RIGHT TO DIVIDEND**

The common shares in Tobii Dynavox will carry entitlement to dividend for the first time on the record date for dividend occurring closest after the common shares in Tobii Dynavox have been distributed. Any dividend will be paid following a resolution by a general meeting. The payment of any dividend will be administered by Euroclear Sweden or, should the common shares be nominee-registered, in accordance with the procedures of the individual nominee. Entitlement to receive such a dividend is limited to shareholders registered in the share register maintained by Euroclear Sweden on the record date for dividend determined by the general meeting. For further information about Tobii Dynavox's dividend policy, refer to "*Business overview – Financial targets and dividend policy*". For information pertaining to the taxation of dividend, refer to the section "*Tax considerations in Sweden*".

## **TRANSACTION COSTS**

The total costs for the proposed separation of the Tobii AB Group is estimated to amount to approximately MSEK 30. Tobii Dynavox does not expect to be charged with any transaction costs during 2021.

# Market overview

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*The Prospectus contains business and market data relating to Tobii Dynavox's operations and markets, but Tobii Dynavox operates in an industry where it is difficult to obtain accurate industry and market information. Tobii Dynavox has obtained certain market data, estimates regarding future market developments and data regarding the competitive position in the Prospectus from a report dated 29 March 2021 prepared by Arthur D. Little (the "**Report**"). Tobii Dynavox commissioned the Report and the Company is of the opinion that it is reliable. As part of its documentation for the Report, Arthur D. Little obtained market and company information from Tobii Dynavox. The Company cannot guarantee the accuracy or completeness of such information and Tobii Dynavox has not independently verified the market or competitive position data contained in the Prospectus. Information obtained from third parties has been accurately reproduced and, to the best of the Company's knowledge and belief, no facts have been omitted from the information published by such third parties that would make the reproduced information inaccurate or misleading.*

*In addition, the Company has made several statements in the prospectus regarding the industry and the Company's competitive position within the industry. These statements are based on the Company's experience and its own survey of market conditions. Tobii Dynavox cannot guarantee that any of the assumptions made are correct, nor that they accurately reflect its market position in the industry and none of Tobii Dynavox's internal surveys or information have been verified by independent sources, which may have estimates or views of industry-related information that differ from those of the Tobii Dynavox. Tobii Dynavox's competitors may define their market position differently than Tobii Dynavox, and may also define their operation and earnings measures in ways entailing the information non-comparable to Tobii Dynavox's information.*

*Market and business information may include estimates concerning future market trends and other forward-looking statements. Forward-looking statements are not a guarantee of future results or trends, and the actual results may differ materially from those contained in the forward-looking statements. Refer to the section "Important information to investors – forward-looking statements".*

## INTRODUCTION

The ability to communicate is a fundamental human right. Nevertheless, around 50 million people suffer from a speech impairment that is so severe that they cannot express themselves - even though technology that can make this possible is available.<sup>1</sup> Consequently, millions of people find it difficult to participate in society, educate themselves, work and reach their full potential. Tobii Dynavox works to redress the inequalities in society by empowering people with disabilities to do what they once did or never thought possible - this is Tobii Dynavox's mission.

Tobii Dynavox strives to make a large-scale difference, around the world, with compassion and empathy. Since Tobii AB was founded in 2001, Tobii Dynavox

has, according to the Company's estimate, helped over one hundred thousand people communicate using the very latest technology, and, according to the Company's assessment, provided world-class support and genuine assistance throughout the user's journey through life.

Users of assistive technology for communication are people with speech or motor impairments that limit their ability to communicate and interact with the world around them. This group includes children with autism and cerebral palsy (CP), adults with spinal cord injuries and people with aphasia or amyotrophic lateral sclerosis ("**ALS**"). These people in turn have families and friends, they have ambitions and passions and they have dreams and desires to learn and to contribute to

<sup>1</sup> Market research conducted by Arthur D. Little.



society. The ability to communicate is crucial to living as rich and dignified a life as possible. Tobii Dynavox and other market participants play an extremely important role in providing good, user-friendly solutions with reliable support, enabling all these amazing people to realize their full potential.

The diagnoses of these users can be divided into three categories: congenital diagnoses, progressive diagnoses and aphasia. The Company also offers solutions for teachers and students in special needs schools and special education programs. Special education programs corresponds to less than 10 percent of the Company's net sales. The market for these solutions is not the same as the market for assistive technology for communication, since customers are often schools or institutions. However, the end users - i.e. students or individuals in need of assistive technology for communication - are often the same, for which reason there are synergies in the two overlapping markets.

Most individuals who need assistive technology for communication rely heavily on public and private reimbursement schemes to be able to purchase the Company's products. Reimbursement rates vary widely from country to country and determine the ability to sell assistive technology for communication within a country. At an overarching level, the entire market is affected by access to healthcare reimbursement in different countries, with the US being the most important market. Consequently, around two percent (or about 50,000 individuals) of those diagnosed annually actually receive help or are offered a solution.<sup>1</sup>

In special education, there is low penetration where buyers in the main markets (e.g. Sweden, Norway, the US and the UK), despite having allocated budgets for special education, are often unaware of the available supply in the market.

In addition to the access to reimbursement schemes, users and their families are influenced by their willingness and ability to engage in dialogue with therapists, doctors, insurance providers, teachers and schools. Growing awareness of available solutions and their effectiveness is therefore an important driver for increasing the penetration of available solutions.

## MARKET FOR ASSISTIVE TECHNOLOGY FOR COMMUNICATION<sup>2</sup>

### Definition of assistive technology for communication

Assistive technology for communication is a collective term for various aids, technologies and solutions that facilitate communication between people despite physical, cognitive or intellectual barriers. It is a tool, a strategy, a support or some form of communication used in conjunction with, or instead of, spoken language. Assistive technology for communication is part of the broader assistive technology market, which includes

solutions for people who are hearing and/or visually impaired, as well as mobility-impaired individuals. Assistive technology for communication comes in a variety of forms and enables individuals to express themselves in the way that suits them best, often a combination of some of the following solutions:

- Body-anchored assistive technology for communication: Gestures, body language, facial expressions, signs and sounds.
- Low-tech assistive technology for communication: Paper-based communication books or pages with symbols/text for the user to point to.
- High-tech assistive technology for communication: Touch-screen or eye-controlled computer devices that convert symbols and text into speech.

### User categories

Diagnoses that often lead to speech and/or motor impairments can be divided into three main categories. Users in each category have similar needs for solutions, tools and assistance.

- Congenital diagnoses: Individuals born with communication difficulties characterized by speech, language and literacy difficulties (e.g. CP, autism or intellectual disabilities).
- Progressive diagnoses: Diseases with gradual impairment over time that can occur over many years or shorter periods of time (e.g. ALS, multiple sclerosis ("MS") or Parkinson's).
- Aphasia: Usually a consequence of stroke or traumatic brain injury affecting the production or comprehension of speech and/or the ability to read and write.

The three different user categories differ in prevalence and incidence, where prevalence refers to existing cases, while incidence refers to new cases per year. Congenital impairment is the largest category in terms of number of individuals globally, since individuals in this category live on average significantly longer with their diagnosis than the other categories. The aphasia category has the highest incidence, but since the average age of onset is high, prevalence is still lower than for congenital diagnoses.<sup>3</sup>

### Reimbursement process

Most individuals who need assistive technology for communication rely heavily on public and private reimbursement schemes to purchase the solutions. The payor is often a private or public reimbursement body. Therapists and speech therapists are also important stakeholders in the segment because of their role as prescribers, where the payor is often an insurance system in partnership with hospitals, schools, or rehabilitation clinics.

In most countries with established reimbursement

<sup>1</sup> Market research conducted by Arthur D. Little.

<sup>2</sup> In the industry, this is referred to as AAC – Augmentative and Alternative Communication).

<sup>3</sup> Market research conducted by Arthur D. Little.

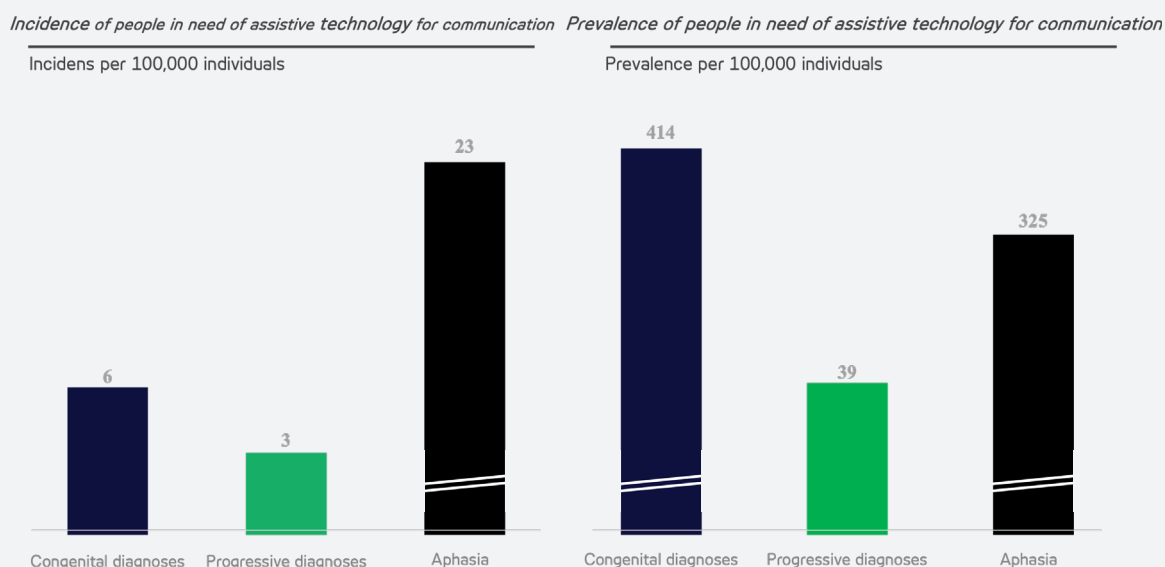
systems, the prescribing process involves three steps:

- A person visits a hospital or a testing center. An expert (often a speech therapist) conducts a clinical assessment to determine the person's need for assistive technology for communication and a proposed solution. If the need for such a solution is confirmed, the test will be sent to the supplier of the proposed communication device or its reseller. The supplier then provides a quote for the chosen solution.
- The reimbursement body (in the US, for example, Medicare, Medicaid or a private insurance compa-

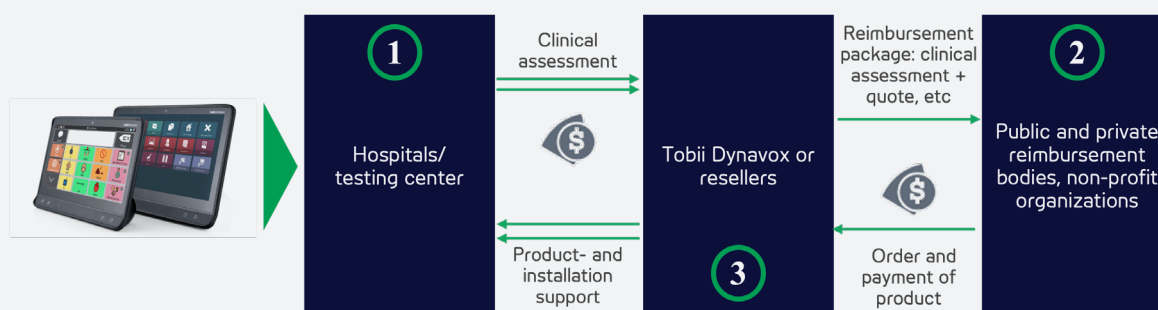
ny) receives the clinical test and the quote (together called "**reimbursement package**"). The provider of the communication device and the relevant compensation body will process the order and produce additional documentation if required.

- Once the reimbursement body has approved the reimbursement package, the supplier delivers the communication device to the end user and assists with installation, customization and training. The reimbursement body is invoiced by the supplier. In the US, the payment period is up to three months and on average much longer in this area than in many other sectors.

### Incidence and prevalence of people in need of assistive technology for communication<sup>1</sup>



### Typical reimbursement process for assistive technology for communication<sup>2</sup>



<sup>1</sup> Market research conducted by Arthur D. Little.

<sup>2</sup> Tobii Dynavox's assessment.

## Markets/reimbursement in different countries

Reimbursement schemes vary from country to country and are crucial for the potential to sell assistive technology for communication. At an overarching level, the entire market is affected by access to healthcare reimbursement in different countries, with the US currently being the most important market. However, assistive technology for communication represents a very small proportion of total healthcare budgets, so reimbursement for this area does not necessarily correlate with the overall healthcare budget. Furthermore, there is a general trend in many parts of the world to gradually strengthen the position of and opportunities for people with special needs.<sup>1</sup>

Two important factors in the reimbursement process that affect the ability to sell assistive technology for communication are the reimbursement structure within a country and the opportunity for the individual to qualify for reimbursement. In countries with centralized systems, it is easier for users and providers to obtain reimbursement as requirements are usually uniform and standardized. Norway is the country with the strongest reimbursement structure and is characterized by a national decision-making body, reimbursement and procurement. Many other countries have more or less decentralized reimbursement bodies and thus varying levels of market efficiency. This sometimes creates a barrier for new providers who lack reimbursement expertise without presence at the local market.<sup>2</sup>

In many countries, most individuals who need assistive technology for communication are legally entitled to access to communication devices, but countries offer varying degrees of public reimbursement. In other countries, reimbursement may be available, but it may be limited to a low level, or only available to individuals

with certain diagnoses, or may require a substantial amount of private funding.<sup>3</sup>

Due to differences in reimbursement rates and legal rights, the global market for assistive technology for communication can be divided into four different groups based on estimated level of available reimbursement and other ecosystem:

- **US:** Because of its size and strong access to reimbursement, the US is in a category of its own and represents the majority of the world market and Tobii Dynavox sales. The reimbursement system is complex and difficult to navigate, but Tobii Dynavox has extensive experience managing all steps of the process.<sup>4</sup>
- **Countries with a high level of reimbursement<sup>5</sup>:** Countries with relatively strong reimbursement systems. However, coverage may vary at regional level, or where there is a lack of awareness. In most countries in this category, anyone who needs assistive technology for communication is entitled to public reimbursement for the purpose.<sup>6</sup>
- **Countries with a moderate level of reimbursement<sup>7</sup>:** These countries have reimbursement systems that are not as effective or are extremely limited. In some cases, only a certain proportion of the population qualifies for full public reimbursement. Awareness of assistive technology for communication is relatively low in this category. Individuals usually have legal rights to assistive technology for communication and there may even be a reimbursement framework in place, but in practice it is difficult to obtain reimbursement.<sup>8</sup>
- **Countries with a less comprehensive level of reimbursement<sup>9</sup>:** Countries with less comprehensive levels of public compensation. Low awareness due to low specialization in healthcare and inadequate ecosystem to identify and obtain help with disabilities.<sup>10</sup>

## Overview of the US and a selection of countries with high-reimbursement rates<sup>11</sup>

		US	Level I – Countries with a high level of reimbursement (selection)		
			Norway	Sweden	Germany
Reimbursement	Structure	<ul style="list-style-type: none"><li>National / regional</li><li>Public + private insurance providers / payers</li></ul>	<ul style="list-style-type: none"><li>National</li><li>Public insurance providers / payers</li></ul>	<ul style="list-style-type: none"><li>Regional</li><li>Public insurance providers / payers</li></ul>	<ul style="list-style-type: none"><li>National / regional</li><li>Public + private insurance providers / payers</li></ul>
	Coverage	<ul style="list-style-type: none"><li>High coverage for insured, but complex systems</li><li>Up to 50% co-payment may be required</li></ul>	<ul style="list-style-type: none"><li>The strongest reimbursement system in the world, some users even get multiple devices</li></ul>	<ul style="list-style-type: none"><li>Among the stronger reimbursement systems</li><li>Major regional differences</li></ul>	<ul style="list-style-type: none"><li>Solid reimbursement system, but varies between statutory health insurance providers, depending on budget and list of approved units</li></ul>

<sup>1</sup> Market research conducted by Arthur D. Little.

<sup>2</sup> Market research conducted by Arthur D. Little.

<sup>3</sup> Market research conducted by Arthur D. Little.

<sup>4</sup> Market research conducted by Arthur D. Little.

<sup>5</sup> Norway, Iceland, Sweden, Denmark, Slovenia, Australia, Netherlands, Germany, Switzerland, New Zealand, Canada.

<sup>6</sup> Market research conducted by Arthur D. Little.

<sup>7</sup> Ireland, Finland, Austria, United Kingdom, Cyprus, Estonia, Belgium, Lithuania, France, Israel, Croatia, Italy, Poland, Costa Rica, Bulgaria, Japan, Spain, Hungary, Czech Republic, Argentina, Portugal, South Africa, Russia, Taiwan, South Korea, Mexico, Qatar, Kuwait, Chile.

<sup>8</sup> Market research conducted by Arthur D. Little.

<sup>9</sup> Rest of the world.

<sup>10</sup> Market research conducted by Arthur D. Little.

<sup>11</sup> Market research conducted by Arthur D. Little.

### Large variation in per capita spending

In many countries, other than those with high levels of reimbursement, there is currently no effective prescription and reimbursement system for assistive technology for communication. Penetration rates in these countries are very low or non-existent.

Consequently, there is a wide variation in per capita expenditure related to assistive technology for communication between countries. Norway has the highest per capita expenditure level at USD 1.2 per capita as a result of a centralized decision-making and procurement body. Within Sweden, Denmark and France, penetration may differ considerably between regions due to several decentralized regional/local decision-making and procurement bodies. Lower per capita spending in a given country indicates the potential for stronger long-term future growth.<sup>1</sup>

### Composition, size and growth

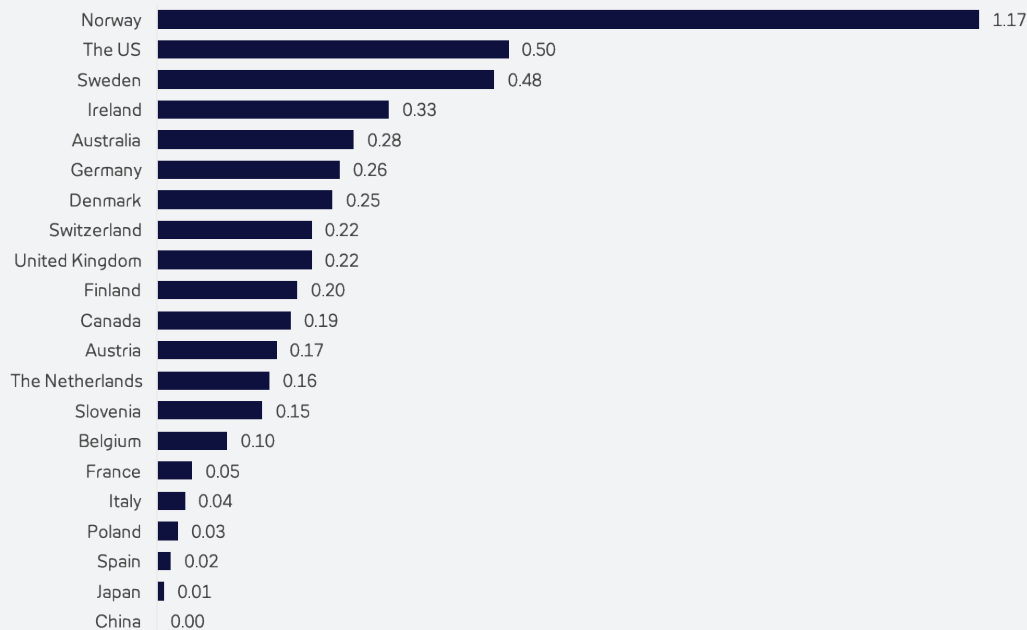
Only a small proportion of individuals who need assistive technology for communication currently live in a part of the world where society and health systems can provide and reimburse them for the solutions they need. In terms of prevalence on a global level, around 200 million people have speech impairments and around 50 million people (over 0.5% of the world's population) have such severe communication impairments that these individuals cannot communicate effectively without the use of assistive technology for communica-

tion. In terms of incidence, more than two million people are diagnosed annually with conditions that require advanced assistive technology for communication. Of these, only about 2% (or around 50,000 individuals) will eventually have access to such assistive technology. The currently low penetration level means that there is good potential for market growth over a long period. It is estimated that the market for assistive technology for communication could grow by almost ten percent annually over the coming decades.<sup>3</sup>

The market in which Tobii Dynavox operates can be broken down into a broader addressable market, the current serviceable market and Tobii Dynavox's serviceable obtainable market<sup>4</sup>:

- Total addressable market ("TAM"): Globally, this segment of the market consists of around 50 million people who have speech impairments and are considered to be in need of assistive technology for communication. The value of the market is estimated at USD 4.7 billion annually and is expected to grow 2 percent per year (2020-2030). Growth is expected to be driven by population growth (primarily in emerging markets).
- Serviceable addressable market ("SAM") - <15% of TAM (by value): People in need of assistive technology for communication and who have access to reimbursement. The value of this market is considered to be approximately MUSD 670 per year and is expected to grow 7 percent per year (2020-2030). Market growth is expected to be driven by improved

### Per capita expenditure on assistive technology for communication, 2020 (USD)<sup>2</sup>



<sup>1</sup> Market research conducted by Arthur D. Little.

<sup>2</sup> Market research conducted by Arthur D. Little.

<sup>3</sup> Market research conducted by Arthur D. Little.

<sup>4</sup> Market research conducted by Arthur D. Little.

and expanded access to reimbursement in various markets. Another driving factor is greater awareness of assistive technology for communication among the general public, prescribers, users and their families.

- Serviceable obtainable market (“SOM”) - <40% of SAM (by value): The percentage of people who actually have access to assistive technology for communication, which is only about 50,000 people per year. The value of this part of the market is estimated at approximately MUSD 230 per year and is equivalent to the sum of all assistive technology for communication sold globally, both new and replacement sales. On an aggregate level, growth is expected to be just under 10 percent per year (2020-2030), but may be higher or lower for individual suppliers. Growth is expected to be driven by (i) increased awareness of and expertise related to assistive technology for communication among prescribers, families and users; (ii) increased number of vendors in more geographic areas; (iii) improved implementation and customer satisfaction through better solutions, implementation support and customer service.

By 2030, the serviceable obtainable market is estimated at approximately MUSD 550 per year (up from approximately MUSD 230 in 2020).<sup>1</sup> The US is still expected

to be the largest market, but the highest rate of growth in terms of percentage is expected in countries with low reimbursement rates. Growth in low reimbursement countries is assumed to be driven by the development of reimbursement systems, so that more people in need of assistive technology for communication can get the solution they need. Sales to individuals with congenital diagnosis are expected to remain the largest category.

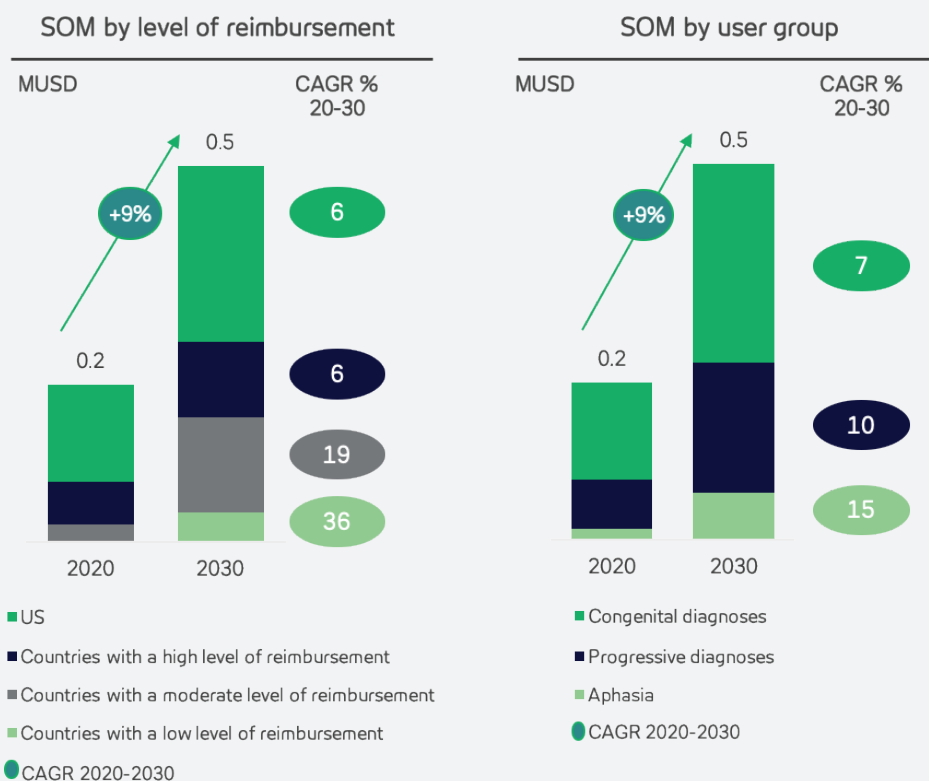
### Key trends and drivers

There are several important underlying trends and drivers that are expected to increase market size and penetration going forward.

#### *Increased access to reimbursement for means of communication*

Globally, reimbursement systems are limited, immature and unevenly distributed, but Tobii Dynavox is experiencing positive developments in many markets and a great potential to drive improvement itself. Many individuals in need of assistive technology for communication continue to have no or only partial possibilities to obtain communication solutions funded by the public reimbursement system. Even in countries with robust regulatory frameworks, it is difficult to obtain a solution in practice. Tobii Dynavox believes that the Company's

### Serviceable obtainable market by level of reimbursement and serviceable obtainable market by user group<sup>1</sup>



<sup>1</sup> Market research conducted by Arthur D. Little.



expertise and infrastructure in reimbursement, particularly in the US, but also in other direct markets, is a distinctive competency that the Company can export as it expands into countries with a moderate or low level of reimbursement.

Tobii Dynavox's addressable market is expected to grow as society's investment in assistive technology for communication increases, but also as awareness of such assistive technology for communication increases among prescribers, which in turn will lead to better legislation and a higher priority in healthcare budgets. Growth is expected to come from the adoption of a belief in the basic right to reimbursement in countries with a moderate or low level of reimbursement. In addition, the US and countries with high reimbursement rates are expected to improve and simplify the procedure for ensuring that citizens receive the solutions they need.

*Increased awareness and expertise among prescribers and other decision-makers in the field of assistive technology for communication*

Prescribers and decision makers in the field of assistive technology for communication are usually licensed speech therapists, medical professionals, or special education teachers. Among these practitioners, basic skills and knowledge of assistive technology for communication are low, since good solutions have not been available for very long, and in many markets, there is no requirement for continuing education after graduation/licensing. Increased education about the assistive technology for communication that is available, both during formal training and subsequently during practice, will increase public awareness and success with patients and users.

One positive trend in recent years is the inclusion of assistive technology for communication as part of the education to become a licensed speech therapist and Tobii Dynavox sees potential for expanding use of the technology. For example, two countries (the US and the Netherlands) have introduced mandatory requirements for continuing education after graduation/licensing and more countries are expected to follow suit. Like the rest of the market, Tobii Dynavox has increased its focus on large-scale training and in 2020 trained a record number of professional prescribers and care providers, with over 100,000 trained during the year.

*Raising awareness among the general public, users of assistive technology for communication and their families*

The vast majority of people are unaware of the concept of being non-verbal or having complex communication difficulties and needs. Even fewer are aware of existing and available assistive technology for communication. Awareness is low among children and adults, and almost non-existent among the aging population. More often than not, it is users with committed and dedicated parents/family members who are successful in their journey in response to low awareness and skills among schools and prescribers.

However, Tobii Dynavox sees inclusion as a major and significant social trend globally. Initiatives such as the "Ice Bucket Challenge" and well-known users such as Steven Hawking are raising awareness of assistive technology for communication. Tobii Dynavox is actively involved in education and marketing of assistive technology for communication to raise awareness of existing and new solutions. "The Ice Bucket Challenge, for example, was started by two Tobii Dynavox users and has helped raise awareness of assistive technology for communication and the challenges faced by users.

In recent years, Tobii Dynavox has seen a number of other positive initiatives in society in general, in both the private and public sectors. The positive wave of inclusion is partly driven by increased awareness in both the public and private sectors regarding efforts to achieve the UN Global Goals. For example, in 2020, Tobii Dynavox partnered with Google to promote inclusion and enabled the use of Google Assistant on Tobii Dynavox solutions. Tobii AB and Tobii Dynavox have also worked closely with Microsoft to enable eye control and symbol support in Microsoft solutions. The Company has also seen positive trends in terms of increased legislation related to assistive technology for communication in several markets.

*Increased presence and availability of qualified sales representatives*

Successful testing and implementation of assistive technology for communication usually requires considerable interaction (usually physical) between supplier and end-user. Users need help in finding the best solution for their needs, help with practical implementation (assembly, customization, installation) and assistance in actually using the solution (e.g. through training). Even in the most developed markets, such as the US, geographical coverage and availability of sales representatives and trainers is low and limited in relation to the need. Increased presence of sales representatives and trainers to assist users is thus expected to drive increased use of communication aids.

For users of assistive technology for communication, achieving success often requires more than obtaining a product. For many users, it is a lifelong journey, comparable to learning a new language. Often users require significant input from therapists and caregivers over longer periods of time. This is the main reason why users either succeed or stop using a communication device. A successful user is one of the most important marketing tools for Tobii Dynavox. Therapists who feel that assistive technology for communication help their patients are also more likely to prescribe more devices. Improving the quality and usability of the solutions increases the success of users and leads to increased sales. Better understanding, knowledge and trust in technological solutions is also a driving factor. Tobii Dynavox is committed to investing in its product portfolio in order to offer high quality, appropriate and user-friendly solutions to its users. The Company is also actively engaged in training to help end-users and related individuals to take advantage of assistive technology for communication.

### Competitive landscape assistive technology for communication

The market for communication aids is defined by participants who focus on developing and selling assistive technology for communication in the form of hardware, software and/or services. According to a 2021 study conducted by Arthur D. Little, Tobii Dynavox was the clear market leader.<sup>1</sup> The market for assistive technology for communication can be described as concentrated to two suppliers (Tobii Dynavox and PRC-Salttillo), with a combined market share of approximately 50 percent. The remaining 50 percent of the market is more fragmented and consists of a mix of full-service, software and application providers. However, Tobii Dynavox has a significantly higher share of the eye-controlled assistive technology market, but a lower share of the touchscreen-based assistive technology market<sup>2</sup>. Because of the low penetration, Tobii Dynavox and other players are mainly focusing on market expansion rather than on the internal distribution of the existing market.

Most players in the assistive technology for communication market are based in the US or Western Europe, where no one else has the global reach and scale of Tobii Dynavox.

It takes much more than well-functioning products to become an established player in the market for assistive technology for communication. In addition to a high-quality product, suppliers need to offer in-depth support and assistance to users and other stakeholders. This requires broad skills and resources, which are complex and costly to develop. Currently, only very limited or relevant substitutes exist in neighboring markets.

### SPECIAL EDUCATION SOFTWARE

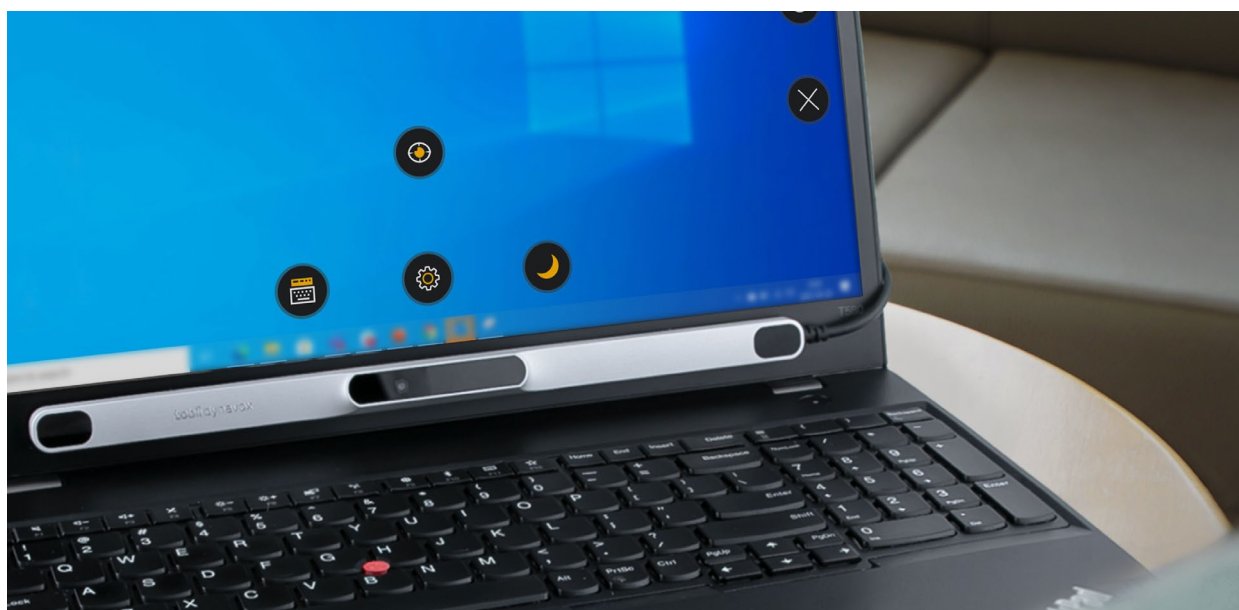
#### Special education definition

On an overarching level, special education is designed to facilitate learning for pupils with special needs, who often have different levels of communication impairment, and who therefore need additional support and flexible educational methods to participate in learning activities and meet curriculum requirements (often statutory) in education.

The market segment is defined by symbol-based software solutions used in the context of special education and can be seen as an adjacent market to the assistive technology for communication market and as part of the broader assistive technology market. Symbols refer to illustrations created to represent words and short phrases to help students with communication challenges.

Symbol-based software solutions can be further categorized into three broader categories:

- Software for paper-based assistive devices: Gives teachers access to a symbol bank of different symbols, which they can use to print paper-based teaching materials.
- Software for web-based assistive devices: Teachers and students work online with interactive functionalities but without curriculum-based activities. Can be combined with assistive technology for communication for students who need eye-controlled assistive technology.
- Curriculum-based software: Symbol-based software with customizable activities at different levels of difficulty, including teacher guides and curricula. Can also be combined with assistive technology for communication for students who need eye-controlled assistive technology.



<sup>1</sup> According to a market research conducted by Arthur D. Little. According to the market research, Tobii Dynavox was the market leader with an estimated market share of just under 40 percent.

<sup>2</sup> Market research conducted by Arthur D. Little.

## Diagnoses

Globally, there are many students who could benefit from special education in the form of symbol-based software solutions, but there are major differences in the level of need. Pupils in need of special education usually have one or more disabilities in the form of physical, behavioral, emotional or communication impairments. Examples of diagnoses are Rett syndrome, Downs syndrome, autism, CP, and intellectual disability.

## Ecosystem / purchasers

Purchasers of software-based special education solutions differ between countries and also often regionally within countries. In North America and Australia, school districts often purchase special education tools, which often leads to larger multi-year contracts. However, in the UK, for example, purchasing is done at the school level (individual schools with teachers, administrators, head teachers and IT managers as counterparts), for which reason orders are often smaller in size. Today, parents and guardians account for a smaller share of purchases.

## Composition, size and growth

The market for symbol-based special education software has been divided into three categories based on countries and the maturity of the education system. The three categories are the US, OECD countries<sup>1</sup> and the rest of the world. Maturity in the context of special education has been calculated based on the proportion of professional special education providers in the population as a whole. Professional special education providers are defined as special education teachers, teachers and other purchasers (e.g. speech therapists, administrators and principals).

The market in which Tobii Dynavox operates can be

divided into three broad categories<sup>2</sup>:

- **Total addressable market:** Calculated based on the number of addressable professional practitioners of special education, where the US consists of 1.3 million professional practitioners, OECD countries 2.3 million and the rest of the world 9.7 million. The US has the highest proportion of special education practitioners in relation to the population (0.40 percent), which may be seen as a reflection of the maturity of the education system. In OECD countries, the same figure is 0.22 percent and in the rest of the world 0.15 percent. For example, China has only 5,000 speech therapists with a population of 1.4 billion, while the US has 120,000 speech therapists with a population of 330 million - indicating the difference in the number of potential buyers. The value of the market is estimated at approximately MUSD 870 annually and is expected to grow 6 percent per year (2020-2030).
- **Serviceable addressable market:** Estimated based on the share of special education professionals with available budget for special education. The school system in the US is considered the most well-funded system in terms of the budget for special education, with 75 percent of special education professionals having available budgets. The same figure for OECD countries is 50 percent, with large differences between countries within the group. Most Western European countries are closer to the US, but even some advanced economies like Germany, for example, still lack wifi in public schools. In the rest of the world, there is usually little or no budget for special education. The value of the market (serviceable addressable market) is estimated at approximately MUSD 180 annually and is expected to grow 12 percent per year (2020-2030).
- **Serviceable obtainable market:** Calculated as the share of special education professionals who actually purchase software-based special education solutions in relation to special education professionals with available budget (serviceable addressable market). In the US, awareness of the offering in special education and its benefits is relatively high, but penetration is low, with only an estimated 40 percent of special education professionals with budgeted funds actually purchasing software-based special education solutions. Penetration is expected to increase with further awareness of needs and availability and also as more providers offer subscription-based services. Within the OECD, awareness is much lower (estimated at 10 percent of special education professionals with budgeted funds). Penetration in these countries is expected to increase significantly in the coming years. The value of the global market is estimated at less than MUSD 50 and is expected to grow at just under 20 percent per year (2020-2030).



<sup>1</sup> The OECD includes Australia, Austria, Belgium, Canada, Chile, Colombia, Costa Rica, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Iceland, Ireland, Israel, Italy, Japan, Latvia, Lithuania, Luxembourg, Mexico, Netherlands, New Zealand, Norway, Hungary, Poland, Portugal, Slovakia, Slovenia, Spain, Sweden, Switzerland, South Korea, Turkey and United Kingdom.

<sup>2</sup> Market research conducted by Arthur D. Little.



### **Key trends and drivers**

#### *Increased global market and greater investment in education systems*

As the global market grows, greater investment in education systems, specifically in special education, is expected. In recent years, diversity and inclusion in society have become increasingly important in education, prompting many countries to invest in special education to ensure that more children have access to education.

#### *Increased awareness of the benefits of special education and the availability of software-based special education solutions*

In many countries, awareness of special education is still low. The need exists, but the benefits of special education are still unknown. Consequently, many are also unaware of the availability of software-based special education software-based special education solutions.

#### *Transition to subscription-based business model*

The shift to subscription-based services is expected to drive further penetration and growth in the market. In the past, special education solutions have largely been sold as a one-off purchase of stand-alone software.

The move to subscription-based services lowers the threshold for new users as the investment is lower and promotes increased retention of customers over time as they experience the benefits of the solutions.

### **Competitive landscape of special education**

The market for software-based special education software-based special education solutions is broad and in many ways, the range of products is difficult to compare. The current offerings from various suppliers differ significantly in terms of complexity and functionality. There are many low-cost options that offer simpler functionality. The market consists of few global suppliers, since local versions are usually required with respect to language and adaptive features, which makes global distribution costly. According to a study by Arthur D. Little, 2021, Tobii Dynavox was in second place with an estimated 25 percent share of the value of special education software sold, but with a clear market leadership position in special education instructional tools (based on value of tools sold). The market is relatively concentrated, with two suppliers holding about 60 percent of the market.<sup>1</sup>



<sup>1</sup> Market research conducted by Arthur D. Little.

# Business overview

## INTRODUCTION

### Introduction to Tobii Dynavox

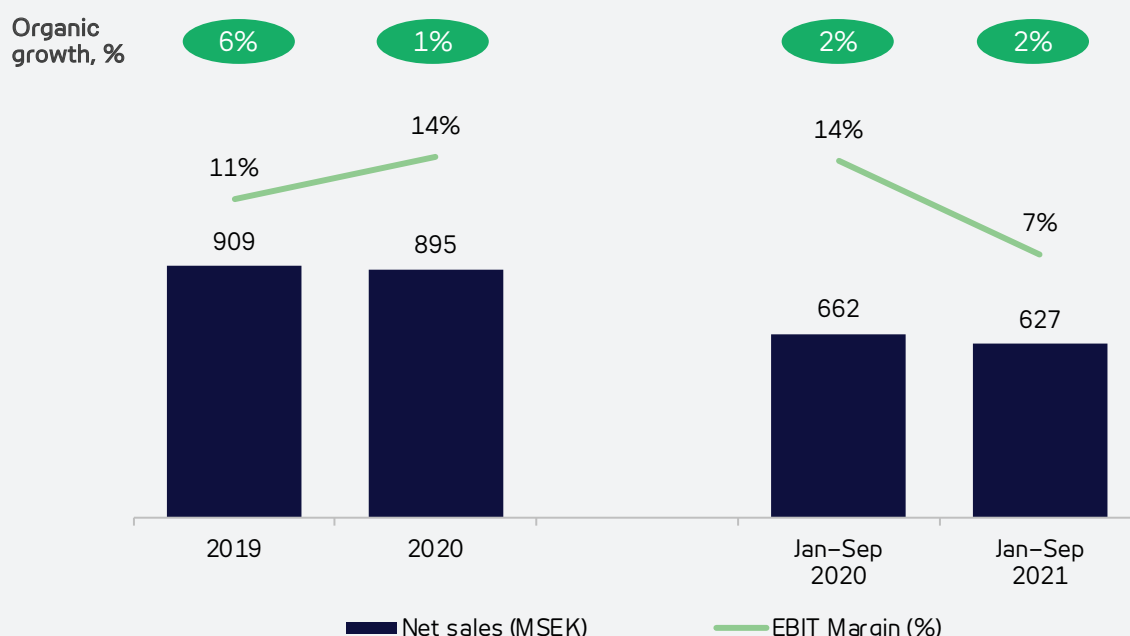
Tobii Dynavox is the global market leader<sup>1</sup> in development and sales of assistive technology for communication. Today, Tobii Dynavox has over 100,000 users worldwide who rely on its solutions to communicate. This gives users the opportunity to live more independent lives and often has a dramatic positive impact on quality of life for both users and those around them. Tobii Dynavox sees it as its obligation, in addition to developing products, to support and educate users and the people around them throughout the journey and to provide clear advice on choices that help users and ensure that the solutions the Company delivers really work.

Tobii Dynavox is proud of how the Company's technology is used and offers a range of solutions, including specially designed communication devices, controlled by eye movements or touchscreen, as well as a variety

of advanced software applications for communication and special education. Tobii Dynavox offers a complete solution that, in addition to software and communication devices, also consists of assisting prescribers with user testing, helping users obtain reimbursement, and providing assistance so users can get started and learn how to use the solutions.

The solutions are used primarily by people with disabilities, but also by therapists, speech therapists, caregivers, hospitals and testing centers for testing and prescribing, as well as in special needs schools for educational purposes. Several of the solutions are medically graded and are often funded through public or private reimbursement systems. Tobii Dynavox solutions are sold in more than 65 countries through direct sales and distributors. The Company's main markets can currently be found in about ten countries where reimbursement and prescribing systems are in place.

### Net sales and EBIT margin<sup>2</sup>



<sup>1</sup> According to a market research conducted by Arthur D. Little. According to the market research, Tobii Dynavox was the market leader with an estimated market share of just under 40 percent.

<sup>2</sup> Derived from the Company's audited combined financial statements for the period ending on 30 September 2021 and the financial years ending on 31 December 2020 and 2019 which have been prepared in accordance IFRS with and the Company's interim report for the period ending 30 September 2020, which is not audited or reviewed. For a description of the calculation of non-IFRS measures and the reason for their use, refer to the section "Selected financial information - Definitions of performance measures".

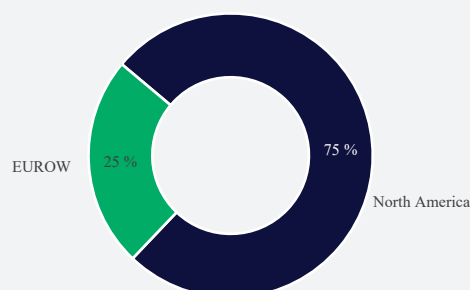


### Introduction to Tobii Dynavox users

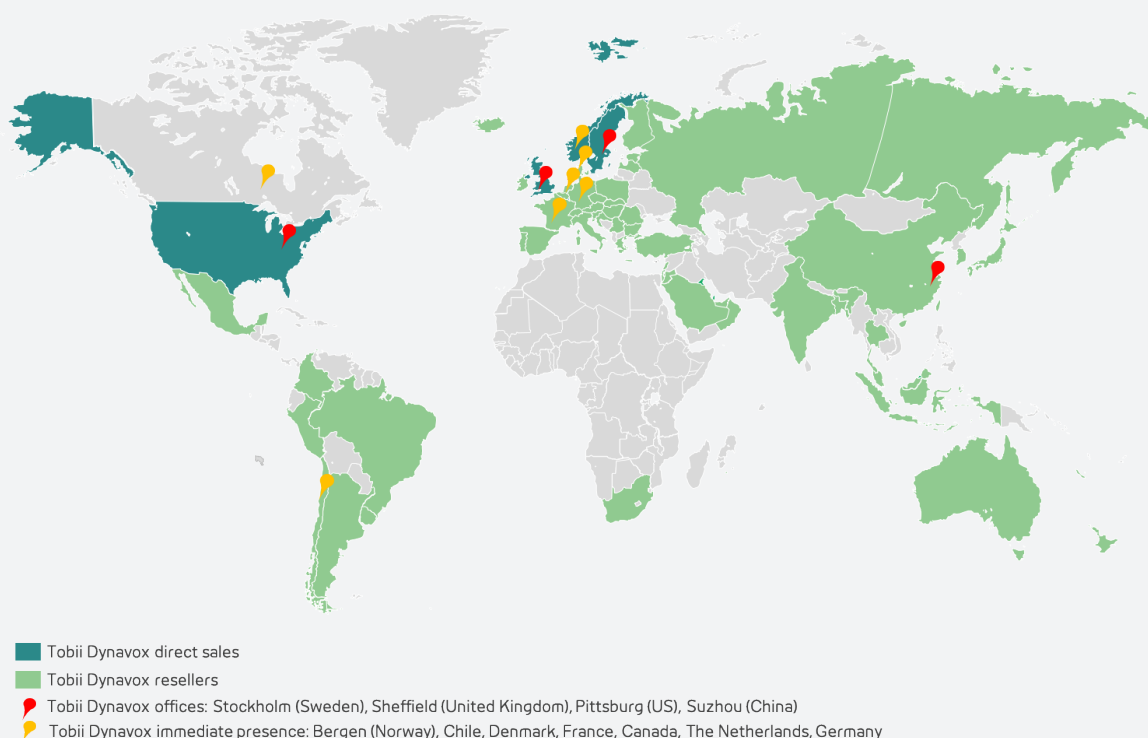
Tobii Dynavox's mission is to empower people with disabilities to do what they once did, or never thought possible. For some, this involves developing reading and writing skills, for others the ability to return to work. Tobii Dynavox support its users in their development journey, wherever it begins. Few companies have the privilege of improving conditions for some of society's most vulnerable groups and their families in such a concrete way, which in turn serves as a strong factor that explains why Tobii Dynavox has successfully created a strong organization and culture with employees who possess extensive international expertise.

On the following page are some of the Tobii Dynavox users and their stories.

### Net sales, geographic breakdown (2020)<sup>1</sup>



### Global footprint



<sup>1</sup> North America = US and Canada. EUROW = Other countries. Derived from the the Company's audited combined financial statements for the period ending on 30 September 2021 and the financial years ending on 31 December 2020 and 2019 which have been prepared in accordance IFRS with and the Company's interim report for the period ending 30 September 2020, which is not audited or reviewed.

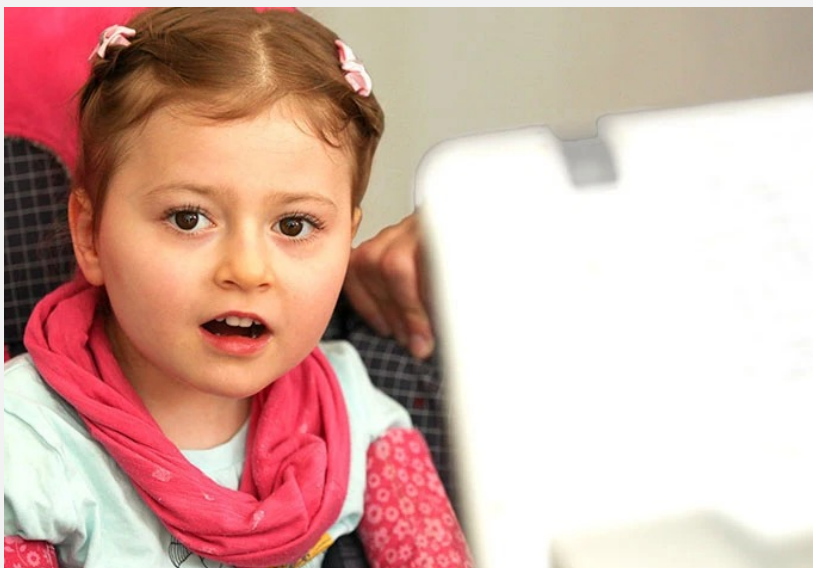


***“For the first time, I can talk to my friends and family outside using eye control. In the past, I had to rely on a communication partner for help, but not anymore.” – Becky***

Becky is an artist and computer gamer with CP. She is also an advocate for equality and inclusion and runs her own YouTube channel, Eye Gaze Girl. On the channel, she shows how she uses eye control to play games like Minecraft and The Sims. She is tech-savvy and always interested in testing new technologies, both for fun and to explore how gadgets and solutions can simplify daily life.

***“People are amazed at my calling device and how I control it with my eyes. In the end, it’s the only way I can communicate with the world around me” - Jeff***

Jeff Fogel is first and foremost a coach. For him, coaching is, and always has been, a lifelong passion, and he continues to coach the junior basketball team and teach kids what is important in life. Nine years ago, Jeff was diagnosed with ALS, when he lost his mobility and voice. This led him to start using assistive technology. Thanks to these solutions, he is still active and working with children. If anything, his situation has motivated and inspired him to live more purposefully than he did before.



***“Ava is a child who uses her eyes to talk. It has helped her to control her emotions and has given her control over her life. She has learned that she has a voice and that her voice has power. These are some of the things they said she could never do, but guess what? She can do them.” - Ava’s mother***

Ava is a smart, fun and energetic seven-year-old who loves music, swimming and her friends. When Ava was diagnosed with Rett syndrome at the age of 2, she couldn’t speak or control her hands. This made basic communication a challenge from the start, and her journey has not always been easy. With perseverance, strength and support, Ava has overcome many challenges, and thanks to technological aids she can both communicate and control her environment by using her eyes.

## HISTORY

The Company's history can be summarized in three different phases:

### Establishment in the market for assistive technology for communication (2005-2007)

The starting point for what is now Tobii Dynavox was in 2005 when Tobii AB identified the market for assistive technology for communication as an early adopter market for eye control. Eye control enables people with speech and/or motor impairments caused by conditions such as ALS, CP, or Rett syndrome to communicate and interact with the world around them. In 2005, Tobii AB launched the D10, Tobii AB's first solution in the market for assistive technology for communication.

### International expansion and strategic acquisitions (2007-2014)

The initial establishment was followed by a series of launches and expansion into new markets between 2007 and 2014. In addition, the Company made two important strategic acquisitions: (i) Viking Software AS in 2007, a Norwegian company that complemented the solutions portfolio with key software for assistive technology for communication, and (ii) Assistive Technology Inc. in Boston in 2008, which strengthened the Company's sales organization and its ability to manage the complex system for obtaining reimbursement for assistive devices in the US.

### Acquisition of DynaVox Systems LLC and modernization of Tobii Dynavox (2014-2021)

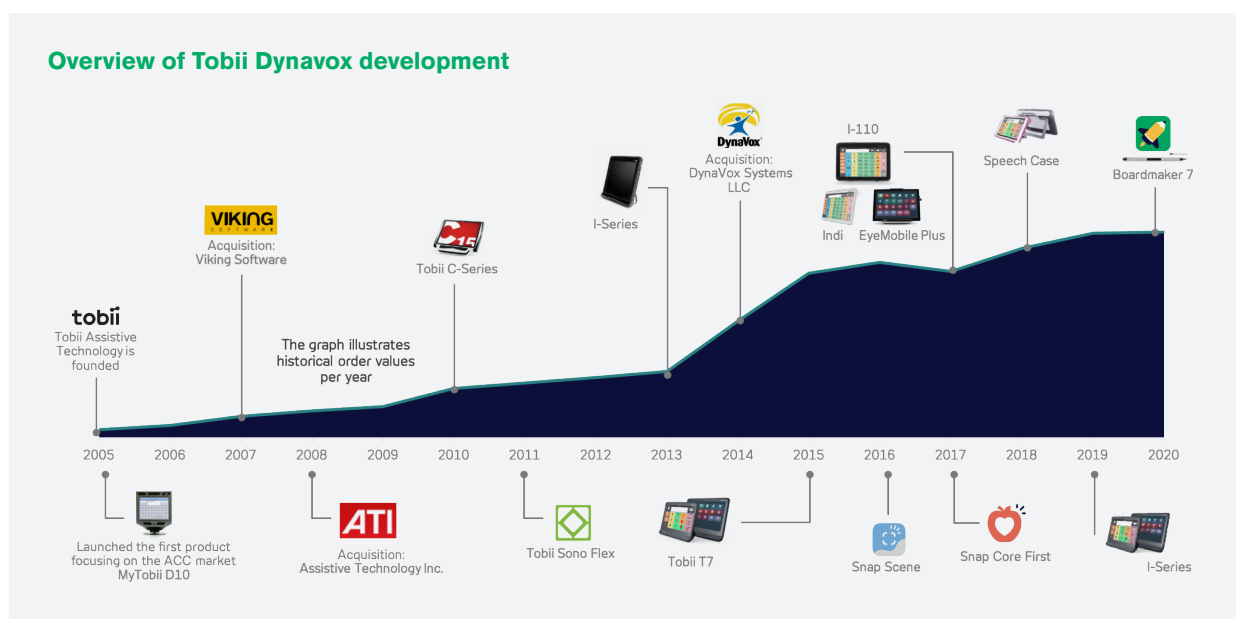
In 2014, Tobii AB acquired the US company DynaVox Systems LLC, its main competitor at the time. DynaVox Systems LLC complemented Tobii AB with a strong focus on North America, deep clinical expertise, broad

access to US insurers and well-developed software products for special needs schools. Following the acquisition of DynaVox System, the division changed its name from Tobii Assistive Technology to Tobii Dynavox.

The two companies complemented each other very well with Tobii AB's technical expertise and DynaVox Systems' expertise in assistive technology for communication and contract networks in North America. The integration of the two companies went according to plan and toward the end of the integration period Tobii Dynavox also started an investment phase to modernize the product portfolio acquired through DynaVox Systems. Since customers held off on new purchases in anticipation of more modern products, the Company's sales declined. This was followed by a number of software and hardware launches and upgrades, including the launch of a brand-new TD Snap communication software, a new Core First language system, the I-110 touchscreen solution, a new generation of the I-series eye-controlled communication device and the Boardmaker special education software.

Boardmaker, a symbol-based software, has been upgraded and harmonized with Tobii Dynavox's assistive technology for communication offering and the two segments have substantial overlap in terms of ecosystem and users.

Tobii Dynavox was severely affected by Covid-19 pandemic-related shutdowns and restrictions at, *inter alia*, school and healthcare facilities. As a result, the Company had to shift from physical testing and meetings, with patients and prescribers, to digital interactions. The Covid-19 pandemic also caused disruptions in the supply chain which, combined with high demand for some products, caused temporary delays in deliveries in 2020 as well as in parts of 2021. However, the new generation I-series was a strong sales driver



during the year and helped to reduce the impact of the pandemic on sales.

The Company believes it is now strongly positioned with a comprehensive, complete and well-developed portfolio of modern solutions. The groundwork is now laid for the next phase, which is focused more on sales expansion and reaching a significantly larger number of users in need of assistive technology for communication.

## MISSION

Tobii Dynavox's mission is to empower people with disabilities to do what they once did, or never thought possible.

## ECOSYSTEMS AND STAKEHOLDERS

### Assistive technology for communication

Users in need of assistive technology for communication have difficulties communicating and interacting with people around them, such as family, friends, teachers and caregivers. They may have diagnoses such as CP, ALS, Rett syndrome, autism and aphasia. Users need solutions to overcome speech and language impairments and to cope with a range of other diagnoses that often occur simultaneously. The main users in this market segment are individuals with disabilities, though the payor is often a private or public reimbursement body. Stakeholders for Tobii Dynavox solutions include:

- **Users:** The core of the Tobii Dynavox ecosystem is the end user who, because of a disability, needs an assistive device to communicate. Tobii Dynavox solutions not only help users speak and write, but also help them control their physical and digital environment (e.g. read and write email, make phone calls, work in digital school materials, control devices, watch Netflix or use Facebook), which in turn leads to greater independence and even, in some cases, the ability to be able to work. Tobii Dynavox also offers users and families assistance in obtaining reimbursement and training as well as support.
- **Family and friends:** Tobii Dynavox solutions are extremely important for family members and friends of individuals in need of assistive technology for communication. Families and friends are also often the ones who guide the user through the journey and are the ones who most often seek out available information and solutions that can help their loved one. Tobii Dynavox offers training and support to users and families so that they can assist the user.
- **Prescribers:** Prescribers are a very important stakeholder group in the communication aids ecosystem and include speech therapists, therapists and other professionals. In simple terms, their work consists of assessing people with various diagnoses and, where appropriate, prescribing different solutions. The main goal of prescribers is to help their patients. Tobii Dynavox collaborates with prescribers by helping them

with trials, e.g. by demonstrating Tobii Dynavox solutions that they can then use with their patients. They are also offered training in new assistive technology for communication and its uses.

- **Reimbursement body:** Both private and public reimbursement bodies have a responsibility (often legal) to the individuals they insure. As payers, they have different requirements that must be met before they agree to pay for the solution. These requirements are partly related to the user and the type of disability, but also to the provider of the assistive technology for communication and its solutions and services. Many of the Tobii Dynavox solutions that require reimbursement are medically graded. Tobii Dynavox has also developed effective support, through a dedicated department within the Company, to assist end-users in obtaining reimbursement for their aids and to handle contacts and administration with reimbursement bodies.

### Special education

Children with special needs are provided, often through legal requirements, with specially designed curricula and teaching. Tobii Dynavox is developing Boardmaker – which, based on the estimated market share 2020, is the global market leader in special education software.<sup>1</sup> Boardmaker is used by teachers to create symbol-based activities and exercises, and to create and monitor progress on individually designed curricula. The solution is either procured in volume by school districts, or sold through Tobii Dynavox e-commerce channels to individual users. Including previous versions, Boardmaker has more than 500,000 active registered teachers and several million students.

## OFFERING

Tobii Dynavox offers a complete solution to end-users consisting of a complex and comprehensive combination of (1) Software, (2) Communication devices, (3) Language systems and symbols, (4) Testing and reimbursement assistance and (5) Implementation and support

### Software

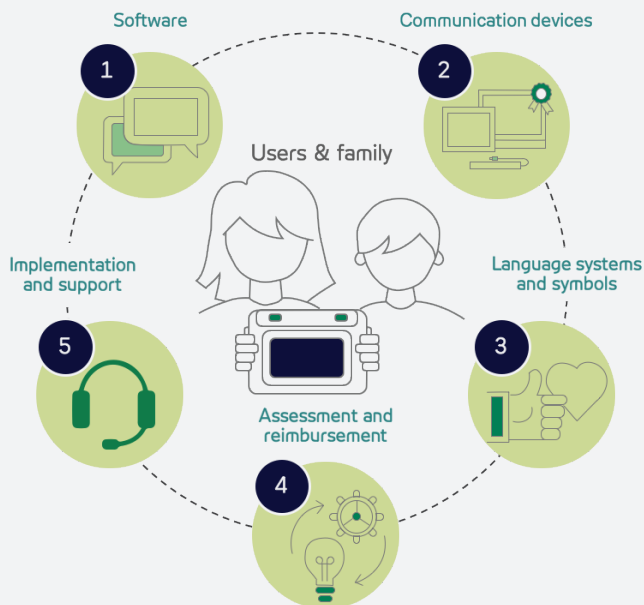
At the core of all Tobii Dynavox assistive technology for communication are several underlying advanced software applications for the various communication devices the Company offers. The software is comprehensive and designed for effective communication using symbols, images, phrases, or text. Software configuration is often required to ensure an effective communication environment that suits individual users and their needs. Software and some services are often included in the price of communication devices.

The Company's main software products can be divided into four categories: TD Snap (congenital diagnoses), TD Communicator 5 and TD Control (progressive diagnoses) and Boardmaker (special education).

<sup>1</sup> Market research conducted by Arthur D. Little.



## Overview of Tobii Dynavox offering<sup>1</sup>

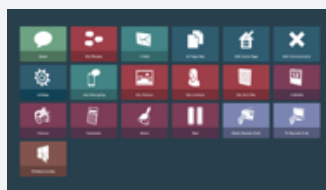


### TD Snap



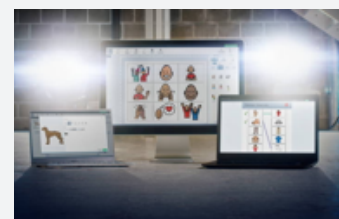
TD Snap is software for assistive technology for communication, primarily for individuals with congenital diagnoses; it is aimed at those who have previously been unable to or have not learned to speak and write. TD Snap is based on the Core First language system, which is built around a small group of key “base words” that are frequently used in communication and is a good first introduction to learning to communicate, but grows with the user until they hopefully reach full communication skills, including literacy. A typical user starts with a few words and then learns to navigate through tens of thousands of symbols. TD Snap is also integrated with Google Assistant to let users turn up the volume on music, turn on lights in the house and more.

### TD Communicator 5



TD Communicator 5 is a comprehensive text and symbol-based communication software solution for a wide range of users with different needs. The software converts text and symbols into a clear voice (with different voice choices) for more natural communication. The software is aimed at progressive users, who often already have advanced literacy skills before they start using the software.

### Boardmaker 7



Boardmaker 7 is the latest version of Tobii Dynavox special education software. Boardmaker 7 provides effective support for creating symbol-based visual support material. Teachers can choose from pre-created materials or create their own from scratch, with access to more than 45,000 PCS symbols. The software supports learning, communication and social/emotional needs in the classroom, clinic, or at home

<sup>1</sup> Tobii Dynavox.



## Communication devices

Tobii Dynavox has solid expertise in developing specialized communication devices which in some cases are medically graded, for users who need assistive technology for communication. Tobii Dynavox offers a wide portfolio of customizable solutions in different price ranges. The Tobii Dynavox product portfolio includes a range of specially designed computers (often called communication devices) that are controlled either by eye control, buttons or touchscreen. Eye-controlled communication devices are used by people who, in addition to speech impairments, have motor impairments (and thus cannot use a standard touchscreen), while touchscreen-based communication devices are used by people who have some or good motor skills. Tobii Dynavox offers a wide portfolio of customizable solutions in different price ranges. Some Tobii Dynavox solutions are medically graded according to the EU (Medical Device Regulation, MDR) and the FDA (US Food and Drug Administration), which requires products to meet certain requirements and certification standards.

### *I-series*

The medically graded I-Series comes in two sizes: the I-13 and I-16, which are lightweight, fast and durable communication devices. They can be controlled via eye control both indoors and outdoors. The I-series also offers touchscreen control and dual screens - one facing the user and one facing outwards toward the person with whom the user is communicating for more natural communication. Users can communicate quickly and clearly thanks to powerful built-in speakers. The I-series can also be placed on a mounting arm or other stand for easy attachment to e.g. wheelchairs or over a hospital bed.

The model is built for rugged and intensive use. It is equipped with large capacity batteries, powerful outward-facing speakers that allow users to make themselves heard in all kinds of environments, extreme durability, built-in environmental control and alternative input methods. The I-series encourages users to be independent, with the ability to control the environment with respect to doors, lighting, home electronics and mobile phone. Users can control the communication device, turn it on and off, and customize important functions - all with the help of their eyes.

Tobii Dynavox's latest eye tracking device is based on more than 15 years of research and testing of all types of ethnicities, functional variations and eyeglasses in all lighting conditions, indoors and outdoors.



### *I-110*

The I-110 is medically graded, rugged, water-resistant and built to assist users with an active life. It has improved features such as extra-powerful integrated speakers, durable shell, fold-out stand, impact-resistant Gorilla-Glass™ and a 10-hour battery life. This customized assistive technology for communication comes with pre-installed communication applications such as TD Snap for symbol-driven communication and Communicator 5. The I-110 is controlled by touchscreen, buttons or head mouse and can be adapted to user needs.



### *SC Tablet*

The SC Tablet is a durable iPad-based communication device, designed for people of all ages with communication difficulties. The SC Tablet turns an iPad into a powerful communication solution. The device is a medically graded solution in compliance with the MDR and FDA. The SC Tablet has a highly shock-resistant casing, reinforced corners and edges that go up over the glass for extra protection. A sturdy built-in handle makes it easy to carry and integrated speakers make the user's voice heard, clearly and distinctly. SC Tablet has wheelchair mounting brackets and two sockets for external control buttons. In addition to the TD Snap software, the SC Tablet also comes pre-loaded with other selected communication software.



## Language systems and symbols

Tobii Dynavox has a long history of research and development of language systems and symbols. The Company's language systems and symbols are based on extensive research over several decades, both within the Company and in collaboration with academic research. The majority of Tobii Dynavox users with congenital diagnoses cannot read when first introduced to a communication aid. One consequence of this situation is that it becomes necessary to develop the user's language. The language often starts with a limited number of symbols (usually 10-20 at an early age) and develops over time to include over 10,000 symbols. Users also learn to group symbols in the most appropriate way for their language.

An example of a language system is Core First, which is the basis for Tobii Dynavox's TD Snap software. Core First provides the user with an individually tailored, flexible and continuous experience that grows as language skills evolve. Tobii Dynavox also owns and continuously develops the world's largest communication symbol library, known as Picture Communication Symbols ("PCS"). Tobii Dynavox uses PCS in various software applications, but it is also used by other suppliers such as Microsoft, which pays royalties to Tobii Dynavox for integration in MS Office. For example, PCS is also integrated into Google's Android Action Blocks and is also used in the special education software, Boardmaker, which enables continuity for users who have learned to communicate via PCS. PCS is also licensed by other suppliers of assistive technology for communication for integration into their own software.

### Testing and reimbursement

As mentioned above, awareness of available assistive technology for communication is low, especially among potential users but also to a large extent among professional prescribers (speech therapists, therapists and other specialists). Tobii Dynavox has developed a platform of initiatives to help professionals at the prescribing stage by raising awareness of assistive technology for communication. Tobii Dynavox is actively working on this in three main ways:

- Sales force: Actively building its network of prescribing professionals and the wider group of professionals in the field of assistive technology for communication. The main goal is to spread awareness and knowledge about Tobii Dynavox solutions to help professionals in testing and prescribing solutions that can help their patients.
- Training organization: This expert-led department within Tobii Dynavox consists of trained speech therapists, therapists, clinicians and developers with extensive experience in assistive technology for communication. The training organization develops and provides courses both face-to-face and online; on-demand training is also available. The main objective is to help users, families of users, professionals and other educators learn more about assistive technology for communication and available solutions.
- Testing tools: Tobii Dynavox is often asked by prescribers to participate in sessions with their patients to configure communication devices and demonstrate functionality to potential users. The Company also provides software designed to help prescribers with testing, such as software that evaluates the user's ability to use and train eye control.

Reimbursement for assistive technology for communication comes from both public and private reimbursement sources and to a lesser extent from end-users. Of the Company's net sales, approximately 60 percent are attributable to public funding, approximately 30 percent to private insurance and approximately 10 percent to private clients. The vast majority of Tobii Dynavox's revenues come from public and private sources of reim-

bursement. In the US, approximately 80 percent of Tobii Dynavox users receive public or private reimbursement. Tobii Dynavox has extensive experience in helping users through the reimbursement process, a high-quality support system that other providers typically lack. The reimbursement process is often complex, with a variety of reimbursement bodies imposing different requirements. In the North American organization, a department of around 50 experts assists potential users throughout the application process and helps with contacts with various insurance companies and other reimbursement bodies. Tobii Dynavox has over 400 agreements with insurance companies and other compensation bodies globally and is continuously working to streamline and shorten processing times so users can get the reimbursement they need in a timely manner.

### Implementation and support

Tobii Dynavox offers a complete solution, which in addition to powerful software and advanced communication devices also includes assistance navigating the reimbursement process and implementation support. Tobii Dynavox helps users from finding a solution, to ensuring optimal user benefit, while also ensuring that users continue to use and be successful in their communication. Implementation support can be divided into three categories: (1) training organization (see the description above), (2) solution support and (3) customer service.

- Solution support includes a variety of resources and tools available to users and professionals within the field of assistive technology for communication. For example, the Company has developed brochures and information sheets, and also has extensive material and information on its website. In addition, clinical experts at the Company have developed what they call "Pathways," a framework for learning and understanding the user's journey to literacy. Tobii Dynavox's actively run social media forums also provide a large support and user network that creates a sense of community in which people help one another with questions about assistive technology for communication and accessible solutions.
- Tobii Dynavox places great importance on its customer service, which is staffed by dedicated employees who work side by side with developers and clinicians to answer questions or solve any challenges users may face. Tobii Dynavox communication devices come with a 24-month warranty from delivery. In addition, several levels of support are available for purchase, such as 1-3 year extended support, telephone support and email support. The Company also offers a support function where the sales force assists users or prescribers in using and configuring communication devices remotely.

Tobii Dynavox prides itself on its support function and, as an example, has an NPS (Net Promoter Score) of over 90 (on a scale of -100 to +100) for those who have gone through the reimbursement process.

## ORGANIZATION

### Organizational structure, culture and employees

At the end of the third quarter of 2021, Tobii Dynavox had 470 full-time employees. Approximately 80 percent of employees work in North America. Tobii Dynavox is headquartered in Danderyd, Stockholm, Sweden. Headquarters for the North America region is located in Pittsburgh, USA.

### Sales and Marketing - Market segments

Tobii Dynavox's commercial activities are mainly divided into two geographic regions North America, consisting of the US and Canada, and EUROW (Europe and Rest of World), consisting of the remaining countries in which Tobii Dynavox operates.

Tobii Dynavox has a global sales and marketing organization that works primarily through two sales channels.

1. Direct sales account for around 84 percent (of the value of orders in 2020) and take place in the US, Norway, Sweden and the UK. In these markets, the Company's own sales force is actively engaged in sales and marketing, primarily targeting users, speech therapists, hospitals, rehabilitation and testing centers and special needs schools. The sales representatives engage in a high level of interaction with users and other stakeholders in the assistive technology for communication and special education ecosystem.
2. Resellers account for around 16 percent (of order value in 2020) and Tobii Dynavox conducts sales, and in some cases marketing, through 95 resellers. The majority of resellers are focused on the market for assistive technology for communication and, in addition to Tobii Dynavox solutions, they also offer other solutions, computer access solutions, peripherals and services. Tobii Dynavox has

different market strategies in different countries within this category. In some countries, often with well-developed reimbursement systems, such as Germany, the Netherlands, France and Denmark, Tobii Dynavox has a physical presence and assists dealers with marketing and training. In other countries, sales and marketing are carried out entirely by the reseller.

### Research and development (R&D)

Tobii Dynavox has its own research and development organization consisting of clinical experts, hardware and software developers, and project managers. Over the years, they have developed a large number of successful solutions. The R&D team designs and develops its own communication devices, and also integrates eye control components ordered from Tobii AB in some of them. Tobii Dynavox has historically always ordered components from Tobii AB on commercial terms according to the "arm's length" principle. Hardware development is carried out in close collaboration with contract manufacturers, who also manage industrial-scale production. Tobii Dynavox retains ownership over its designs and tools. The team also develops several important software products, including TD Snap, TD Communicator 5 and Boardmaker 7. The team has an experienced group of language experts who work closely with researchers. Tobii Dynavox operates two research and development centers with different focuses. These are located in Stockholm, Sweden and Pittsburgh, USA. Tobii Dynavox R&D mainly entails development of software for assistive technology for communication, software for special education and hardware solutions for assistive technology for communication (both eye-controlled and touch screen based).

## Organization



## IT

Tobii Dynavox uses a comprehensive IT infrastructure that provides central support for almost all aspects of the Company's operations. The IT infrastructure includes all of the Company's computers, several different business systems, customer management systems, document management systems, mail systems, development environments, cloud services to the Company's customers and several other elements. Tobii Dynavox outsources certain IT services to external service providers such as data storage and similar.

### The Company's sustainability agenda

Tobii Dynavox helps to make the world better and more sustainable in several ways. The Company's products and services contribute to a socially sustainable society by enabling people with disabilities to communicate, have a voice and improve their quality of life.

Tobii Dynavox's sustainability strategy includes adopting guidelines and policies to minimize climate impact, while ensuring that the Company and its suppliers adhere to ethical principles and that the Company is a sustainable employer that actively works for inclusion, diversity and a healthy work environment. To ensure that sustainability is always a priority, the sustainability manager is part of the management team.

The Company's Code of Business Conduct and Ethics defines the business ethics principles that the organization follows. It is based on the UN Global Compact, the OECD Guidelines for Multinational Enterprises, EU Market Abuse Regulation, the Nasdaq Stockholm rule book for issuers, and the Swedish Corporate Governance Code. The Code of Business Conduct is a framework that includes the Employer Policy, Anti-corruption Policy, Export Policy, Information Policy, Insider Trading Policy, Whistleblower Policy, Environmental Policy and Supplier Policy.

Tobii Dynavox aims to reduce the environmental impact of its products throughout their life cycle, from manufacturing to transport, use and recycling. As an important part of the Company's sustainability efforts, the Company strives to ensure that its suppliers and subcontractors also operate according to high applicable ESG standards.

In order to attract talented labor and to ensure that the Company's employees feel good at work, the Company aims to be a top-ranked employer, in Sweden and internationally. The Company's second largest office based in Pittsburgh, US, was recognized as a Top Workplace 2021 for the sixth year in a row, and with the highest ranking so far.

## STRENGTHS

### Life-changing and revolutionary tools for users and the world around them

Tobii Dynavox solutions often have an immeasurable positive impact on individuals in need of assistive tech-

### UN Sustainable Development Goals (selection)<sup>1</sup>



Tobii Dynavox is actively working on the UN Sustainable Development Goals (Goal 3, Goal 4 and Goal 10). In particular, Tobii Dynavox works to make healthcare and education accessible to all, contributing to good health and well-being, quality education and reducing inequality.

nology for communication, as well as on their immediate family and on society as a whole. Users of Tobii Dynavox solutions experience a life-changing and revolutionary difference in quality of life when they are empowered to express themselves and communicate with the world around them. The Company's solutions also impact family members, friends, the wider community and the healthcare system in terms of reduced burden, allowing users to become more independent and contribute to society in a way they have not been able to do before. Tobii Dynavox contributes to more sustainable development and has a direct positive impact on three of the UN Sustainable Development Goals (Goal 3, Goal 4 and Goal 10).

### Integrated communication and special education solution, in a market with strong customer loyalty

Tobii Dynavox offers a complete solution and a broad ecosystem of hardware, software, language systems, support and reimbursement assistance. With its own well-known and commonly used symbols and language systems, Tobii Dynavox has strong ties to customers, since users are reluctant to change the language systems, symbol language or solution packages to which they have become accustomed. Symbols are illustrations created to represent words and short phrases to help people with communication challenges.

### The leading global company for assistive technology for communication and software for special needs schools<sup>2</sup>

Tobii Dynavox is the leading provider of both assistive technology for communication and special education software with global reach and expertise based on the estimated market share 2020.<sup>3</sup> Through direct sales and approximately 95 distributors in 65 countries worldwide, Tobii Dynavox has extensive market coverage and distribution capabilities. The Company has deep, strong and long-standing relationships with prescribers, testing centers, universities, schools and insurance companies.

<sup>1</sup> www.globalamålen.se.

<sup>2</sup> Market research conducted by Arthur D. Little.

<sup>3</sup> Market research conducted by Arthur D. Little.



### **Rapidly growing underlying market with pent-up demand**

Tobii Dynavox operates in a rapidly growing global market with a total addressable value of USD 4.7 billion with over 50 million individuals in need of assistive technology for communication. The Company sees continued solid growth for a long time to come due to low market penetration and pent-up demand. The market for assistive technology for communication is expected to grow by just under 10 percent per year (2020-2030) and the special education market by just under 20 percent per year (2020-2030), driven by improved reimbursement systems and increased awareness.

### **STRATEGIC INITIATIVES**

Tobii Dynavox's growth is based on underlying market growth, as well as the potential to increase penetration, capture additional market share, address new customer groups and expand into new geographic markets. To achieve this growth Tobii Dynavox has an array of strategic initiatives:

#### **Increase knowledge and awareness of the solutions**

The percentage of people with access to appropriate assistive technology for communication is very low, and also varies greatly between countries, regions and diagnoses, even in those countries with efficient reimbursement systems. The main reason is inadequate knowledge of the potential and the value that assistive technology for communication creates for the individual and society. In 2020, Tobii Dynavox trained more than 100,000 speech therapists, prescribers and other affected parties in the use of assistive technology for communication and Tobii Dynavox solutions. Tobii Dynavox is also engaged in long-term initiatives to increase awareness among the general public and to influence decision-makers and legislators.

#### **Grow and develop the sales and training organization**

The kind of solutions Tobii Dynavox provides often require physical testing, product installation and training. The sales organization is also crucial in driving awareness and interest in the Company's solutions. As a result, an expanded and more efficient sales and training organization creates the conditions for significantly higher sales. Tobii Dynavox believes that a significant scaling up of the sales and training organization from current levels is possible even in existing markets without affecting the profitability calculation per salesperson. Tobii Dynavox is committed to developing and hiring the best people in the industry and ensuring that the organization's structure, culture, management and incentives deliver sustainable growth. Tobii Dynavox constantly analyzes and optimizes its structure to ensure that talent is trained and nurtured within the organization.

### **Expand to new markets and user groups**

Addressing new geographic markets offers substantial growth potential. By adapting products to local languages and cultures, combined with expanding sales channels in new markets, Tobii Dynavox is gradually expanding its global market presence. This is accomplished by strengthening the Company's presence in new markets as systems for prescribing and providing reimbursement for assistive technology for communication are developed. Even in countries with better infrastructure and knowledge, there are several user groups who fasten in purely physical care, instead of getting help with their communication skills. With its development resources and in-depth clinical expertise, Tobii Dynavox has the opportunity to develop total solutions that are even better adapted for both existing and new user groups.

### **Drive innovation and offer leading solutions**

Tobii Dynavox's product strategy is to offer innovation-leading solutions. Added value for users is created by continuously advancing development with a focus on simplicity and the right functionality, while also continuing to focus on product differentiation. The Company develops both its content and its technology solutions in-house, which creates advantages in terms of cost, quality and proximity to the market. Tobii Dynavox believes that it already has one of the most technologically advanced and broadest product portfolio in the market.

### **Improving the reimbursement process**

Tobii Dynavox currently manages the reimbursement process in the countries where it engages in direct sales (US, UK, Norway and Sweden). The Company has extensive experience in helping users through the reimbursement process, a high quality and important support system that most other providers lack. The reimbursement process is often highly complex with a variety of relationships, formalities and requirements that are difficult to navigate for both users and prescribers. Tobii Dynavox aims to export its solid knowledge and experience of reimbursement processes in its direct markets to other countries.

### **Acquire complementary channels and products**

Over the past 15 years, Tobii Dynavox has built up a strong organization with a world-leading position in assistive technology for communication based on the estimated market share 2020.<sup>1</sup> Our position, products, market presence, technical know-how, clinical skills, industry expertise and established reimbursement process all represent valuable assets based on which Tobii Dynavox can expand its business. Tobii Dynavox continues to pursue an active strategy to both broaden and strengthen its position, while accelerating growth through well-chosen acquisitions.

<sup>1</sup> Market research conducted by Arthur D. Little.



On 28 October 2021, Tobii Dynavox entered into an agreement to acquire shares in Acapela Group Babel Technologies SA (“**Acapela Group**”) from Société Régionale d’Investissement de Wallonie S.A., Société de Développement et de Participation du Borinage et du Centre and Marstrand SA, and a number of other minority shareholders. Together, the sellers that sign the share transfer agreement (the “**Sellers**”) own 81.52 percent of the shares in Acapela Group. The remaining shares will be acquired by virtue of applicable drag along clauses. The acquisition is subject to customary closing conditions and the closing is expected to be completed during the first quarter of 2022.

Acapela Group is a provider of speech synthesis and digital voices solutions in areas such as assistive technology for communication, special education, public transport and customer interaction. Acapela Group’s robust technology platform, increasingly based on deep learning and artificial intelligence, enables the creation of very high quality, customized synthetic voices. Based on 30 years of expertise, strong partnerships and innovative development, Acapela Group has created a strong brand and a valuable asset base, with over 200 high quality synthetic voices, available in over 30 languages. Acapela Group’s products are currently sold together with Tobii Dynavox’s assistive technology for communication, as well as by many other companies in the area of assistive technology for communication and also other applications. The Company has approximately 50 employees and is headquartered in Mons, Belgium. Acapela Group’s turnover in 2020 was approximately MEUR 6 with an EBIT margin of 14 percent. The total purchase consideration for all the shares will be paid in cash and amounts to MEUR 9.8, including cash and debt. Acapela Group’s net cash position as of 30 September 2021 was, according to the Company’s estimation, approximately MEUR 2. The acquisition of Acapela Group is subject to the relevant regulatory approvals, completion of the drag-along process and other customary conditions.

## FINANCIAL TARGETS AND DIVIDEND POLICY

Tobii Dynavox’s Board of Directors has set the following financial targets. The following financial targets are forward-looking statements that are based on estimates and assumptions and are subject to risks and uncertainties. The actual outcome for Tobii Dynavox may differ materially from what is expressed or implied in these forward-looking statements as a result of many different factors, some of which are beyond the control of the Company. Tobii Dynavox’s business, profitability and the development of the Company’s markets and of the broader macroeconomic, legal and regulatory environment in which the Company operates may differ materially from, and develop more adversely than, what was assumed when the financial targets below were formulated. Furthermore, unforeseen events may occur which, whether or not they are within the control of Tobii Dynavox, may adversely affect the Company’s actual results in future periods, regardless of whether its assumptions prove correct or not (refer to the section entitled “*Risk Factors*” for further information).

Tobii Dynavox’s financial targets are:

- to increase currency-adjusted revenue by more than 10 percent on average per year,
- to achieve and maintain an EBIT margin in excess of 15 percent; and
- to maintain a net debt/EBITDA ratio of 2.5x (+/- 0.5x) the last 12 months EBITDA.<sup>1</sup>

Tobii Dynavox’s dividend policy is:

- to primarily reinvest the Company’s profit and use them for several growth opportunities identified by the Board in the near term (both organic and non-organic). The Board of Directors shall continuously evaluate the possibility of dividends, taking into account potential acquisition opportunities and other strategic initiatives.

<sup>1</sup> For a description of the calculation of non-IFRS measures and the reason for their use, refer to the section “*Selected financial information - Definitions of performance measures.*”

# Selected financial information

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*Unless otherwise indicated, the following combined historical financial information has been derived from Tobii Dynavox's audited combined financial statements for the period ending on 30 September 2021 and the financial years ending on 31 December 2020 and 2019, which have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") and audited by PricewaterhouseCoopers AB as described in their audit report, which can be found on pages F-34–F-35. The information regarding the period ending 30 September 2020 has been derived from the Company's interim report for the period ending on 30 September 2021 on pages F-1–F-3 which is not audited or reviewed. As a result of that Tobii Dynavox AB did not engage in business prior to 1 January 2019, only financial history for the period ending on 30 September 2021 and the financial years ending on 31 December 2020 and 2019 is included in the Prospectus. The information in this section should be read in conjunction with the section entitled "Operating and Financial Review", "Capitalization, Indebtedness and Other Financial Information" and Tobii Dynavox's financial information (including related notes) included in the other parts of the Prospectus.*

*Certain additional disclosures are made in accordance with the requirements of the Swedish Financial Reporting Board's recommendation "**RFR 1**". IFRS does not specifically address the preparation of combined financial statements. The term "combined financial statements" refers to the financial information produced by combining the financial information of entities under common control that do not qualify as a group under IFRS 10 (Consolidated Financial Statements). The combined financial statements are intended to present the historical financial information of the Tobii Dynavox Group. A key requirement for the preparation of these combined financial statements is that all entities are under common control through the ownership of Tobii AB. 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, the Company 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 that management considers relevant and reliable is to aggregate the entities that make up the Tobii Dynavox Group. As Tobii Dynavox has not previously prepared either consolidated or combined financial statements, these financial statements are the first IFRS financial statements of Tobii Dynavox to which IFRS 1 is to be applied (First-time Adoption of International Financial Reporting Standards). IFRS 1 prescribes the procedures to be followed when an entity applies IFRS standards for the first time with 1 January 2019 as the date of transition to IFRS. For more information, refer to "Historical financial information – Historical financial information for the the time period ending on 30 September 2021 and for the financial years that ended on 31 December 2020 and 2019 – Note 2".*

# Combined income statement

	1 Jan – 30 Sep		1 Jan – 31 Dec	
MSEK	2021 <sup>1</sup>	2020 <sup>2</sup>	2020 <sup>3</sup>	2019 <sup>4</sup>
Net sales	626.5	662.1 <sup>5</sup>	895.2	908.8
Cost of goods and services sold	-212.7	-226.2	-303.5	-315.2
<b>Gross profit</b>	<b>413.8</b>	<b>435.9</b>	<b>591.7</b>	<b>593.6</b>
Selling expenses	-232.2	-218.6	-288.1	-308.9
Research and development expenses	-83.7	-82.2	-108.6	-121.3
Administrative expenses	-53.9	-48.7	-67.9	-66.7
Other operating income and operating expenses	2.7	6.5	0.0	4.3
<b>Operating profit</b>	<b>46.7</b>	<b>93.0</b>	<b>127.2</b>	<b>101.0</b>
<i>Profit/loss from financial items</i>				
Financial income	1.3	3.9 <sup>6</sup>	3.9	3.9
Financial expenses	-15.9	-22.4 <sup>7</sup>	-27.8	-23.9
<b>Total financial income and expenses</b>	<b>-14.7</b>	<b>-18.5</b>	<b>-23.9</b>	<b>-20.0</b>
<b>Profit before tax</b>	<b>32.0</b>	<b>74.5</b>	<b>103.4</b>	<b>81.0</b>
Tax	-7.5	12.4	26.5	-13.3
<b>Profit for the period</b>	<b>24.5</b>	<b>62.1</b>	<b>129.8</b>	<b>67.7</b>

# Combined balance sheet

	1 Jan – 30 Sep		1 Jan – 31 Dec	
MSEK	2021 <sup>8</sup>	2020 <sup>9</sup>	2020 <sup>10</sup>	2019 <sup>11</sup>
<b>Non-current assets</b>				
Intangible fixed assets	290.8	278.0	276.9	263.1
Tangible fixed assets	18.0	33.0	30.6	29.9
Right-of-use assets	46.9	59.0	51.5	40.9
Deferred tax assets	52.4	15.7	51.6	16.2
Financial and other non-current assets	0.4	0.3	0.3	20.3
<b>Total non-current assets</b>	<b>408.6</b>	<b>386.0</b>	<b>410.9</b>	<b>370.4</b>
<b>Current assets</b>				
Accounts receivable	123.2	127.0	124.6	146.7
Inventories	40.2	41.2	39.9	63.2
Other current receivables	40.1	43.7	14.6	25.0
Prepaid expenses and accrued income	17.4	15.7	15.4	15.4
Cash and cash equivalents	109.8	118.0	172.7	48.6
<b>Total current assets</b>	<b>330.7</b>	<b>345.6</b>	<b>367.3</b>	<b>298.9</b>
<b>TOTAL ASSETS</b>	<b>739.3</b>	<b>731.6</b>	<b>778.2</b>	<b>669.3</b>
<b>Equity and liabilities</b>				
Equity	56.7	-9.4	29.3	-97.4
Interest-bearing non-current loans	0.0	347.8	0.0	356.7
Leasing liabilities, long-term	42.0	48.8	42.9	30.8
Other non-current liabilities	106.2	94.2	88.0	96.0
Interest-bearing current loans	278.0	-	362.9	38.6
Accounts payable	58.1	46.5	58.8	56.8
Leasing liabilities, short-term	11.2	11.7	10.3	10.2
Accrued expenses and deferred income	167.6	169.5	168.4	169.1
Other current liabilities	19.5	22.6	17.6	8.6
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>739.3</b>	<b>731.6</b>	<b>778.2</b>	<b>669.3</b>

<sup>1</sup> Derived from the Group's audited financial statements for the nine months ending on 30 September 2021, with unaudited comparative figures for the nine months ending on 30 September 2020.

<sup>2</sup> Derived from the Company's interim report for the period ending 30 September 2021 on pages F-1-F-3, which is not audited or reviewed.

<sup>3</sup> Derived from the Group's audited combined financial statements for the years ending on 31 December 2020 and 2019.

<sup>4</sup> Derived from the Group's audited combined financial statements for the years ending on 31 December 2020 and 2019.

<sup>5</sup> Derived from item income from the Company's interim report for the period ending 30 September 2021.

<sup>6</sup> Derived from the Company's internal report system. Total financial net is consistent with financial net in the interim report for the period ending on 30 September 2021.

<sup>7</sup> Derived from the Company's internal report system. Total financial net is consistent with financial net in the interim report for the period ending on 30 September 2021.

<sup>8</sup> Derived from the Group's audited financial statements for the nine months ending on 30 September 2021, with unaudited comparative figures for the nine months ending on 30 September 2020.

<sup>9</sup> Derived from the Company's interim report for the period ending 30 September 2021 on pages F-1-F-3, which is not audited or reviewed.

<sup>10</sup> Derived from the Group's audited combined financial statements for the years ending on 31 December 2020 and 2019.

<sup>11</sup> Derived from the Group's audited combined financial statements for the years ending on 31 December 2020 and 2019.

# Combined statement of cash flows

MSEK	1 Jan – 30 Sep		1 Jan – 31 Dec	
	2021 <sup>1</sup>	2020 <sup>2</sup>	2020 <sup>3</sup>	2019 <sup>4</sup>
<b>Operating activities</b>				
Profit after financial items	32.0	74.5	103.4	81.0
Adjustments for items not included in cash flow	90.4	82.9	107.8	99.2
Taxes paid	-0.8	-2.6	-1.5	-1.2
<b>Cash flow from operating activities before changes in working capital</b>	<b>121.6</b>	<b>154.8</b>	<b>209.7</b>	<b>179.0</b>
<b>Cash flow from change in working capital</b>				
Increase (-)/Decrease (+) in inventories	1.9	21.0	19.1	-19.2
Increase (-)/Decrease (+) in operating receivables	-17.8	17.5	8.8	-23.5
Increase (+)/Decrease (-) in operating liabilities	-3.8	7.1	34.9	48.4
<b>Cash flow from operating activities</b>	<b>101.9</b>	<b>200.4</b>	<b>272.5</b>	<b>184.7</b>
<b>Investing activities</b>				
Investments in intangible fixed assets	-55.5	-60.4	-78.4	-87.1
Investments in tangible fixed assets	-4.1	-19.3	-23.6	-21.5
Acquisition of subsidiaries, net of cash acquired	-2.3	-	-	-
<b>Cash flow from investing activities</b>	<b>-61.9</b>	<b>-79.7</b>	<b>-102.0</b>	<b>-108.6</b>
<b>Financing activities</b>				
Repayment of lease liability	-6.7	-6.8	-9.0	-8.4
Cash flow from other financing activities with shareholder, Tobii Group	-99.8	-42.4	-30.6	-69.2
<b>Cash flow from financing activities</b>	<b>-106.5</b>	<b>-49.2</b>	<b>-39.6</b>	<b>-77.6</b>
<b>Cash flow for the period</b>	<b>-66.5</b>	<b>71.6</b>	<b>130.9</b>	<b>-1.4</b>
Cash and cash equivalents at the beginning of the period	172.7	48.6	48.6	46.1
Currency translation impact on cash and cash equivalents	4.5	-2.6	-8.0	2.2
Cash flow from other transactions with shareholder, Tobii Group	-0.9	0.4	1.2	1.8
Cash and cash equivalents at end of the period	109.8	118.0	172.7	48.6

<sup>1</sup> Derived from the Group's audited financial statements for the nine months ending on 30 September 2021, with unaudited comparative figures for the nine months ending on 30 September 2020.

<sup>2</sup> Derived from the Company's interim report for the period ending 30 September 2021 on pages F-1–F-3, which is not audited or reviewed.

<sup>3</sup> Derived from the Group's audited combined financial statements for the years ending on 31 December 2020 and 2019.

<sup>4</sup> Derived from the Group's audited combined financial statements for the years ending on 31 December 2020 and 2019.

# Performance measures

Some of the ratios presented below are so-called non-IFRS measures, i.e. financial measures that are not defined under IFRS, including certain measures such as EBITDA. Tobii Dynavox believes that these non-IFRS measures together with measures defined under IFRS provide a better understanding of trends in financial performance and that such non-IFRS measures are useful information for investors along with other measures defined under IFRS. A non-IFRS measure is defined as a measure of historical or future financial performance, financial position, or cash flow. These financial measures should not be viewed isolated from or as a substitute to the performance measures that have been developed in accordance with IFRS. Such performance measures, as defined by Tobii Dynavox, may not be comparable with other similarly named performance measures used by other companies. For a description of the calculation of non-IFRS measures and the reason for their use, refer to the sections “– Definitions of performance measures” and “– Reconciliation tables.”

MSEK, om annat inte anges	1 Jan – 30 Sep		1 Jan – 31 Dec	
	2021	2020	2020	2019
EBITDA <sup>1</sup>	116.7	158.7	214.9	180.9
Operating profit (EBIT) <sup>2</sup>	46.7	93.0	127.2	101.0
Free cash flow <sup>1</sup>	40.0	120.8	170.5	76.1
Working capital <sup>1</sup>	–24.3	–10.9	–50.2	15.8
Total assets <sup>2</sup>	739.3	731.6	778.2	669.3
Net debt <sup>1</sup>	–221.4	–290.3	–243.4	–387.7
Equity <sup>2</sup>	56.7	–9.4	29.3	–97.4
Equity/assets ratio, % <sup>1</sup>	7.7	n/a	3.8	n/a
Net debt/equity ratio, % <sup>1</sup>	584.2	n/a	1418.6	n/a
Gross margin, % <sup>1</sup>	66.0	65.8	66.1	65.3
EBITDA margin, % <sup>1</sup>	18.6	24.0	24.0	19.9
Operating margin (EBIT margin), % <sup>1</sup>	7.5	14.0	14.2	11.1
Average number of employees <sup>3</sup>	469	464	464	448

<sup>1</sup> The performance measure is not defined under IFRS. For definitions and, if applicable, reconciliation tables, please refer to the sections “– Definitions of performance measures” and “– Reconciliation tables”.

<sup>2</sup> The performance measure is defined under IFRS.

<sup>3</sup> The performance measure is operational and not an alternative performance measure.



# Definitions of performance measures

Performance measures	Definition	Justification for use of metrics
<b>Average number of employees</b>	Average number of full time employees during the period, including part-time employees recalculated as FTEs	Number of employees is a measure of the number of employees in the Company needed to generate earnings for the period.
<b>Total assets, MSEK</b>	Total assets at the end of the period	Total assets is a measure of the value of the Company's assets at the end of the period.
<b>Gross margin, %</b>	Gross profit relative to the operations' net sales	Gross margin is used to measure production profitability
<b>EBITDA, MSEK</b>	Operating profit 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 before depreciation/ amortization in relation to net sales	The EBITDA margin is used to illustrate EBITDA in relation to revenue.
<b>Equity, MSEK</b>	Equity at the end of the period	Equity measures the Company's equity.
<b>Free cash flow, MSEK</b>	Cash flow from operating activities less investments in intangible, tangible and financial fixed assets.	Cash flow after investing activities is used as a measure of the cash flow generated by operating activities and investments.
<b>Net debt, MSEK</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>Working capital, MSEK</b>	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 profit (EBIT), MSEK</b>	Profit before financial income and expenses, and taxes	EBIT is used to measure operating profitability.
<b>Operating margin (EBIT margin), %</b>	Operating profit in relation to net sales	The operating margin is used to illustrate EBIT in relation to revenue and is a measure of the Company's profitability.
<b>Net debt/equity ratio, 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.

# Reconciliation tables

The following is a reconciliation of certain alternative performance measures showing the various performance measures components that make up some of the alternative performance measures. The performance measures have not been audited.

## Gross margin

	1 Jan – 30 Sep		1 Jan – 31 Dec	
MSEK, unless otherwise stated	2021	2020	2020	2019
Gross profit	413.8	435.9	591.7	593.6
Net sales	626.5	662.1	895.2	908.8
<b>Gross margin, %</b>	<b>66.0</b>	<b>65.8</b>	<b>66.1</b>	<b>65.3</b>

## Operating margin (EBIT margin)

	1 Jan – 30 Sep		1 Jan – 31 Dec	
MSEK, unless otherwise stated	2021	2020	2020	2019
Operating profit	46.7	93.0	127.2	101.0
Net sales	626.5	662.1	895.2	908.8
<b>Operating margin, %</b>	<b>7.5</b>	<b>14.0</b>	<b>14.2</b>	<b>11.1</b>

## EBITDA and EBITDA margin

	1 Jan – 30 Sep		1 Jan – 31 Dec	
MSEK, unless otherwise stated	2021	2020	2020	2019
Operating profit (EBIT)	46.7	93.0	127.2	101.0
Depreciation, amortization and impairment on intangible fixed assets	45.0	43.4	58.3	55.7
Depreciation, amortization and impairment on tangible fixed assets	25.0	22.3	29.4	24.1
<b>EBITDA</b>	<b>116.7</b>	<b>158.7</b>	<b>214.9</b>	<b>180.9</b>
Net sales	626.5	662.1	895.2	908.8
<b>EBITDA margin, %</b>	<b>18.6</b>	<b>24.0</b>	<b>24.0</b>	<b>19.9</b>

## Net debt/equity ratio

	1 Jan – 30 Sep		1 Jan – 31 Dec	
MSEK, unless otherwise stated	2021	2020	2020	2019
Interest-bearing liabilities	-331.2	-408.3	-416.1	-436.3
Equity	56.7	-9.4	29.3	-97.4
<b>Net debt/equity ratio, %</b>	<b>584.2</b>	<b>n/a</b>	<b>1418.6</b>	<b>n/a</b>

## Equity/assets ratio

	1 Jan – 30 Sep		1 Jan – 31 Dec	
MSEK, unless otherwise stated	2021	2020	2020	2019
Equity	56.7	-9.4	29.3	-97.4
Total assets	739.3	731.6	778.2	669.3
<b>Equity/assets ratio, %</b>	<b>7.7</b>	<b>n/a</b>	<b>3.8</b>	<b>n/a</b>

## Free cash flow

	1 Jan – 30 Sep		1 Jan – 31 Dec	
MSEK, unless otherwise stated	2021	2020	2020	2019
Cash flow from operating activities	101.9	200.4	272.5	184.7
Cash flow from investing activities	-61.9	-79.7	-102.0	-108.6
<b>Cash flow after investing activities</b>	<b>40.0</b>	<b>120.8</b>	<b>170.5</b>	<b>76.1</b>

## Net debt

	1 Jan – 30 Sep		1 Jan – 31 Dec	
MSEK, unless otherwise stated	2021	2020	2020	2019
Interest-bearing liabilities	-331.2	-408.3	-416.1	-436.3
Cash and cash equivalents	109.8	118.0	172.7	48.6
<b>Net debt</b>	<b>-221.4</b>	<b>-290.3</b>	<b>-243.4</b>	<b>-387.7</b>

## Working capital

	1 Jan – 30 Sep		1 Jan – 31 Dec	
MSEK, unless otherwise stated	2021	2020	2020	2019
Inventories	40.2	41.2	39.9	63.2
Accounts receivable	123.2	127.0	124.6	146.7
Other receivables	57.5	59.5	30.0	40.4
Accounts payable	-58.1	-46.5	-58.8	-56.8
Other liabilities	-187.1	-192.0	-186.0	-177.6
<b>Working capital</b>	<b>-24.3</b>	<b>-10.9</b>	<b>-50.2</b>	<b>15.8</b>

# Operating and financial review

*The information presented below should be read in conjunction with the section entitled "Selected Financial Information" and the Company's audited combined financial statements for the period ending on 30 September 2021 and the financial years ending on 31 December 2020 and 2019 which have been prepared in accordance with IFRS and the Company's interim report for the period ending 30 September 2020, which is not audited or reviewed. The information below contains forward-looking statements that are subject to various risks and uncertainties. The Company's actual results may differ materially from those projected in these forward-looking statements as a result of many factors, including, but not limited to, those described in the section entitled "Important information to investors – Forward-Looking Statements" and elsewhere in this Prospectus, such as those described in the section entitled "Risk Factors".*

## OVERVIEW

Tobii Dynavox is the global market leader<sup>1</sup> in development and sales of assistive technology for communication. Today, Tobii Dynavox has over 100,000 users worldwide who rely on its solutions to communicate. This gives users the opportunity to lead more independent lives and often has a dramatic positive impact on quality of life for both users and those around them. Tobii Dynavox sees it as its obligation, in addition to developing products, to support and educate users and the people around them throughout the journey and to provide clear advice on choices that help users and ensure that the solutions the Company deliver really work.

Tobii Dynavox is proud of how the Company's technology is used and offers a range of solutions, including specially designed communication devices, controlled by eye movements or touchscreen, as well as a variety of advanced software applications for communication and special education. Tobii Dynavox offers a complete solution that, in addition to software and communication devices, also consists of assisting prescribers with user testing, helping users obtain reimbursement, and providing assistance so users can get started and learn how to use the solutions.

The solutions are used primarily by people with disabilities, but also by therapists, speech therapists, caregivers, hospitals and testing centers for testing and prescribing, as well as in special needs schools for educational purposes. Several of the solutions are medically graded and are often funded through public or private reimbursement systems. Tobii Dynavox solutions are sold in more than 65 countries through direct sales and distributors. The Company's main markets can currently be found in about ten countries where reimbursement and prescribing systems are in place.

Tobii Dynavox operates globally from its offices in Sweden with headquarters in Danderyd, the US with offices in Pittsburgh, as well as offices in China, Norway, and the UK.

Tobii Dynavox's net sales amounted to MSEK 626.5 in the period January – September 2021 with a gross margin of 66.0 percent, MSEK 895.2 in 2020 with a gross margin of 65.8 percent and MSEK 908.8 in 2019 with a gross margin of 65.4 percent. The breakdown of Tobii Dynavox's net sales for the period January – September 2021 includes 73 percent generated in North America and 27 percent in Europe and the rest of the world. The table below illustrates the Company's net sales per geographical market.

MSEK	1 Jan – 30 Sep		1 Jan – 31 Dec	
	2021	2020	2020	2019
Europa	129.9	130.2	183.2	171.0
North America	457.7	503.5	675.1	702.5
Other markets	38.9	28.4	37.0	35.2
<b>Total net sales</b>	<b>626.5</b>	<b>662.1</b>	<b>895.2</b>	<b>908.8</b>

## FACTORS AFFECTING TOBII DYNVOX'S OPERATING RESULT

Some of the factors affecting Tobii Dynavox's financial position, operating result and cash flow are:

- the general development of demand, knowledge and awareness of assistive technology for communication,
- launches of new products and services,
- development of sales prices and costs,
- investments in research and development,
- private and public funding of assistive technology for communication,
- currency fluctuations, and
- acquisitions and disposals.

<sup>1</sup> According to a market research conducted by Arthur D. Little. According to the market research, Tobii Dynavox was the market leader with an estimated market share of just under 40 percent.

### **General development of demand, knowledge and awareness of assistive technology for communication**

Tobii Dynavox's net sales and performance are strongly influenced by the development of general demand for assistive technology for communication.

The global market for assistive technology for communication has shown good growth in the longer term, driven by increased awareness of assistive technology for communication among therapists, doctors and speech therapists, increased awareness among potential users and improved financing systems.

Tobii Dynavox approaches the market in several ways to increase knowledge and awareness of assistive technology for communication. These measures entail costs that affect the Company's profit/loss, but which are also expected to contribute to increasing demand for the Company's solutions and products in the long term.

### **Launches of new products and services**

Launching new products and services is a key driver of increased sales and higher margins. Successful product launches have historically helped to broaden the user base, increase customer satisfaction, encourage existing customers to buy new products, open up new market segments and increase market share. For example, the Company launched the new Tobii I-series (I-13 and I-16) in 2019, Boardmaker 7 in 2020 and TD Pilot in 2021.

Some Tobii Dynavox products are registered as medical devices and/or are subject to public procurement, which may lead to some delay in the sale of new products before they are fully registered with authorities, or have gone through public procurement processes.

New product launches are often accompanied by lagging sales for a period, as customers choose to hold off on buying older products or place orders for new products before they can be delivered and thus invoiced. Such situations may result in an increased order book and reduced revenue around the time of the launch, followed by a reduced order book and higher invoicing once deliveries get underway. Any delays in development projects may amplify such effects.

### **Development of sales prices and costs**

The majority of Tobii Dynavox products are medically graded products and funded in whole or in part by public and private reimbursement schemes. In the US market in particular, the price level of products sold is therefore determined to a large extent by the monetary limits for different product categories set by the reimbursement bodies. These limits have historically been stable, and have not changed significantly in recent years. However, any changes in the allowable charges could have a significant impact on Tobii Dynavox's net sales and operating profit. In other regions, such as Sweden and Norway, assistive technology for communication products are subject to public procurement, where Tobii Dynavox competes on a combination of price and function. Such procurements often take place

once a year or every two years per region, which may entail changes in price levels at specific times.

Tobii Dynavox also sells some of its products directly to end-users who pay for them themselves. Such purchases generally involve significantly lower priced products. This part of the Tobii Dynavox market is growing rapidly, but from low levels. The split between products sold through insurance systems and those sold directly to end users affects Tobii Dynavox's sales and earnings.

Several of the products that Tobii Dynavox has launched in recent years have lower production costs than previous products, which has contributed to increased gross margins. However, in 2021, the Company has experienced the effects of the global component shortage, along with the negative impact of the shortage on gross margin.

### **Investments in research and development**

Tobii Dynavox is investing heavily in research and development of both its core technology and its products, in order to increase growth, meet customer requirements and maintain and strengthen its position. In addition, Tobii Dynavox invests in the development of technology and products to reduce production costs.

Research and development are thus crucial to increasing sales and gross margins, but also involves significant investment and costs for the Company as a whole.

Tobii Dynavox capitalizes several of its research and development projects according to the principles set out by IAS 38. Expenditure on development projects is capitalized in the balance sheet to the extent such expenditure is expected to generate future economic benefits. Amortization of capitalized expenditure begins after the commercial launch, i.e. when the product is available for general use. The proportion of capitalized research and development expenditure affects the Company's earnings.

### **Private and public funding of assistive technology for communication**

A large proportion of the users of Tobii Dynavox products rely on public and private reimbursement schemes to fully or partially finance the purchase of the Company's products.

Tobii Dynavox's revenue and profits are therefore largely influenced by the availability and terms of both private and public reimbursement schemes. The availability of reimbursement also depends on changes in applicable laws and procurement processes, changes in reimbursement terms and conditions, awareness and knowledge of assistive devices, priorities between different categories of expenditure, changes in political leadership and changes in the international economy.

### **Currency fluctuations**

Tobii Dynavox's functional currency is the Swedish krona (SEK), but the Company's net sales and expenses are denominated in the local currencies in which Tobii Dynavox operates. A significant portion of the Company's net sales and expenses are generated in curren-

cies other than SEK, primarily when products and services are purchased or sold in the local functional currencies of the respective subsidiaries (transaction exposure), as well as when balance sheets and income statements of foreign subsidiaries are translated into SEK (translation exposure). Tobii Dynavox's global operations generate significant cash flows in currencies other than SEK, with movements in USD, EUR and GBP against the SEK serving as Tobii Dynavox's main exposures. The following presents how currency fluctuations would have impacted the Company's operating profit during the nine-month period ending 30 September 2021 and during the financial year 2020, excluding currency hedges, as an effect of transaction exposure, assuming all other variables are held constant.

Sensitivity analysis, Effect on operating profit, MSEK	Change, %	1 Jan – 30 Sep	1 Jan – 31 Dec
		2021	2020
USD	10	5	5
EUR	10	8	12
GBP	10	0	0

The table shows that an improvement of Tobii Dynavox's main export currencies USD and EUR against the SEK, which is the currency of the main cost base, would have a positive impact on operating profit. For example, a 10 percent increase in the USD against the SEK (USD/SEK + 10 percent) would have had a positive effect of MSEK 5 for full-year 2020.

During the nine-month period ending 30 September 2021, 72 percent, 13 percent, 3 percent and 2 percent of Tobii Dynavox products were sold in USD, EUR, GBP and SEK, respectively (compared with 73 percent, 13 percent, 3 percent and 2 percent in full year 2020 and 75 percent, 13 percent, 3 percent and 2 percent in full year 2019, respectively).

Tobii Dynavox translates the income statements and financial position of the Company's non-Swedish subsidiaries into SEK using the average exchange rate for the reporting period and the exchange rate at the end of the period, respectively. Foreign exchange gains and losses on transactions in non-Swedish currencies and on the translation of monetary items are included in the income statements, except where they are included in the statement of comprehensive income as cash flow hedges. Differences arising from the translation of income statements and financial position are recognized in the statement of comprehensive income as translation differences and included in reserves in equity. As a result, increases or decreases in the value of the USD may affect the value of certain items relating to Tobii Dynavox's non-USD business in the Company's financial statements, even if the value has not changed relative to the original currency.

#### Acquisitions and disposals

Tobii Dynavox has historically combined organic growth with growth through acquisitions. The Company's vision is to acquire companies that have a clear link

to the Company's strategic direction, with the aim of strengthening the Company's market position and/or complementing the Company's portfolio of products or services. Tobii Dynavox has not made any acquisitions or disposals during the period 2019 – 30 September 2021. For information on acquisitions after 30 September 2021, refer to section “– Significant changes since 30 September 2021”.

#### Tax rates and deferred tax assets

Tax expense for the period consists of current tax and deferred tax. Current tax expense is calculated based on the tax rules applicable at the balance sheet date in the countries in which the parent company and its subsidiaries operate and generate taxable income. Current tax also includes adjustments relating to current tax recognized in prior periods. Deferred tax is calculated based on temporary differences between the carrying amounts and the tax bases of assets and liabilities and for deferred tax, to the extent that it is probable that they can be offset against future taxable profits.

#### KEY ITEMS IN THE INCOME STATEMENT

The following section contains a description of some items in Tobii Dynavox.

#### Net sales

Tobii Dynavox's net sales are mainly derived from the sale of products (self-manufactured or contract manufactured by third parties at fixed prices) and to a lesser extent from services, mainly related to support, service agreements, consulting and training. Most of the products are sold as packages consisting of both hardware and software, and service commitment in the form of increased warranty and customer support. The services are provided either (i) on a time and materials basis or (ii) as fixed price contracts.

#### Cost of goods and services sold

Cost of goods sold and services sold includes costs of purchasing and handling materials, purchased services, license fees for third party intellectual property used in Tobii Dynavox products, product repairs, and depreciation of machinery, tools and other fixed assets used in manufacturing. Costs for personnel who handle logistics, support and purchasing are also treated as cost of goods and services sold. Inventory costs are included in cost of goods and services sold and include construction costs and the scrapping of obsolete and redundant inventory items.

#### Selling expenses

Selling expenses include all costs related to the Company's sales function and CEO, such as personnel costs, facilities, IT, travel and entertainment, marketing materials and catalogues. Selling expenses consist of sales of products and services and impairment of accounts receivable.



### Research and development expenses

R&D includes all internal and external costs related to the development of the Company's new products, patents and solutions, including costs for personnel, facilities and IT. The portion of annual R&D expenditure recognized in the income statement is net of (i) capitalization of many of the Company's R&D projects in accordance with the principles of IAS 38 and (ii) amortization of total capitalized R&D investments in the balance sheet. This part of R&D spending is referred to as R&D costs, net, while total R&D expenses for the period are referred to as total R&D expenditure.

### Administrative expenses

Administrative expenses include costs related to the Company's administrative functions, such as personnel costs for finance and the Board of Directors, as well as personnel costs for the IT and human resources departments, facilities, audit fees and other general office expenses.

### Other operating income and operating expenses

Other operating income and expenses include significant extraordinary items, secondary activities, exchange differences on operational receivables and payables and realization gains/losses on sales of tangible fixed assets.

### Profit/loss on participations in associated companies

Tobii Dynavox's share of profits/losses in associated companies which are companies over which Tobii Dynavox has significant influence (i.e. usually an ownership stake between 20 percent and 50 percent). Impairment of Tobii Dynavox's share of the value of the net assets of the associate is recognized in this item.

### Financial items, net

Financial items, net consist of interest income on bank deposits, receivables and interest-bearing securities, interest on borrowings and exchange rate fluctuations on loans and cash and cash equivalents.

Exchange rate fluctuations attributable to financial receivables and liabilities are recognized in the income statement on financial items, net.

Borrowing costs are recognized in the financial period to which they relate.

### Taxes

Income tax comprises the sum of current tax and deferred tax. Income tax is recognized in the financial statements except when the underlying transaction is recognized directly in equity or is included in other comprehensive income. Current tax is the tax expected to be paid or received during the current year, using tax rates enacted or substantively enacted at the balance sheet date, including adjustments to current tax arising in prior periods.

Deferred tax in the balance sheet has been calculated

at the nominal tax rate based on temporary differences for assets and liabilities at the balance sheet date. The following temporary differences are not taken into account: temporary differences arising on initial recognition of goodwill, initial recognition of assets and liabilities other than those relating to business combinations and which do not affect accounting or taxable profit or loss.

Furthermore, Tobii Dynavox does not take into account temporary differences related to interests in subsidiaries and associates that are not expected to reverse in the foreseeable future. The measurement of deferred tax is based on how the carrying amounts of assets and liabilities are expected to be realized or settled. Deferred tax is calculated based on the tax rate and tax provisions enacted, or substantively enacted, at the balance sheet date.

Deferred tax assets relating to deductible temporary differences and deductible deficits are recognized only to the extent that it is probable that they will be recovered. The value of deferred tax receivables is reduced when it is considered likely that they can no longer be utilized.

Potential additional income taxes arising from dividends are recognized at the same time that the dividend is recognized as a liability.

### SPECIFICATION OF R&D COSTS IN THE INCOME STATEMENT

Tobii Dynavox makes significant investments in research and development, some of which are capitalized on the balance sheet.

The tables below show how the Company's total research and development expenditure is reported. Total research and development expenditure for the year (Total R&D) is the total of all internal and external expenses related to the development of the Company's new products, patents and solutions, including costs for personnel, facilities and IT. Capitalized expenses for product development for the year (Capitalized R&D) are the part of development work that Tobii Dynavox expects will lead to future revenues and which should therefore be capitalized in the balance sheet. Depreciation, amortization and impairment comprise the sum of development-related depreciation, amortization and impairment for the year. Research and development expenses in the income statement are presented net and consist of total research and development expenditure for the year adjusted for capitalized product development costs and R&D related depreciation, amortization and impairment.

MSEK	1 Jan – 30 Sep		1 Jan – 31 Dec	
	2021	2020	2020	2019
Research and development expenses (Total R&D)	-93.7	-99.1	-128.6	-150.8
Capitalized development costs (Capitalized R&D)	55.0	60.4	78.4	85.6
R&D-related depreciation, amortization and impairment	-45.0	-43.5	-58.4	-56.1
<b>Research and development expenses net in the income statement</b>	<b>-83.7</b>	<b>-82.2</b>	<b>-108.6</b>	<b>-121.3</b>

## COMPARISON BETWEEN THE NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2021 AND 30 SEPTEMBER 2020

### Net sales

Tobii Dynavox's net sales declined by MSEK 35.6, from MSEK 662.1 for the period ending on 30 September 2020 to MSEK 626.5 for the period ending on 30 September 2021. The decline was due to currency. Adjusted for the currency, the growth was two percent. Delivery and logistics delays of approximately MSEK 34 is estimated to entail a delay of the net sales from the period January - September 2021 to the fourth quarter 2021.

### Gross profit

Tobii Dynavox's gross profit declined by MSEK 22.1, from MSEK 435.9 for the period ending on 30 September 2020 to MSEK 413.8 for the period ending on 30 September 2021. The decline was mainly due to negative exchange rate trends. The gross margin amounted to 66.0 percent for the period ending on 30 September 2021, compared to 65.8 percent for the same period 2020.

### Operating profit (EBIT)

Tobii Dynavox's operating profit declined by MSEK 46.3, from MSEK 93.0 for the period ending on 30 September 2020 to MSEK 46.7 for the period ending on 30 September 2021. The decline was mainly due to the postponement of certain revenue to the fourth quarter because of delivery delays, this negatively impacted the operating profit by approximately MSEK 25, and between the comparative periods lower capitalizations, higher depreciation and amortization related to the time for different product introductions which negatively impacted the operating profit by approximately MSEK 9. In 2020, the operating expenses were lower due to Covid-19 related government grants and reduced working hours by MSEK 8. During the period, there are also one-time costs related to the spin-off from Tobii AB, of approximately MSEK 4, also arose, which negatively impacted the operating profit.

Total R&D declined by MSEK 5, from MSEK 99.1 for the period ending on 30 September 2020 to MSEK 93.7 for the period ending on 30 September 2021, of which MSEK 60.4 percent was capitalized for the period ending on 30 September 2020 and MSEK 55.0 in the balance sheet for the period ending on 30 September 2021.

Selling and administrative expenses increased to 46 percent of the revenue for the period ending on 30 September 2021, from 40 percent for the period ending on 30 September 2020.

The Company's net R&D expenses in the income statement increased by MSEK 1.5, from MSEK 82.2 for the period ending on 30 September 2020 to MSEK 83.7 for the period ending on 30 September 2021.

### Profit before tax

Tobii Dynavox's profit before tax declined by MSEK 42.5, from MSEK 74.5 for the period ending on 30 September 2020 to MSEK 32.0 for the period ending on 30 September 2021. The decline was mainly due to lower operating profit, in turn due to, *inter alia*, deferral of income.

### Net profit and earnings per share

Tobii Dynavox's net profit declined by MSEK 37.6, from MSEK 62.1 for the period ending on 30 September 2020 to MSEK 24.5 for the period ending on 30 September 2021. The decline was mainly due to the postponement of certain income to the fourth quarter because of delivery delays, and between the comparative periods lower capitalizations and higher depreciation and amortization related to the time for different product introductions. For the corresponding nine months period 2020, the costs was also lower due to Covid-19 related government grants and reduced working hours.

The net result corresponds to earnings per share of SEK 0.25 for the period ending on 30 September 2021, compared to SEK 0.62 for the period ending on 30 September 2020, which is also the diluted earnings per share.<sup>1</sup>

As of 30 September 2021, Tobii AB had 99 800 523 common shares. This is the number of shares presented in the combined financial reports for all periods and years.<sup>1</sup>

### Cash flow from operating activities

Tobii Dynavox's cash flow from operating activities declined by MSEK 98.6, from MSEK 200.4 for the period ending on 30 September 2020 to MSEK 101.9 for the period ending on 30 September 2021. The decline was mainly due to deterioration in profitability which was partly driven by delivery delays.

### Cash flow from investing activities

Tobii Dynavox's cash flow from investing activities increased by MSEK 17.8, from MSEK -79.7 for the period ending on 30 September 2020 to MSEK -61.9 for the period ending on 30 September 2021. The increase was mainly due to lower investments in tangible fixed assets.

Of the investments, MSEK 55.5 was investments in intangible fixed assets (primarily capitalized development expenses, MSEK 4.1 in tangible fixed assets and MSEK 2.3 share capital in new foreign subsidiaries.

### Cash flow from financing activities

Tobii Dynavox's cash flow from financing activities declined by MSEK 57.3, from MSEK -49.2 for the period ending on 30 September 2020 to MSEK -106.5 for the period ending on 30 September 2021. The decline was mainly due to reimbursement of financial debt to Tobii AB.

<sup>1</sup> As of 30 September 2021, Tobii AB had 99 800 523, derived from "Earnings per share" in "Historical financial information – Historical financial information for the the time period ending on 30 September 2021 and for the financial years that ended on 31 December 2020 and 2019 – Note 2".

## COMPARISON BETWEEN FINANCIAL YEAR 2020 AND FINANCIAL YEAR 2019

### Net sales

Tobii Dynavox's net sales declined by MSEK 13.6, from MSEK 908.8 for the financial year ending on 31 December 2019 to MSEK 895.2 for the financial year ending on 31 December 2020. The decline was mainly due to a negative exchange rate trend. Adjusted for currency, the growth was one percent. The growth was reduced by the Covid-19-pandemic.

### Gross profit

Tobii Dynavox's gross profit declined by MSEK 1.9, from MSEK 593.6 for the financial year ending on 31 December 2019 to MSEK 591.7 for the financial year ending on 31 December 2020. In 2020, the gross margin was 66.1 percent, compared to 65.4 percent. In 2020 the inventories were written down by MSEK 7.

### Operating profit (EBIT)

Tobii Dynavox's operating profit increased by MSEK 26.2, from MSEK 101.0 for the financial year ending on 31 December 2020 to MSEK 127.2 for the financial year ending on 31 December 2021. The increase was mainly due to almost one percentage unit higher gross margin and MSEK 28 lower operating expenses, in turn due to measures related to the Covid-19 pandemic, such as temporarily lower employment rate, travel restrictions and various government grants.

Total R&D expenditure declined by MSEK 22.2, from MSEK 150.8 for the financial year ending on 31 December 2019 to MSEK 128.6 for the financial year ending on 31 December 2020, of which MSEK 85.6 was capitalized for the for the financial year ending on 31 December 2019 and MSEK 78.4 for the financial year ending on 31 December 2020.

The Company's net R&D expenses in the income statement declined by MSEK 12.7, from MSEK 121.3 for the financial year ending on 31 December 2019 to MSEK 108.6 for the financial year ending on 31 December 2020.

### Profit before tax

Tobii Dynavox's profit before tax increased by MSEK 22.4, from MSEK 81.0 for the financial year ending on 31 December 2019 to MSEK 103.4 for the financial year ending on 31 December 2020. The increase was mainly due to higher gross margin and MSEK 28.0 lower operating expenses, in turn due to measures related to the Covid-19 pandemic, such as temporarily lower employment rate, travel restrictions and various government grants.

### Net profit and earnings per share

Tobii Dynavox's net profit increased by MSEK 62.1, from MSEK 67.7 for the financial year ending on 31 December 2019 to MSEK 129.8 for the financial year ending on 31 December 2020. The

increase was mainly due to an increase in profit before tax and to positive tax effects related to that deferred tax assets have been capitalized in the US.

Net profit corresponds to earnings per share of SEK 1.30 for the financial year ending on 31 December 2020 compared with SEK 0.68 for the for the financial year ending on 31 December 2019, which is also the diluted earnings per share.<sup>1</sup>

### Cash flow from operating activities

Tobii Dynavox's cash flow from operating activities increased by MSEK 87.8, from MSEK 184.7 for the financial year ending on 31 December 2019 to MSEK 272.5 for the financial year ending on 31 December 2021. The increase was mainly due to an improvement in working capital of MSEK 57.1, in turn due to, inter alia, reduction in accounts receivable, other receivables and inventories.

### Cash flow from investing activities

Tobii Dynavox's cash flow from investing activities increased by MSEK 6.6, from MSEK -108.6 for the financial year ending on 31 December 2019 to MSEK -102.0 for the financial year ending on 31 December 2020. The increase was mainly due to lower capitalization of development expenses.

Of the investments, MSEK 78.4 was investments in intangible fixed assets (primarily capitalized development expenses) and MSEK 23.6 in tangible fixed assets.

### Cash flow from financing activities

Tobii Dynavox's cash flow from financing activities increased by MSEK 38.0, from MSEK -77.6 for the financial year ending on 31 December 2019 to MSEK -39.6 for the financial year ending on 31 December 2020. The increase of cash outflow was mainly due to changes in financial debts to Tobii AB.

## INVESTMENTS

### Historical material investments

For a presentation of the Company's R&D expenses, refer to the section entitled "*- Specification of R&D costs in the income statement*".

The Company's cash flow from investing activities amounted to MSEK -108.6 for 2019 and MSEK -102.0 for 2020. Investments were mainly in intangible fixed assets, primarily capitalized development costs. The Company's cash flow from investing activities amounted to MSEK -61.9 for the nine-month period ending on 30 September 2021 and MSEK -79.7 for the nine-month period ending on 30 September 2020. For the nine-month period ending on 30 September 2021, investments of intangible fixed assets, primarily consisted of capitalized development expenses. Also for the nine-month period ending on 30 September 2020, investments mainly consisted of capitalized development expenses.

<sup>1</sup> As of 30 September 2021, Tobii AB had 99 800 523, derived from "Earnings per share" in "Historical financial information – Historical financial information for the the time period ending on 30 September 2021 and for the financial years that ended on 31 December 2020 and 2019 – Note 2".

Since 30 September 2021, the Company has entered into a supply and license agreement and an IP agreement with Tobii AB. For more information about these agreements, refer to section *“Legal considerations and supplementary information – Intellectual property – Supply and license agreement with Tobii AB”* and *“Legal considerations and supplementary information – IP agreement with Tobii AB”* respectively.

#### **Material investments in progress**

The Company has no material ongoing investments and has not made any firm commitments regarding significant future investments.

### **SIGNIFICANT CHANGES SINCE 30 SEPTEMBER 2021**

- The Company has entered into a supply and license agreement and an IP agreement with Tobii AB. For more information about these agreements, refer to section *“Legal considerations and supplementary information – Intellectual property – Supply and license agreement with Tobii AB”* and *“Legal considerations and supplementary information – IP agreement with Tobii AB”* respectively. On 19 October 2021, Tobii Dynavox made a payment of MSEK 280 under the IP agreement.
- The Company has entered into a financing agreement with Swedbank. For more information about the agreement, refer to section *“Legal considerations and supplementary information – Material agreements – Financing agreement with Swedbank”*. On 15 November 2021 the Company entered into an agreement with Swedbank, whereby the repayment term of the facility agreement was extended to 31 March 2023.
- As a part of the separation from Tobii AB, the Company prematurely repaid a loan to Tobii AB of MSEK 257 on 19 October 2021.
- On 28 October 2021, the Company entered into an agreement to acquire shares in Acapela Group Babel Technologies SA. For more information, refer to section *“Legal considerations and supplementary information – Material agreements – Agreement regarding Acapela Group”*.
- On 29 October 2021, Tobii AB has granted the Company an unconditional shareholder contribution of MSEK 75. The purpose of the unconditional shareholder contribution was to strengthen the Company's balance sheet.
- On November 15, the Company unveiled TD Pilot, a powerful, medically certified communication device for people with disabilities. With the release of iPadOS 15, TD Pilot enables people to control the device with their eyes. This eye gaze-enabled communication device for Apple's iPadOS features tailor-made hardware, software and extensive service and support for people with communication disabilities.

Other than as disclosed above, there have been no significant changes in Tobii Dynavox's financial position or financial performance since 30 September 2021.

### **SIGNIFICANT TRENDS**

Other than as described above and in the sections *“Risk Factors”*, *“Business overview”*, and *“– Significant Changes Since 30 September 2021”*, there are no trends, uncertainties, requirements, commitments or events known to the Company as of the date of the Prospectus that are reasonably likely to have a material effect on the Company's prospects for the current fiscal year.



# Capitalization, indebtedness and other financial information

The tables in this section show the Company's capitalization and indebtedness at the Group level on 30 September 2021. Refer to the section "Share capital and ownership structure" for further information about the Company's share capital and shares. The tables below should be read in conjunction with the section "Operating and Financial Review" and the Company's financial information with accompanying notes, which are found elsewhere in this Prospectus.

## CAPITALIZATION

MSEK	As of 30 September, 2021
Current debt	
Guaranteed	-
Secured	-
Unguaranteed/unsecured	534.4
<b>Total current debt</b>	<b>534.4</b>
Non-current debt	
Guaranteed	-
Secured	-
Unguaranteed/unsecured	148.2
<b>Total non-current debt</b>	<b>148.2</b>
Shareholder's equity	
Share capital	-
Statutory reserve(s)	-
Other reserves	56.7
<b>Total equity</b>	<b>56.7</b>
<b>Total</b>	<b>739.3</b>

## NET INDEBTEDNESS

Tobii Dynavox's net indebtedness as of 30 September 2021, is presented in the table below. The table only includes interest-bearing liabilities. As of 30 September 2021, the Company has no indirect indebtedness. As of 30 September 2021, the Company has no contingent indebtedness.

MSEK	As of 30 September, 2021
(A) Cash	109.8
(B) Cash equivalents	0
(C) Other current financial assets	0
<b>(D) Liquidity (A)+(B)+(C)</b>	<b>109.8</b>
<b>(E) Current financial debt (including debt instruments, but excluding current portion of non-current financial debt)</b>	<b>-</b>
(F) Current portion of non-current financial debt	289.2
(G) Current financial indebtedness (E+F)	289.2

(H) Net current financial indebtedness (G-D)	179.4
<b>(I) Non-current financial debt (excluding current portion and debt instruments)</b>	<b>42.0</b>
<b>(J) Debt instruments</b>	<b>-</b>
(K) Non-current trade and other payables	-
<b>(L) Non-current financial indebtedness (I)+(J)+(K)</b>	<b>42.0</b>
<b>(M) Total financial indebtedness (H) + (L)</b>	<b>221.4</b>

## WORKING CAPITAL AND CAPITAL REQUIREMENTS

It is the Company's assessment that the working capital is sufficient for the current needs of the Company during the coming twelve-month period from the date of the Prospectus. Working capital in this context is defined as the Company's ability to access cash and cash equivalents to fulfil its payment obligations as they fall due.

## CAPITAL STRUCTURE AFTER 30 SEPTEMBER 2021

As a part of the spin-off, the Company has entered into a facility agreement with Swedbank on 21 September 2021, whereby Swedbank provides a fixed-term credit amounting to MSEK 550 and a multi-denominated revolving credit facility amounting to MSEK 150, that can be drawn down in the form of an overdraft facility for acquisitions. On 15 November 2021 the Company entered into an agreement with Swedbank, whereby the repayment term of the facility agreement was extended to 31 March 2023. For more information, refer to section "Legal considerations and supplementary information – Material Agreements – Financing agreement with Swedbank".

In connection with the consolidation of the business area Tobii Dynavox on 1 January 2019 and the transfer of assets from Tobii AB to Tobii Dynavox, a liability to Tobii AB of initially MSEK 442 arose. On 19 October 2021, Swedbank has disbursed the required fixed-term



credit of MSEK 550 to Tobii Dynavox. In addition, Tobii AB has, on 29 October 2021, granted the Company an unconditional shareholder contribution of MSEK 75. The purpose of the unconditional shareholder contribution was to strengthen the Company's balance sheet. As of the date of the Prospectus, the Company has not called upon the multi-denominated revolving facility credit of MSEK 150.

On 19 October 2021, Tobii Dynavox has prematurely repaid a loan to Tobii AB of MSEK 257. Pursuant to the repayment, the aforementioned debt to Tobii AB of MSEK 442 has been fully repaid. On 19 October 2021, Tobii Dynavox made a payment of MSEK 280 under the IP agreement. For more information on the IP agreement, refer to section *"Legal considerations and supplementary information – Intellectual property – IP agreement with Tobii AB"*.

# Board of Directors, senior executives and auditor

## BOARD OF DIRECTORS

Tobii Dynavox's Board of Directors consists of five ordinary members, including the chairman of the board, with no deputy board members, all of whom are elected for the period up until the end of the annual general meeting 2022. The table below shows the members of the Board of Directors, when they were first elected and whether they are considered to be independent of the Company and/or the major shareholders.

Name	Position	Board member of Tobii Dynavox since	Independent in relation to	
			The Company and executive management	Major shareholders
Åsa Hedin	Chairman of the Board	2015 <sup>1</sup>	Yes	Yes
Carl Bandhold	Board member	2021	Yes	Yes
Henrik Eskilsson	Board member	2013 <sup>2</sup>	No	Yes
Charlotta Falvin	Board member	2018 <sup>3</sup>	Yes	Yes
Caroline Ingre	Board member	2021	Yes	Yes



### ÅSA HEDIN

*Born 1962. Chairman of the board since 2015<sup>4</sup>.*

**Education:** Master of Science in Biophysics and Biotechnology, University of Minnesota, US. Bachelor of Arts in Physics, Gustavus Adolphus College, US.

**Other current positions:** Chairman of the board of Artificial Solutions International AB. Board member of Biotage AB, CellaVision AB, C-Rad AB, E. Öhman J:or Fonder AB, Industrifonden AB and Nolato Aktiebolag. Chairman of the board and CEO of ASH&Partners AB.

#### Former positions (past five years):

Board member of All Tomorrows Parties AB, BoardClic AB, Fidesmo AB, Fingerprint Cards AB, HerMed Group Holding AB, HerMed Holding AB, Immunovia AB (publ), Sensavis AB and Tobii AB.

#### Shareholding in the Company<sup>5</sup>:

Åsa Hedin holds 35,614 common shares in the Company.



### CARL BANDHOLD

*Born 1974. Board member since 2021.*

**Education:** Master of Science in Chemical Engineering, Chalmers University of Technology, Sweden. MBA, INSEAD Business School.

**Other current positions:** Board member of Bandholding Consulting AB, Bandholdings Invest AB, Bandholdings Management AB, Försäkringstalanger I Norden AB and Instoria 2020 AB.

#### Former positions (past five years):

Chairman of the Board of Permobil EMEA AB and Starmobility AB. Board member of Permobil AB, Permobil Produktion AB, Permobil AG, Permobil Holding AS, Permobil Holding France SAS, Permobil AS, Permobil A/S, Permobil GmbH, Permobil NV, Permobil Europe BV, Permobil Benelux BV, Permobil Supportec BV, Permobil Ltd, Permobil France SAS, Permobil Italy Srl, Permobil Medical Devices and Services SL, Permobil (Kunshan) Co.

Ltd, Permobil Trading (Kunshan) Co. Ltd, Permobil KK, Permobil LLC, Permobil Holdings PTY LTD, Permobil Australia PTY LTD, Permobil, Ltd., Permobil New Zealand Limited, Permobil Pasco LLC, Permobil Inc., Max Mobility LLC, Life-stand Vivre Debout SAS, TiSport, LLC, TiLite, LLC, TiSport International Sales, Inc., ROHO, Inc., ROHO International, Inc., The ROHO Group, Inc., The Comfort Companies, LLC and Three Rivers Holdings, LLC.

#### Shareholding in the Company<sup>5</sup>:

Carl Bandhold holds 10,000 common shares in the Company.

<sup>1</sup> Refers to when Åsa Hedin became a Board member of Tobii AB.

<sup>2</sup> Henrik Eskilsson has been a Board member of Tobii Dynavox since the Company was acquired by Tobii AB (i.e. including the period when the Company was not conducting any operations).

<sup>3</sup> Refers to when Charlotta Falvin became a Board member of Tobii AB.

<sup>4</sup> Refers to when Åsa Hedin became a Board member of Tobii AB.

<sup>5</sup> Refers to own holdings, as well as those of related parties and legal entities, under the assumption that Tobii Dynavox was separated from Tobii AB on the record date of 30 September 2021, including any known changes after that date. The holdings of the individual Board members in Tobii Dynavox on the first day of trading in Tobii Dynavox's shares may differ from this information.

**HENRIK ESKILSSON**

*Born 1974. Board member since 2013.*

**Education:** Master of Science in Industrial Engineering and Management, Linköping University, Sweden.

**Other current positions:** Chairman of the board and CEO of Tobii Technology Options AB and Tobii Holding AB. Chairman of the board of Tobii Pro AB, Tobii Tech AB and Henrik Eskilsson AB. CEO of Henrik Eskilsson AB. CEO of Tobii AB<sup>1</sup>.

**Former positions (past five years):** CEO of Tobii Tech AB. Board member of Eskilsson Consulting AB. Deputy board member of Sticky AB.

**Shareholding in the Company<sup>2</sup>:** Henrik Eskilsson holds 4,535,952 common shares, 103,000 restricted stock units in the Company and 257,000 warrants in Tobii AB.

**CHARLOTTA FALVIN**

*Born 1966. Board member since 2018<sup>3</sup>.*

**Education:** Master of Science in Business and Economics, Lund University, Sweden.

**Other current positions:** Chairman of the board of Malmö Ground AB and Skåne Startups Ekonomisk förening. Board member and CEO of Fasiro AB. Board member of Boule Diagnostics AB, Bure Equity AB, INVISIO AB, MINC i Sverige AB, Net Insight AB, Nel ASA (Norway) and Tobii AB.

**Former positions (past five years):** Chairman of the board of IDEON Open AB. Board member of Lund Business Incubator AB and Sinch AB (publ).

**Shareholding in the Company<sup>2</sup>:** -

**CAROLINE INGRE**

*Born 1977. Board member since 2021.*

**Education:** Medical Degree, Karolinska Institutet, Sweden. PhD in Neuroscience, Umeå University, Sweden. Associate professor at Karolinska Institutet, Sweden.

**Other current positions:** Board member of TRICALS. Board member of Scientific expert board of EUpALS. Deputy board member of Dalby Domestic AB and RDAAB Resources Development Administration AB.

**Former positions (past five years):** Deputy board member of Tingre AB.

**Shareholding in the Company<sup>2</sup>:** Caroline Ingre holds 3,900 common shares in the Company.

<sup>1</sup> Henrik Eskilsson has announced that he intends to resign as the CEO of Tobii AB.

<sup>2</sup> Refers to own holdings, as well as those of related parties and legal entities, under the assumption that Tobii Dynavox was separated from Tobii AB on the record date of 30 September 2021, including any known changes after that date. The holdings of the individual Board members in Tobii Dynavox on the first day of trading in Tobii Dynavox's shares may differ from this information.

<sup>3</sup> Refers to when Charlotta Falvin became a Board member of Tobii AB.

## SENIOR EXECUTIVES



### **FREDRIK RUBEN**

*Born 1977. CEO since 2014<sup>1</sup>.*

**Education:** Master's degree in Industrial Engineering & Management, Linköping University, Sweden and Nanyang Technological University, Singapore.

**Other current positions:**

Board member of Grundbulten 103982 AB (u.n.c.t. Fredrik Ruben Advise AB).

**Former positions (past five years):**

Owner of Fredrik Ruben Advise.

**Shareholding in the Company<sup>2</sup>:**

Fredrik Ruben holds 64,040 common shares and 103,000 restricted stock units in the Company and 192,200 warrants in Tobii AB.



### **LINDA TYBRING**

*Born 1976. Chief Financial Officer since 2018<sup>3</sup>.*

**Education:** Qualified accountant, Srf Konsulternas Förbund, Sweden. Studies in commercial law, Linköpings University, Sweden.

**Other current positions:**

Deputy board member of Danewid Consulting AB.

**Former positions (past five years):**

Board member of Hermes Medical Solutions Aktiebolag, Tobii Pro AB and Tobii Technology Options AB. External CEO of 3L Media AB and Vitec Capitex AB.

**Shareholding in the Company<sup>2</sup>:**

Linda Tybring holds 3,950 common shares and 24,650 restricted stock units in the Company and 14,000 warrants in Tobii AB.



### **ALBERT BIGLAN**

*Born 1971. Vice President of Engineering and IT since 2021.*

**Education:** Bachelor of Science in Physics, Carnegie Mellon University, US.

**Other current positions:**

**Former positions (past five years):** -

**Shareholding in the Company<sup>2</sup>:**

Albert Biglan holds 8,800 restricted stock units in the Company.



### **KRISTEN COOK**

*Born 1979. Chief Marketing Officer since 2021.*

**Education:** Master of Science in Corporate Communications, Bachelor of Science in Integrated Marketing and Bachelor of Science in English, Duquesne University, USA.

**Other current positions:**

**Former positions (past five years):** -

**Shareholding in the Company<sup>2</sup>:**

Kristen Cook holds 2,450 restricted stock units in the Company.

<sup>1</sup> Refers to when Fredrik Ruben obtained his current position within the business area Tobii Dynavox.

<sup>2</sup> Refers to own holdings, as well as those of related parties and legal entities, under the assumption that Tobii Dynavox was separated from Tobii AB on the record date of 30 September 2021, including any known changes after that date. The holdings of the individual Board members in Tobii Dynavox on the first day of trading in Tobii Dynavox's shares may differ from this information.

<sup>3</sup> Refers to when Linda Tybring obtained his current position within the business area Tobii Dynavox.

**REBECCA KASTELL**

*Born 1978. Chief People & Sustainability Officer since 2021.*

**Education:** Bachelor of Social Science- Psychology, Bond University, Australia. Masters degree in Psychology, University of Copenhagen, Denmark.

**Other current positions:** Board member and CEO of Skala Tio AB and Revictus AB. Deputy board member of Baseline Retail AB.

**Former positions (past five years):** Deputy board member and CEO of Baseline Retail AB. Deputy board member of Revictus AB.

**Shareholding in the Company<sup>1</sup>:** Rebecca Kastell holds 2,000 restricted stock units in the Company.

**NILS NORMELL**

*Born 1964. Vice President Market Unit EUROW since 2018<sup>2</sup>.*

**Education:** Master of Science in Engineering, KTH Royal Institute of Technology, Sweden. MBA, Stockholm School of Economics, Sweden.

**Other current positions:** Board member of coXa carry AB and CoXa carry International AB. Deputy board member of eva nils sure AB and Purple Ivy AB.

**Former positions (past five years):** Board member of Lessmore Holding AB and Lessmore Sverige AB.

**Shareholding in the Company<sup>1</sup>:** Nils Normell holds 42,061 common shares and 15,250 restricted stock units in the Company and 28,000 warrants in Tobii AB.

**ANTHONY PAVLIK**

*Born 1960. Chief Operating Officer since 2014.*

**Education:** Bachelor of Science in Human Resource Management, Geneva College, USA.

**Other current positions:** - **Former positions (past five years):** -

**Shareholding in the Company<sup>1</sup>:** Anthony Pavlik holds 11,800 restricted stock units in the Company and 70,206 employee stock options in Tobii AB.

**TARA RUDNICKI**

*Born 1966. President Market Unit North America since 2015<sup>3</sup>.*

**Education:** Studies in criminal justice, Framingham State University and Northeastern University, United States.

**Other current positions:** President of Assistive Technology Industry Association.

**Former positions (past five years):** - **Shareholding in the Company<sup>1</sup>:** Tara Rudnicki holds 6,500 common shares and 12,800 restricted stock units in the Company and 98,564 employee stock options in Tobii AB.

## OTHER INFORMATION ABOUT THE BOARD OF DIRECTORS AND SENIOR EXECUTIVES

There are no family ties between any of the members of the Board of Directors or senior executives.

There are no conflicts of interest or potential conflicts of interest between the obligations of members of the Board of Directors and senior executives of the Company and their private interests and/or other undertakings.

In 2016, Henrik Eskilsson Consulting AB, at the time a related party to Henrik Eskilsson, neglected in a timely manner to report a transaction of subscription rights of Tobii AB. In 2017, Henrik Eskilsson Consulting AB, was ordered by SFSA to pay a sanction fee for the infringement and the SFSA's order was established by the Administrative Court in Sweden during 2018.

Other than what is stated above, none of the members of the Board of Directors or the members of the executive management have, during the last five years, (i) been sentenced for fraud-related offences, (ii) represented a company which has been declared bankrupt or filed for liquidation, or been subject to administration under bankruptcy, (iii) incriminated and/or sanctioned for a crime by statutory or regulatory authorities (including

designated professional bodies) or (iv) been prohibited by a court of law from being a member of any company's administrative, management or supervisory body or from holding a senior or overarching position of any company.

All members of the Board of Directors and senior executives are available at the Company's main office at Karlsrovägen 2D, SE-182 53 Danderyd, Sweden.

## AUDITOR

Pricewaterhousecoopers AB has been the Company's auditor since 2013 and was, at the annual general meeting 2021, re-elected until the end of the annual general meeting 2022. Johan Engstam (born 1966) is the auditor in charge. Johan Engstam is an authorized public accountant and a member of FAR (professional institute for authorized public accountants). Pricewaterhousecoopers AB's office address is Torsgatan 21, SE-113 97, Stockholm, Sweden. Pricewaterhousecoopers AB has been auditor in the Tobii AB Group throughout the entire period which the historic financial information in this Prospectus covers and has audited Tobii Dynavox's combined financial statements for the financial years 2019 and 2020 as well as the financial report for the nine-month period ending 30 September 2021.

<sup>1</sup> Refers to own holdings, as well as those of related parties and legal entities, under the assumption that Tobii Dynavox was separated from Tobii AB on the record date of 30 September 2021, including any known changes after that date. The holdings of the individual Board members in Tobii Dynavox on the first day of trading in Tobii Dynavox's shares may differ from this information.

<sup>2</sup> Refers to when Nils Normell obtained his current position within the business area Tobii Dynavox.

<sup>3</sup> Refers to when Tara Rudnicki obtained his current position within the business area Tobii Dynavox.



# Corporate governance

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## CORPORATE GOVERNANCE

Tobii Dynavox is a Swedish public limited liability company. Prior to the listing on Nasdaq Stockholm, corporate governance in the Company was based on Swedish law and internal rules and instructions. Once the Company has been listed on Nasdaq Stockholm, the Company will also comply with Nasdaq Stockholm's Rule Book for Issuers and apply the Swedish Corporate Governance Code (the "Code"). The Code applies to all Swedish companies with shares listed on a regulated market in Sweden and shall be fully applied in connection with the listing of a company. The Company is not obliged to comply with every rule in the Code as the Code itself provides for the possibility to deviate from the rules, provided that any such deviations and the chosen alternative solutions are described, and the reasons therefore are explained in the corporate governance report (according to the so-called "comply or explain principle").

The Company will apply the Code from the time of the listing of the common shares on Nasdaq Stockholm. Any deviation from the Code will be reported in the Company's corporate governance report, which will be prepared for the first time for the 2021 financial year. However, in the first corporate governance report, the Company is not required to explain non-compliance with such rules that have not been relevant during the period covered by the corporate governance report. As of the day of the Prospectus, the Company does not expect to report any deviations from the Code in the corporate governance report other than that the members of the nomination committee will be disclosed later than six months before the annual general meeting 2022 and that Henrik Eskilsson, who is dependent in relation to the Company and the executive management, is a member of the Compensation Committee. The reason Henrik Eskilsson is a member of the Compensation Committee is that Henrik Eskilsson has a long experience of remuneration matters, both in general but also in relation to Tobii Dynavox.

## GENERAL MEETING

According to the Swedish Companies Act (2005:551) (Sw. *aktiebolagslagen*), the general meeting is the Company's ultimate decision-making body. At the general meeting, the shareholders exercise their voting rights in key issues, such as the adoption of income statements and balance sheets, appropriation of the Company's results, discharge from liability of members of the Board of Directors and the CEO, election of members of the Board of Directors and auditors and remuneration to the Board of Directors and the auditors.

The annual general meeting must be held within six

months from the end of the financial year. In addition to the annual general meeting, extraordinary general meetings may be convened. According to the articles of association, general meetings are convened by publication of the convening notice in the Swedish National Gazette (Sw. *Post- och Inrikes Tidningar*) and on the Company's website. At the time of the notice convening the meeting, information regarding the notice shall be published in Svenska Dagbladet.

## Right to participate in general meetings

Shareholders who wish to participate in a shareholders' meeting must be included in the general register maintained by Euroclear Sweden on the day falling six banking days prior to the meeting and notify the Company of their participation no later than on the date stipulated in the notice convening the meeting. Shareholders may attend the general meetings in person or by proxy and may be accompanied by a maximum of two assistants. Typically, it is possible for a shareholder to register for the general meeting in several different ways as indicated in the notice of the meeting. A shareholder may vote for all Company shares owned or represented by the shareholder.

## Shareholder initiatives

Shareholders who wish to have a matter brought before the general meeting must submit a written request to the Board of Directors. Such request must normally be received by the Board of Directors no later than seven weeks prior to the general meeting.

## NOMINATION COMMITTEE

Companies applying the Code shall have a nomination committee. According to the Code, the general meeting shall appoint the members of the nomination committee or resolve on procedures for appointing the members. The nomination committee shall, pursuant to the Code, consist of at least three members of which a majority shall be independent in relation to the Company and the Group Management. In addition, at least one member of the nomination committee shall be independent in relation to the largest shareholder in terms of voting rights or group of shareholders who cooperates in terms of the Company's management. At the extraordinary general meeting held on 5 November 2021, it was resolved to adopt the following principles for the nomination committee.

Ahead of each annual general meeting, the nomination committee shall be composed of representatives of the three largest shareholders listed in the shareholders' register maintained by Euroclear Sweden as of 30 September each year, together with the chair-

man of the Board of Directors. In total the nomination committee shall thus comprise of four members. If a shareholder chooses not to exercise the right to appoint a representative, the right shall pass on to the largest shareholder in respect of voting power who has not appointed a representative. As long as the three founders, Henrik Eskilsson, John Elvesjö and Mårten Skogö, directly or indirectly, together hold shares in the company that makes them one of the three largest shareholders, they have the right to jointly nominate one of the three shareholder representatives in the nomination committee. The member representing the largest shareholder shall convene the first meeting of the nomination committee and be appointed chairman of the nomination committee, unless the nomination committee unanimously appoints someone else. However, the chairman of the Board of Directors may not be chairman of the nomination committee. If earlier than three months prior to the annual general meeting, one or more of the shareholders having appointed representatives to the nomination committee no longer are among the three largest shareholders, representatives appointed by these shareholders shall resign and the shareholders who then are among the three largest shareholders may appoint their representatives. Should a member resign from the nomination committee before its work is completed and the nomination committee considers it necessary to replace him or her, such substitute member is to represent the same shareholder or, if the shareholder is no longer one of the largest shareholders, the largest shareholder in turn. Changes to the composition of the nomination committee must be announced immediately.

## **BOARD OF DIRECTORS**

The Board of Directors is the second-highest decision-making body of the Company after the general meeting. According to the Swedish Companies Act, the Board of Directors is responsible for the organization of the company and the management of the company's affairs, which means that the Board of Directors is responsible for, among other things, setting targets and strategies, securing routines and systems for evaluation of set targets, continuously assessing the financial condition and profits as well as evaluating the operating management. The Board of Directors is also responsible for ensuring that annual reports and interim reports are prepared in a timely manner. Moreover, the Board of Directors appoints the CEO.

Members of the Board of Directors are normally appointed by the annual general meeting for the period until the end of the next annual general meeting. According to the Company's articles of association, the members of the Board of Directors elected by the general meeting shall be not less than three and not more than ten members with no deputy members.

According to the Code, the chairman of the Board of Directors is to be elected by the general meeting and have a special responsibility for leading the work of the Board of Directors and for ensuring that the work of the Board of Directors is efficiently organized.

The Board of Directors applies written rules of procedure, which are revised annually and adopted by the inaugural board meeting every year. Among other things, the rules of procedure govern the practice of the Board of Directors, functions and the division of work between the members of the Board of Directors and the CEO. At the inaugural board meeting, the Board of Directors also adopts instructions for the CEO and an instruction for financial reporting.

The Board of Directors meets according to an annual predetermined schedule. In addition to these meetings, additional board meetings can be convened to handle issues which cannot be postponed until the next ordinary board meeting. In addition to the board meetings, the chairman of the Board of Directors and the CEO continuously discuss the management of the Company.

Currently, the Company's Board of Directors consists of five ordinary members elected by the general meeting, who are presented in section "*Board of Directors, senior executives and auditor*".

## **Audit committee**

Tobii Dynavox has an audit committee consisting of three members: Carl Bandhold, Charlotta Falvin and Åsa Hedin with Carl Bandhold as chairman. The audit committee shall, without it affecting the responsibilities and tasks of the Board of Directors, monitor the Company's financial reporting, monitor the efficiency of the Company's internal controls and risk management, keep informed of the auditing of the annual report and the consolidated accounts, review and monitor the impartiality and independence of the auditors and pay close attention to whether the auditors are providing other services besides audit services for the Company, and assist in the preparation of proposals for the general meeting's decision on election of auditors.

## **Compensation Committee**

Tobii Dynavox has a Compensation Committee consisting of three members: Henrik Eskilsson, Charlotta Falvin and Åsa Hedin with Charlotta Falvin as chairman. The Compensation Committee shall prepare the Board of Directors' decisions on issues concerning remuneration principles, remunerations and other terms of employment for the executive management remuneration guidelines as well as the remuneration report, monitor and evaluate programs for variable remuneration, both ongoing and such that have ended during the year, for the executive management and monitor and evaluate the application of the guidelines for remuneration to the executive management established by the annual general meeting, as well as the current remuneration structures and remuneration levels in the Company.

The Compensation Committee shall on a continuous basis, and always after its meetings, report its decisions, proposals, findings, conclusions etc. in writing to the Board of Directors.

## THE CEO AND OTHER SENIOR EXECUTIVES

The CEO is subordinated to the Board of Directors and is responsible for the everyday management and operations of the Company. The division of work between the Board of Directors and the CEO is set out in the rules of procedure for the Board of Directors and the CEO's instructions. The CEO is also responsible for the preparation of reports and compiling information for the board meetings and for presenting such materials at the board meetings.

According to the instructions for the financial reporting, the CEO is responsible for the financial reporting in the Company and consequently must ensure that the Board of Directors receives adequate information for the Board of Directors to be able to evaluate the Company's financial condition.

The CEO must continuously keep the Board of Directors informed of developments in the Company's operations, the development of sales, the Company's result and financial condition, liquidity and credit status, important business events and all other events, circumstances or conditions which can be assumed to be of significance to the Company's shareholders.

The CEO and other senior executives are presented in section "*Board of Directors, senior executives and auditor*".

## REMUNERATION TO THE MEMBERS OF THE BOARD OF DIRECTORS, CEO AND SENIOR EXECUTIVES

### Remuneration to the members of the board

Fees and other remuneration to the members of the Board of Directors, including the chairman, are resolved by the shareholders' meeting. At the extraordinary shareholders' meeting held on 21 November 2021, it was resolved that the annual remuneration for the time period 6 June 2021 to 1 December 2021 shall be SEK 400,000 to the chairman of the Board of Directors, SEK 150,000 to Charlotta Falvin, and SEK 250,000 each to Caroline Ingre and Carl Bandhold, and that no remuneration shall be paid to Henrik Eskilsson or for committee work. It was also resolved that the annual remuneration for the time period 1 December 2021 until the annual general meeting 2022 shall be SEK 650,000 to the chairman of the Board of Directors and SEK 250,000 to each of the other Board members, SEK 120,000 to the chairman of the audit committee and SEK 60,000 to the other members of the audit committee, and SEK 37,000 to the chairman of the compensation committee and SEK 21,000 to the other members of the compensation committee. It was noted that the annual remuneration for the time period 1 December 2021 until the annual general meeting 2022 shall amount to not more than SEK 1,969,000. The members of the Board of Directors are not entitled to any benefits following termination of their assignments as directors of the board.

During the financial year of 2020 Tobii Dynavox, including its subsidiaries, has not paid any remuneration, including fees, to the members of Tobii Dynavox's Board of Directors.

### Guidelines for remuneration to the CEO and other senior executives

At the extraordinary general meeting held on 5 November 2021, it was resolved to adopt the following guidelines which shall apply in relation to remuneration to the CEO and the other members of the executive management.

The company's group management, including the CEO, fall within the provisions of these guidelines. To the extent a Board member conducts work for the company, in addition to the board work, consulting fees and other compensation for such work may be paid. The guidelines are forward-looking, i.e. they are applicable to remuneration agreed, and amendments to remuneration already agreed, after adoption of the guidelines by the extraordinary general meeting 2021. These guidelines do not apply to any remuneration decided or approved by the general meeting.

### The guidelines' promotion of the company's business strategy, long-term interests and sustainability

Tobii Dynavox is a global market leader in development and sales of assistive technology for communication. Tobii Dynavox's mission is to empower people with disabilities to do what they once did, or never thought possible. For more information regarding the company's business strategy, please see [www.tobiidynavox.com](http://www.tobiidynavox.com). A prerequisite for the successful implementation of the company's business strategy and safeguarding of its long-term interests, including its sustainability, is that the company is able to recruit and retain qualified personnel. To this end, it is necessary that the company offers competitive remuneration. These guidelines enable the company to offer the executive management a competitive total remuneration.

The Board of Directors has proposed for the extraordinary general meeting 2021 to resolve to implement long-term share-related incentive programs in the form of warrants. As the incentive programs are resolved upon by the general meeting, they are not covered by these guidelines. The incentive programs include, among others, the CEO and group management in the company. The outcome of the programs is directly linked to the company's share price development and thereby to the company's long-term value creation. For more information regarding these incentive programs, please refer to section "*Share capital and ownership structure – Convertibles, warrants, etc. – Incentive program*".

Variable cash remuneration covered by these guidelines shall aim at promoting the company's business strategy and long-term interests, including its sustainability.

The information on the Company's website is not included in the Prospectus unless that information is specifically incorporated by reference.

#### **Types of remuneration, etc.**

The remuneration shall be on market terms and may consist of the following components: fixed cash salary, variable cash remuneration, pension benefits and other benefits. Additionally, the general meeting may – irrespective of these guidelines – resolve on, among other things, share-related or share price-related remuneration.

The satisfaction of criteria for awarding variable cash remuneration shall be measured over a period of one or several years. The variable cash remuneration may amount to not more than 100 per cent of the total fixed cash salary under the measurement period for such criteria. For the CEO, the variable cash remuneration may amount to not more than 100 per cent of the total fixed cash salary under the measurement period for such criteria. Further variable cash remuneration may be awarded in extraordinary circumstances, provided that such extraordinary arrangements are limited in time and only made on an individual basis, either for the purpose of recruiting or retaining executives, or as remuneration for extraordinary performance beyond the individual's ordinary tasks. Such remuneration may not exceed an amount corresponding to 50 per cent of the fixed annual cash salary and may not be paid more than once each year per individual. Any resolution on such remuneration shall be made by the Board of Directors after a proposal from the Compensation Committee.

Pension benefits, including health insurance (Sw: *sjukförsäkring*), shall be premium defined. Variable remuneration shall not qualify for pension benefits. The pension premiums for premium defined pension shall amount to not more than 30 per cent of the fixed annual cash salary.

Other benefits may include, for example, life insurance, medical insurance (Sw: *sjukvårdsförsäkring*) and company cars. Such benefits may amount to not more than 10 per cent of the fixed annual cash salary.

For employments governed by rules other than Swedish, pension benefits and other benefits may be duly adjusted for compliance with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines. Executives who are expatriates to or from Sweden may receive additional remuneration and other benefits to the extent reasonable in light of the special circumstances associated with the expat arrangement, taking into account, to the extent possible, the overall purpose of these guidelines. Such benefits may not in total exceed 50 per cent of the fixed annual cash salary.

#### **Termination of employment**

The notice period may not exceed twelve months if notice of termination of employment is made by the company. Fixed cash salary during the period of notice and severance pay may together not exceed an amount equivalent to the fixed cash salary for 12 months. The

period of notice may not to exceed twelve months without any right to severance pay when termination is made by the executive.

Additionally, remuneration may be paid for non-compete undertakings. Such remuneration shall compensate for loss of income and shall only be paid in so far as the previously employed executive is not entitled to severance pay. The remuneration shall be based on the employee's average monthly remuneration (including fixed as well as variable remuneration) during the last twelve months of the employment, unless otherwise provided by mandatory collective agreement provisions and be paid during the time the non-compete undertaking applies, however not for more than 18 months following termination of employment.

#### **Criteria for awarding variable cash remuneration, etc.**

The variable cash remuneration shall be linked to predetermined and measurable criteria which can be financial or non-financial. They may also be individualized, quantitative or qualitative objectives. The criteria shall be designed so as to contribute to the company's business strategy and long-term interests, including sustainability, by for example being clearly linked to the business strategy or promote the executive's long-term development.

The objectives for the CEO are determined annually by the Board of Directors' Compensation Committee with the intention to align the objectives with the company's business strategy and performance targets. The objectives for the other members of the group management who fall within the provisions of these guidelines are determined annually by the CEO, in accordance with these guidelines and based on more detailed frameworks as established by the Board of Directors' Compensation Committee.

To which extent the criteria for awarding variable cash remuneration has been satisfied shall be determined when the measurement period has ended. The Compensation Committee is responsible for the evaluation so far as it concerns variable remuneration to the CEO. For variable cash remuneration to other executives, the CEO is responsible for the evaluation.

#### **Salary and employment conditions for employees**

In the preparation of the Board of Directors' proposal for these remuneration guidelines, salary and employment conditions for employees of the company have been taken into account by including information on the employees' total income, the components of the remuneration and increase and growth rate over time, in the Compensation Committee's and the Board of Directors' basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable.

#### **The decision-making process to determine, review and implement the guidelines**

The Board of Directors has established a Compensation Committee. The committee's tasks include preparing the Board of Directors' decision to propose guide-



lines for executive remuneration. The Board of Directors shall prepare a proposal for new guidelines at least every fourth year and submit it to the general meeting. The guidelines shall be in force until new guidelines are adopted by the general meeting. The Compensation Committee shall also monitor and evaluate programs for variable remuneration for the executive management, the application of the guidelines for executive remuneration as well as the current remuneration structures and compensation levels in the company. The members of the Compensation Committee are independent of the company and its executive management. The CEO and other members of the executive management do not participate in the Board of Directors' processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

### Derogation from the guidelines

The Board of Directors may temporarily resolve to derogate from the guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve the company's long-term interests, including its sustainability, or to ensure the company's financial viability. As set out above, the Compensation Committee's tasks include preparing the Board of Directors' resolutions in remuneration-related matters. This includes any resolutions to derogate from the guidelines.

### Current employment agreements for the CEO and other senior executives

Decisions as to the current remuneration levels and other conditions for employment for the CEO and the other members of the executive management have been resolved by the Board of Directors.

The table below presents an overview of remuneration to the CEO and other members of executive management for the financial year 2020.

Agreements concerning pensions shall, wherever possible, be based on fixed premiums and must be in accordance with the levels, practice and collective bargaining agreements applicable in Sweden.

At the CEO's own resignation, a period of notice of six months shall apply and at the Company's termination of the CEO's employment, a period of notice of six months shall apply. For the other senior executives in Sweden, the period of notice is six months if the senior executive terminates the employment and six months if the Company terminates the employment, with the exception of one senior executive for whom the period of notice is three months if the senior executive terminates the employment and three months if the Company ter-

minates the employment (or the longer period of notice provided by the Employment Protection Act (1982:80)).

The CEO and two of the senior executives are entitled to severance pay equivalent to six fixed monthly salaries if their employment is terminated by the Company.

### INTERNAL CONTROL

Based on the systematic approach to managing exposure to risks, Tobii Dynavox internal control process is designed to monitor compliance with the Group's policies, principles and instructions and to assist the business in achieving its financial targets by monitoring risk exposures in a structured manner. Internal controls shall include assessments of the organization, policies and procedures, and are intended to provide reasonable assurance regarding the reliability of internal and external financial reporting and to ensure that it is prepared in accordance with laws, applicable accounting standards and other practices and requirements for listed companies. Risk assessment of strategic, compliance, operational and financial risks shall be performed annually by the CFO and presented to the audit committee and the Board of Directors.

The Board of Directors and the board's audit committee are responsible for internal control. Within the Group, the CFO is responsible for ensuring a satisfactory internal control environment.

A self-assessment of the minimum requirements of defined controls for identified risks for each business process shall be performed annually and reported to the audit committee and the Board of Directors. The CFO is responsible for the self-assessment process, which is facilitated by the functioning of the internal control.

### AUDIT

The auditor shall audit the Company's annual reports and accounting, as well as the management of the Board of Directors and the CEO. Following each financial year, the auditor shall submit an audit report for the parent company and consolidated annual report to the annual shareholders' meeting.

Pursuant to the Company's articles of association, the Company shall have not less than one and not more than two auditors and not more than two deputy auditors. The Company's auditor is Pricewaterhousecoopers AB, with Johan Engstam as auditor in charge. The Company's auditor is presented in more detail in section "*Board of Directors, senior executives and auditor*".

In 2020, the total remuneration of the Company's auditor amounted MSEK 1.3.

MSEK	Director's fee / Basic salary	Defined contribution benefits <sup>1</sup>	Tobii Incentive program	Variable remuneration	Share-based payments	Total
Fredrik Ruben (CEO)	1.7	0.5	0.6	0.2	0.2	3.1
members of the executive management (five persons)	9.2	0.7	0.1	1.2	0.5	11.8
<b>Total remuneration</b>	<b>10.9</b>	<b>1.2</b>	<b>0.7</b>	<b>1.4</b>	<b>0.7</b>	<b>14.9</b>

<sup>1</sup> Refers to pension in the form of provisions for pension.



# Share capital and ownership structure

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## GENERAL INFORMATION

Pursuant to the Company's articles of association, the Company's share capital may not be less than SEK 500,000 and not more than SEK 2,000,000, and the number of shares may not be less than 100,000,000 and not more than 400,000,000. As of the date of the Prospectus, the Company has issued a total of 104,851,201 common shares. The common shares are denominated in SEK and the quota value of each share as of 30 September 2021 was approximately SEK one. As of the date of the Prospectus, the quota value is SEK 0.0047687.

All shares in the Company have been issued pursuant to Swedish law. All issued shares have been fully paid and are freely transferrable as of the date of the Prospectus. However, all shares are, as of the date of the Prospectus, pledged in favor of Swedbank AB (publ) under a pledge agreement dated 21 October 2021. The pledge will be released before the common shares are admitted to trading on Nasdaq Stockholm.

The common shares are not subject to a mandatory offering, redemption rights or sell-out obligation. No public takeover offer has been made for the common shares during the current or preceding financial year.

## CERTAIN RIGHTS ASSOCIATED WITH THE SHARES

The rights associated with the shares issued by the Company, including those pursuant to the articles of association, can only be amended in accordance with the procedures set out in the Swedish Companies Act.

### Voting rights

Each common share in the Company entitles the holder to one vote at general meetings and each C share in the Company entitles the holder to one tenth of a vote. Each shareholder is entitled to cast votes equal in number to the number of shares held by the shareholder in the Company.

### Preferential rights to new shares etc.

Should the Company decide to issue new common shares and C shares, against payment other than in kind, holders of common shares and C shares shall have preferential subscription rights to new shares of the same class pro rata to their existing shareholding (primary preferential right). Shares not subscribed for by exercising primary preferential rights shall be offered to all shareholders for subscription (secondary prefer-

ential right). If the shares thus offered are not sufficient for the subscription made by exercising subsidiary preferential right, the shares shall be allotted between the subscribers pro rata to their existing shareholding, and if this is not possible, by drawing lots.

Should the Company decide to issue only common shares or only C shares, against payment other than in kind, all shareholders, regardless of whether their shares are common shares or C shares, shall have preferential subscription rights to new shares pro rata to their existing shareholding. When increasing the share capital by issuing bonus shares, the number of new shares issued of each share class shall be pro rata to the number of shares of the same class that already exist. Old shares of a certain class will then entitle the holder to new shares of the same class.

What is set out above with regard to preferential rights shall apply mutatis mutandis in the event of issues of warrants and convertible debentures, and shall not limit the right to resolve upon an issue with deviation from the shareholders' preferential rights.

## Rights to dividend and balances in case of liquidation

Upon the Company's liquidation, class C shares carry equivalent right to the Company's assets as other shares, however not to an amount exceeding the quota value of the share.

C shares do not entitle the holder to receive dividend. Resolutions regarding dividend are passed by general meetings. All shareholders entitled to receive dividend who are registered as shareholders in the share register maintained by Euroclear Sweden on the record date adopted by the general meeting shall be entitled to receive dividend. Dividend are normally distributed to shareholders entitled to receive dividend as a cash payment per share through Euroclear Sweden, but may also be paid out in a manner other than cash (in-kind dividend). If shareholders cannot be reached through Euroclear Sweden, such shareholder still retains its claim on the Company to the dividend amount, subject to a statutory limitation of ten years. Upon the expiry of the period of limitations, the dividend amount shall pass to the Company.

There are no restrictions on the right to dividend for shareholders domiciled outside Sweden. Shareholders not resident in Sweden for tax purposes must normally pay Swedish withholding tax, see also section "*Tax issues in Sweden*".

### Share conversion rights

C shares held by the Company shall, upon resolution of the Board of Directors, be convertible into common shares.

### INFORMATION REGARDING TAKEOVER BIDS AND REDEMPTION OF MINORITY SHARES

Pursuant to the Swedish Takeovers Act (2006:451) any person who does not hold any shares, or hold shares representing less than three tenths of the voting rights in a Swedish limited liability company whose shares are admitted to trading on a regulated market (the “**Target Company**”), and who through the acquisition of shares in the Target Company, alone or together with a closely related party, holds shares representing three tenths or more of the voting rights for all of the shares in the Target Company is obliged to immediately disclose the size of his holding in the Target Company and, within four weeks thereafter, make an offer to acquire the remaining shares in the Target Company (mandatory offer requirement).

A shareholder who personally, or through a subsidiary, holds more than 90 percent of the shares in a Swedish limited liability company (the “**Majority Shareholder**”) has the right to redeem the rest of the shares in the Target Company. The owners of the rest of the shares (the “**Minority Shareholders**”) have a corresponding right to have their shares redeemed by the Majority Shareholder. The formal procedure for the redemption of Minority Shareholders’ shares is regulated in the Swedish Companies Act (SFS 2005:551).

### CENTRAL SECURITIES REGISTER

The Company’s shares are registered in a CSD register in accordance with the Swedish Central Securities Depositories and Financial Instruments Accounts Act (1998:1479). This register is managed by Euroclear Sweden AB, Box 191, SE-101 23 Stockholm. No share certificates have been issued for the Company’s shares. The ISIN code for the common shares is SE0017105620.

### SHARE CAPITAL DEVELOPMENT

The below table shows historic changes in the Company’s share capital since 1 January 2019. As of the date of the Prospectus, the Company has only issued common shares.

### CONVERTIBLES, WARRANTS, ETC.

As of the date of the Prospectus, there are no outstanding warrants, convertibles or other share-related financial instruments in the Company, other than what is stated below.

### Incentive program

Tobii AB resolved to implement a long-term incentive program for employees and consultants with similar terms and conditions as permanent employees with in the Tobii AB Group adopted at the annual general meeting of Tobii AB held on 12 May 2020 (the “**Current LTI 2020**”) and a similar incentive program on the extraordinary general meeting of Tobii AB held on 21 June 2021 (the “**Current LTI 2021**”). The participants of the Current LTI 2020 have been allotted restricted stock units, which may entail the right to, subject to certain conditions being met, receive common shares in the Company free of charge and synthetic restricted stock units, entailing the right to, subject to certain conditions being met, receive a cash payment corresponding to the value of one common share at the time of settlement. The participants of the Current LTI 2021 have been allotted restricted stock units, which may entail the right to, subject to certain conditions being met, receive common shares in the Company free of charge.

To preclude early acceleration of the stock units under the incentive programs and to maintain the incentives implemented through the incentive programs, the general meetings of the companies respectively have resolved, subject to the completion of the separation, to adopt two new incentive programs in each company covering the participants remaining in one of the companies respectively. Accordingly, the participants that are transferred to Tobii Dynavox in connection with the separation will, in exchange for their holdings under the Current LTI 2020 and the Current LTI 2021, receive new holdings within the incentive programs adopted in Tobii Dynavox or Tobii AB depending on which company the participant will belong to after the separation. The incentive programs adopted at the extraordinary general meeting held on 5 November 2021 to replace the Current LTI 2020 and the Current LTI 2021 in Tobii Dynavox are hereinafter referred to as the “**New LTI 2020**” and the “**New LTI 2021**”.

#### *The New LTI 2020*

The New LTI 2020 includes the persons participating in the Current LTI 2020 who are employed within the Tobii Dynavox group after the separation, entailing that the New LTI 2020 is proposed to include a maximum of 94 individuals. The implementation of the New LTI 2020 is subject to the completion of the separation. The participants will be given the opportunity to receive common shares (“**Performance Shares**”) and a cash payment free of charge within the scope of the New LTI 2020, and in accordance with the terms and conditions of the program. Within the scope of the New LTI 2020, the Company will allot participants restricted stock

Decision date	Event	Change in number of shares	Change in share capital (SEK)	Total number of shares	Total share capital (SEK)
2018-01-01	-	-	-	50,000	50,000
2021-11-05	New share issue	450,000	450,000	500,000	500,000
2021-11-05	Reverse split of shares	-499,999	-	1	500,000
2021-11-05	Share split	104,851,201	-	104,851,201	500,000

units, entailing the right to, subject to certain conditions being met, receive a Performance Share free of charge (**"Restricted Stock Units"**). The Company will also allot participants synthetic restricted stock units, entailing the right to, subject to certain conditions being met, receive a cash payment corresponding to the value of one common share at the time of settlement (**"Synthetic Restricted Stock Units"**) and, together with Restricted Stock Units, referred to as **"Stock Units"**).

The participants were divided into two categories at the time of the implementation of the Current LTI 2020; Members of the group management and *Other participants* and the number of Stock Units a participant may be allocated is subject to which category such participant belongs. Up to 50 per cent of the allocation consists of Synthetic Restricted Stock Units to cover the tax expense incurred for the participant. The remaining portion consists of Restricted Stock Units. The number of Stock Units that may be allocated to participants is further subject to recalculation after the separation, entailing that the Stock Units ultimately allotted will be determined based on the relation between the volume-weighted average share price in Tobii Dynavox during the 25 first trading days on Nasdaq Stockholm and the volume-weighted average share price in Tobii AB during the same period. As this relation was not determined as of the date of the adoption of the program, the maximum number of Stock Units that may be allocated to the participants has been estimated to 465,150. Assuming an equal relation between Tobii Dynavox and Tobii AB's share price (i.e. 50/50) under the relevant measurement period, the maximum allotment of Performance Shares is up to 310,100 common shares, which may be allocated to participants pursuant to the New LTI 2020 and 66,720 common shares may be used to secure social contributions arising as a result of the New LTI 2020, which would entail a maximum dilution effect of approximately 0.4 per cent of the number of shares in Tobii Dynavox as per the date of the Prospectus.

For non-Swedish participants who, at the time of the implementation of the Current LTI 2020, were members of Tobii AB's group management, the allocated Stock Units will vest in three annual instalments during the period from the start of the New LTI 2020 and up to and including 31 May 2024. One third (1/3) of the allocated Stock Units shall be deemed vested on each of 31 May 2022, 2023 and 2024, respectively (each a **"Vesting Date"** for these participants). For Swedish participants who, at the time of the implementation of the Current LTI 2020, were members of Tobii AB's group management, the allocated Stock Units will vest as of 31 May 2024 (which thereby constitute the relevant Vesting Date for these participants). Stock Units will vest provided that the participant, with certain exceptions, from the start of the New LTI 2020 for each participant up to and including the respective Vesting Date, is still employed within the Tobii Dynavox group.

In addition to the requirement of the participant's continued employment pursuant to the above, the final

number of Performance Shares and the size of the cash payment that each participant who is a member of Tobii AB's group management, and all other Swedish participants is entitled to receive on each Vesting Date shall also be subject to annual growth, of not less than 10 per cent, in the total shareholder return (**"Total Shareholder Return"** or **"TSR"**), including increase in share price plus reinvestment of any dividends, on Tobii AB's common share during the period beginning on the start of the Current LTI 2020, at which the starting share price under the program was set to SEK 27.30 (the **"Starting Value in the Current LTI 2020"**), through the applicable Vesting Date (each, a **"Vesting Period"**). The Starting Value in the Current LTI 2020 is subject to recalculation after the separation based on the relation between the volume-weighted average share price in Tobii Dynavox AB during the 25 first trading days on Nasdaq Stockholm and the volume-weighted average share price in Tobii AB during the same period and thereafter, the Total Shareholder Return shall be measured against the share price in Tobii Dynavox AB.

For non-Swedish participants who, at the time of the implementation of the Current LTI 2020, were members of Tobii AB's group management, a divestment condition will also apply regarding the Performance Shares received under the New LTI 2020. For Stock Units to entitle the participant to receive Performance Shares and a cash payment for the Vesting Periods ending on 31 May 2023 and 2024 respectively, it is required that currently obtained Performance Shares under the New LTI 2020 have not been divested.

The Board of Directors shall be responsible for preparing the detailed design and administration of the New LTI 2020, subject to the stipulated terms and guidelines including, inter alia, provisions on recalculation in the event of changes in Tobii Dynavox AB's capital structure such as an in-between bonus issue, reverse share split, share split, rights issue and/or similar events.

The delivery of common shares to the participants of the New LTI 2020 has been secured in accordance with the procedure described under section *"– Authorization of the Board of Directors to issue new class C shares, repurchase class C shares and transfer own common shares"* below.

#### *The New LTI 2021*

The New LTI 2021 includes the participants in the Current LTI 2021 who are transferred to the Tobii Dynavox group in connection with the separation and senior executives and selected other key employees and long-term consultants (with similar terms and conditions of employment), who have been identified as very important to the Company and demonstrated excellent performance in the year preceding the adoption of the program, meaning that there has been a threshold and thorough performance evaluation before being let into the program. In total, the New LTI 2021 is proposed to include a maximum of 52 individuals within the Tobii Dynavox group after the separation. The implementation

of the New LTI 2020 is subject to the completion of the separation.

The participants will be given the opportunity to receive common shares ("**Performance Shares**") in accordance with the terms and conditions of the program and the Company will allot participants stock units, entailing the right to, subject to certain conditions being met, receive a Performance Share free of charge ("**Stock Units**"). The participants are divided into three categories: *the CEOs of each Division, Other senior executives* and *Other participants* and the number of Stock Units a participant may be allocated is subject to which category such participant belongs. The last date for allotment of Stock Units pursuant to the New LTI 2021 shall be the day before the annual general meeting 2022 of Tobii Dynavox.

The number of Stock Units that may be allocated to participants is further subject to recalculation after the separation, entailing that the Stock Units ultimately allotted will be determined based on the relation between the volume-weighted average share price in Tobii Dynavox during the 25 first trading days on Nasdaq Stockholm and the volume-weighted average share price in Tobii AB during the same period. As this relation was not determined as of the date of the resolution of the general meeting, or as of the day of this prospectus, the maximum number of Stock Units that may be allocated to the participants has been estimated to 519,000. Assuming an equal relation between Tobii Dynavox and Tobii AB's share price (i.e. 50/50) under the relevant measurement period, the maximum allotment of Performance Shares is up to 346,000 common shares, which may be allocated to participants pursuant to the New LTI 2021 and 60,000 common shares may be used to secure social contributions arising as a result of the New LTI 2021, which would entail a maximum dilution effect of approximately 0.8 per cent of the number of shares in Tobii Dynavox as of the date of the Prospectus.

All vesting of Stock Units is conditional that the participant is still employed within the Tobii Dynavox AB group by the vesting date. In addition, each participant in the program must satisfy personal performance criteria in order to obtain the initial grant of Stock Units. These criteria include that the person must have (i) been deemed as very important to Tobii, and (ii) shown outstanding performance in the year prior to grant under the Current LTI 2021.

All vesting of Stock Units for Sweden-based participants shall be conditional on that the volume-weighted share price during the 3 months prior to the Vesting Date exceeds SEK 58.36, which is the volume-weighted share price during the period from 1 January 2021 to 9 April 2021, which shall be recalculated after the separation based on the relation between the volume-weighted average share price in Tobii Dynavox during the 25 first trading days on Nasdaq Stockholm and the volume-weighted average share price in Tobii AB during the same period and thereafter, the share price condition is to be measured against the share price in Tobii Dynavox AB. In the event that the share

price at a particular vesting date does not meet this criteria, those Stock Units will instead be eligible to vest at a later vesting date if the share price meets this the condition at such time.

Vesting of Stock Units for participants in the categories *CEOs of each Division* and *Other senior executives* are subject to business related performance conditions. For participants in these categories who are employed by Tobii Dynavox AB, the business performance condition shall be based on the average growth of earnings of Tobii Dynavox AB (measured as earnings before interest, taxes and depreciations (EBITDA) less capitalised RnD. The Board of Directors is responsible for determining the detailed performance conditions, as well as the outcome according to these. Employees of the category *Other participants* are not covered by the business performance condition, in order to avoid complexity for this broader group of participants. These employees are typically key star performers deep in the organization with essential niche competencies, involved with innovation, product- and business development. Their competence and know-how are foundational for the long-term value creation of the Company. Therefore, to optimize for long-term value creation, the key objective with the New LTI 2021 program for the category *Other participants* is retention.

The Board of Directors shall be responsible for preparing the detailed design and administration of the New LTI 2021, subject to the stipulated terms and guidelines, including provisions on recalculation in the event of changes in Tobii Dynavox AB's capital structure such as an in-between bonus issue, reverse share split, share split, rights issue and/or similar events.

The delivery of common shares to the participants of the New LTI 2021 has been secured in accordance with the procedure described under section "*Authorization of the Board of Directors to issue new class C shares, repurchase class C shares and transfer own common shares*" below.

#### **Authorization of the Board of Directors to issue new class C shares, repurchase class C shares and transfer own common shares**

In order to secure the delivery of common shares to participants under the New LTI 2020 and New LTI 2021, the extraordinary general meeting held on 5 November 2021 resolved, subject to the completion of the separation, that the Board of Directors shall be authorized to resolve on the issuance, repurchase and transfer of not more than 1,174,230 class C shares as hedge for the New LTI 2020 and the New LTI 2021.

The extraordinary general meeting held on 5 November, 2021, resolved to authorize the Board of Directors, during the period until the annual general meeting 2022 on one or more occasions, to issue a maximum of 1,174,230 C shares. As described in the section "*Incentive program*", the issue of C shares will be determined after the listing of Tobii Dynavox's common shares on Nasdaq Stockholm. With deviation from the shareholders' preferential rights, the participating



bank shall be entitled to subscribe for the new class C shares at a subscription price corresponding to the quota value of the shares. The purpose of the authorization and the reason for the deviation from the shareholders' preferential rights in connection with the issue of shares is to ensure delivery of shares to participants under the New LTI 2020 and the New LTI 2021, as well as to secure potential social contributions arising as a result of the New LTI 2020 and LTI 2021.

The extraordinary general meeting held on 5 November, 2021, further resolved to authorize the Board of Directors, during the period until the annual general meeting 2022, on one or more occasions, to repurchase class C shares. The repurchase may only be effected through an offer directed to all holders of class C shares and shall comprise all outstanding class C shares. Repurchases shall be effected at a purchase price corresponding to the quota value of the share. Payment for the acquired class C shares shall be made in cash. The purpose of the proposed repurchase authorization is to ensure delivery of Performance Shares under the New LTI 2020 and LTI 2021 and to secure possible social contributions arising as a result of the New LTI 2020 and LTI 2021.

The extraordinary general meeting held on 5 November, 2021, further resolved that class C shares that the Company acquires based on the authorization to repurchase class C shares in accordance with the above, may, following the re-classification into common shares, be transferred free of charge to participants of the New LTI 2020 and the New LTI 2021 in accordance with the adopted terms and conditions for each program, respectively, and in order to secure possible social contributions, tax expenses and other costs arising as a result of the New LTI 2020 and the New LTI 2021. The extraordinary general meeting held on 5 November, 2021, therefore resolved that not more than 984,150 common shares may be transferred to participants in accordance with the terms and conditions of LTI 2020 and LTI 2021 and that not more than 190,080 common shares shall be transferred on Nasdaq Stockholm, including through a financial intermediary, at a price within the registered price range at the relevant time, to

cover any social contributions, tax expenses and other costs in accordance with the terms and conditions of the New LTI 2020 and the New LTI 2021. As described above, the number of common shares transferred to participants will be re-calculated after the listing of Tobii Dynavox's common shares on Nasdaq Stockholm. The number of common shares to be transferred is subject to re-calculation in the event of an in-between bonus issue, reverse share split, share split, rights issue and/or similar measures.

#### Authorization of the Board of Directors to issue new shares

The extraordinary general meeting held on 5 November, 2021, resolved to authorize the Board of Directors, during the period until the annual general meeting 2022 on one or more occasions, to, with deviation from the shareholders' preferential rights, against payment in cash or against payment by set-off or in kind, or otherwise subject to conditions, issue new shares, provided that such issues do not result in an increase in the Company's registered share capital or the number of shares in the Company by more than a total of 10 percent. The purpose of the authorization is to increase the financial flexibility in the Company and the margins of maneuver for the board as well as potentially increase the number of shareholders of the Company and make acquisitions.

#### OWNERSHIP STRUCTURE

As of the date of this Prospectus, Tobii Dynavox is a wholly owned subsidiary of Tobii AB. The table below shows Tobii AB's shareholders who have a direct or indirect holding that corresponds to five percent or more of the shares or votes in Tobii AB on 30 September, 2021. If the record date for the distribution of Tobii Dynavox shares had been 30 September, 2021, the largest shareholders in Tobii Dynavox would initially have been the ones shown in the table below. The ownership structure for Tobii Dynavox will initially be the same as for Tobii on the record date of the proposed distribution.

Shareholder	Number of common shares	Number of C shares	Total number of shares	Share of capital, %	Share of votes, %
Handelsbanken Fonder	8,628,340	0	8,628,340	8.57	8.64
Swedbank Robur Fonder	8,166,853	0	8,166,853	8.11	8.18
Other shareholders	83,005,330	900,000	83,905,330	83.32	83.19
<b>Total</b>	<b>99,800,523</b>	<b>900,000</b>	<b>100,700,523</b>	<b>100</b>	<b>100</b>



# Articles of association

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Articles of association for Tobii Dynavox AB, registration number 556914-7563, adopted by the extraordinary shareholders' meeting on 5 November 2021.

## 1 § NAME

The company's name is Tobii Dynavox AB (publ).

## 2 § REGISTERED OFFICE

The company's registered office shall be in the Stockholm County, Danderyd municipality.

## 3 § OBJECT OF THE COMPANY'S BUSINESS

The object of the company's business is to conduct research, development and sales of computer software and computer related hardware designed to assist persons with communication or other disabilities and any other activities compatible therewith.

## 4 § SHARE CAPITAL

The company's share capital shall be not less than SEK 500,000 and not more than SEK 2,000,000.

## 5 § SHARES

The company shall have at least 100,000,000 and not more than 400,000,000 shares.

Two classes of shares may be issued, ordinary shares and class C shares. The ordinary shares shall carry one vote each and the class C shares shall carry one tenth of a vote each. Shares of either class may be issued up to an amount corresponding to the entire share capital.

Class C shares do not entitle to dividends. Upon the company's liquidation, class C shares carry equivalent right to the company's assets as other shares, however not to an amount exceeding the quota value of the share.

If the company resolves to issue new ordinary shares and class C shares, against payment other than contribution in kind, owners of ordinary shares and class C shares shall enjoy preferential rights to subscribe for new shares of the same class pro rata to the number of shares previously held by them (*primary preferential rights*). Shares which are not subscribed for under the primary preferential rights shall be offered to all shareholders for subscription (*subsidiary preferential rights*). If the number of shares thus offered are not sufficient for the subscription on the basis of subsidiary preferential rights, the shares shall be allocated between the subscribers' pro rata to the number of shares previously held and, to the extent such allocation cannot be effected, by the drawing of lots.

If the company resolves to issue new shares of either solely ordinary shares or class C shares, against payment other than contribution in kind, all shareholders, irrespective of whether their shares are ordinary shares or class C shares, shall have preferential rights to subscribe for new shares pro rata to the number of shares previously held by them.

What is set out above with regard to preferential rights shall apply mutatis mutandis in the event of issues of warrants and convertible debentures, and shall not limit the right to resolve upon an issue with deviation from the shareholders' preferential rights.

In the event of a bonus issue, new shares of each class shall be issued pro rata to the number of shares of the same class previously issued. In connection therewith, the owners of existing shares of a certain class shall entitle the holder to new shares of the same class. This shall not entail any restrictions on the possibility of issuing new shares of a new class by means of a bonus issue, following the required amendments of the articles of association.

Reduction of share capital, which in any case shall not fall below the minimum share capital, may, after resolution by the company's Board of Directors, take place through redemption of all class C shares. When a resolution on reduction has been passed, an amount corresponding to the reduction amount shall be transferred to the company's reserve fund, if the required funds are available. The redemption amount per class C share shall be the quota value of such shares.

Following receipt of the redemption resolution, holders of shares subject to redemption shall promptly receive payment for the shares, or, if authorization for the redemption from the Swedish Companies Registration Office (Sw. *Bolagsverket*) or a court is required, following the receipt of notice that the final and effected decision has been registered.

Class C shares held by the company may, upon decision of the Board of Directors be reclassified into ordinary shares. Immediately thereafter, the Board of Directors shall register the reclassification to the Swedish Companies Registration Office. The reclassification is effected when it has been registered and the reclassification been reflected in the central securities depository register.

## 6 § BOARD OF DIRECTORS

The Board of Directors, to the extent elected by the shareholders' meeting, shall consist of not less than three and not more than ten board members with no deputy members.

## **7 § AUDITOR**

The company shall have not less than one and not more than two auditors and not more than two deputy auditors. As auditor and, when applicable, deputy auditor, an authorized public accountant or a registered public accounting firm shall be elected.

## **8 § NOTICE OF SHAREHOLDERS' MEETING**

Notice of shareholders' meetings shall be published in the Swedish Official Gazette and be kept available on the company's website. At the time of the notice, an announcement with information that the notice has been issued shall be published in Svenska Dagbladet.

## **9 § PARTICIPATION IN SHAREHOLDERS' MEETINGS**

Shareholders who wish to participate in a shareholders' meeting can only do so if the shareholder notifies the company no later than the date specified in the notice convening the meeting. This date must not fall on a Sunday or any other public holiday, Saturday, Midsummer's Eve, Christmas Eve or New Year's Eve, nor earlier than five business days prior to the meeting. Shareholders may only be accompanied by assistants at the shareholders' meeting if they have notified the company of the number of assistants (no more than two) by the date specified in the preceding paragraph.

## **10 § BUSINESS AT SHAREHOLDERS' MEETINGS**

The following business shall be addressed at annual shareholders' meetings:

1. Election of a chairman of the meeting;
2. Preparation and approval of the voting list;
3. Approval of the agenda;
4. Election of one or two persons who shall approve the minutes of the meeting;
5. Determination of whether the meeting was duly convened;
6. Submission of the annual report and the auditors' report and, where applicable, the consolidated financial statements and the auditors' report for the group;
7. Resolutions regarding:
  - a. adoption of the income statement and the balance sheet and, when applicable, the consolidated income statement and the consolidated balance sheet;
  - b. allocation of the company's profits or losses in accordance with the adopted balance sheet;
  - c. discharge of the members of the Board of Directors and the managing director from liability;

8. Determination of the number of members and deputy members of the Board of Directors and the number of auditors to be elected by the shareholders' meeting and, where applicable and deputy auditors;
9. Determination of fees for members of the Board of Directors and auditors;
10. Election of the members of the Board of Directors
11. Election of auditors and, where applicable, of deputy auditors;
12. Other matters, which should be resolved by the shareholders' meeting according to the Swedish Companies Act or the company's articles of association.

## **11 § COLLECTION OF PROXY FORMS AND POSTAL VOTING**

The Board of Directors may collect proxies pursuant to the procedure stated in Chapter 7 Section 4 Paragraph 2 of the Swedish Companies Act (2005:551) (Sw. *aktiebolagslagen*).

The Board of Directors may resolve, prior to a general meeting, that the shareholders shall be entitled to exercise their voting rights prior to the general meeting by post.

## **12 § PLACE FOR SHAREHOLDERS' MEETINGS**

The shareholders' meeting shall be held in Danderyd or in Stockholm.

## **13 § FINANCIAL YEAR**

The company's financial year shall be the calendar year (1 January – 31 December).

## **14 § EUROCLEAR COMPANY**

The company's shares shall be registered in a securities register in accordance with the Swedish Central Securities Depositories and Financial Instruments Accounts Act (1998:1479).

# Legal considerations and supplementary information

## APPROVAL OF THE SWEDISH PROSPECTUS

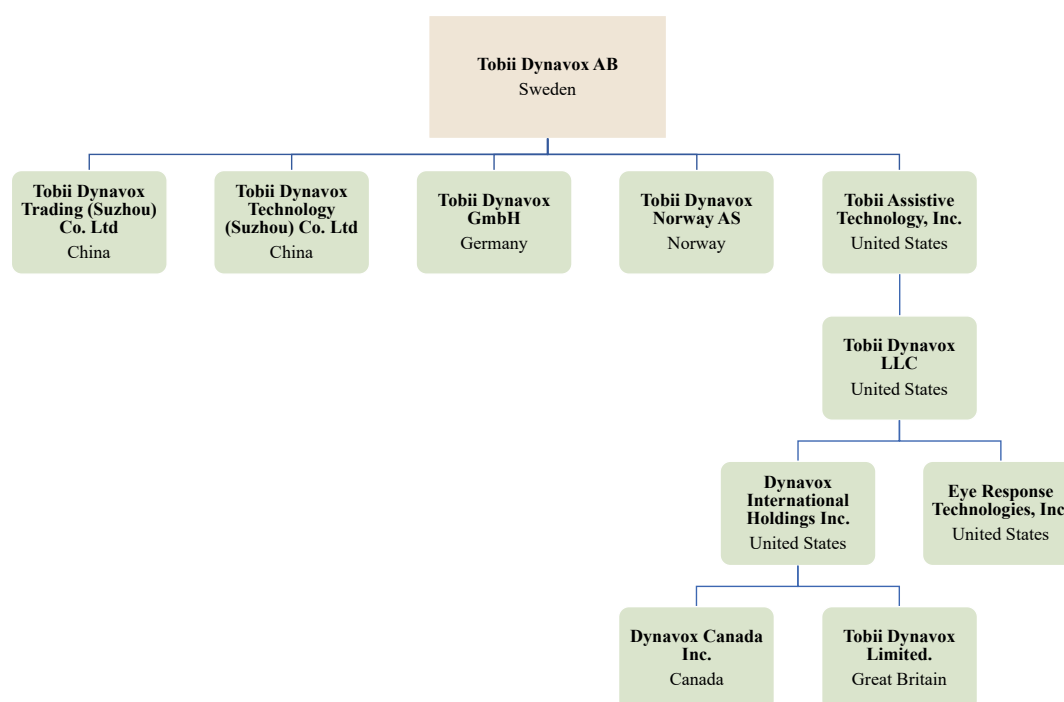
A Swedish language version of the prospectus (the “**Swedish Prospectus**”) has been approved by and registered with the SFSA as competent authority pursuant to the European Union Regulation (EU) 2017/1129. The SFSA only approves that the Swedish Prospectus meets the standards of completeness, comprehensibility and consistency imposed by the prospectus regulation. Further, this approval should not be considered as any endorsement, neither of the issuer referred to in the Swedish Prospectus nor of the quality of the securities that are the subject of the Swedish Prospectus, and investors should make their own assessment as to the suitability of investing in the securities. The Swedish Prospectus was approved by the SFSA on 23 November 2021. The Swedish Prospectus is valid for 12 months, provided that it is completed with supplements when required pursuant to article 23 Regulation (EU) 2017/1129. The obligation to supplement the Swedish Prospectus

in the event of significant new circumstances, factual errors or material inaccuracies does not apply when the Swedish Prospectus is no longer valid.

## LEGAL GROUP STRUCTURE

The Company’s business is conducted in accordance with the Swedish Companies Act. Tobii Dynavox AB (registration number 556914-7563) is a Swedish public limited liability company which was founded on 30 November 2012 and registered with the Swedish Companies Registration Office on 13 December 2012. The Company’s LEI-code is 5493008X1XZR4R5R0P66. The Company’s registered office is situated in Danderyd kommun.

The Company is as of the date of this Prospectus, direct and indirect, the parent company of ten directly and indirectly wholly-owned subsidiaries, including subsidiaries in the United States, China, Germany, Canada and Norway. The Group structure is shown in the chart below.



## MATERIAL AGREEMENTS

The following agreements (excluding agreements entered into in the ordinary course of business) have been entered into by a company within the Group within two years immediately prior to the date of this Prospectus and are, or may become, material or have been entered into by a company within the Group at any time and contain conditions under which a company within the Group has an obligation or right that is, or may become, material to the group as of the date of this Prospectus.

### The separation from Tobii

Prior to the distribution of Tobii Dynavox, the Company's operations have been separated from the Tobii AB Group. In order to regulate the separated, Tobii AB and Tobii Dynavox have entered into a so-called separation agreement (the "**Separation Agreement**"). The separation agreement further regulates, *inter alia*, the future provision of historical information, confidentiality matters and the handling of any possible disputes arising between the parties as a result of the separation agreement.

### Financing agreement with Swedbank

On 21 September, 2021, Tobii Dynavox entered into a facility agreement with Swedbank AB (publ) ("**Swedbank**") as lender, whereby Swedbank provides a fixed-term credit amounting to SEK 550,000,000 and a multi-denominated revolving credit facility amounting to MSEK 150, that can be drawn down in the form of an overdraft facility for acquisitions. Both facilities run with a variable interest rate which amounts to applicable interest base plus a fixed margin, provided that the facilities are denominated in, *inter alia*, EUR, USD and SEK, otherwise the interest rate is calculated based on certain other parameters defined in the facility agreement. The facility agreement with Swedbank AB constitutes the Group's main external financing and has been entered into for the purpose of repaying existing financial debts, financing internal transactions and making acquisitions.

The facility agreement contains customary terms, representations, undertakings and restrictions, subject to certain agreed exceptions and qualifications. These terms include, among others providing securities in the form of shares in all of Tobii Dynavox's Swedish material subsidiaries (from time to time) and a chattel mortgage amounting to a total of MSEK 50 within MSEK 50 in Tobii Dynavox's operation, restrictions regarding (i) raising financial debt (ii) provision of security or guarantees to others than Swedbank (iii) provision of loans (iv) disposals, and (v) acquisition of assets. The facility agreement further contains certain financial covenants that require Tobii Dynavox's net debt in relation to EBITDA to not deviate from a certain level specified in the facility agreement. Swedbank can demand that the loan is repaid and prematurely cancelled if certain customary events occur, including in connection with a change of control and a delisting of Tobii Dynavox's common shares of Nasdaq Stockholm. The facility agreement has certain customary grounds for termination including, but not limited to, non-payment, insolvency and

cross default. Tobii Dynavox is further obligated to pay certain fees in connection with the facility agreement, including an arrangement fee and facility fee. According to an agreement which the Company, on 15 November, entered into with Swedbank, the final repayment date of the fixed-term credit and the multi-denominated revolving facility is 31 March 2023.

### Agreement with Tobii AB

In connection with the separation, Tobii AB and Tobii Dynavox have entered into certain material agreements regarding intellectual property that are described in sections – "*Intellectual Properties*" – *Supply and license agreement with Tobii AB*" and "*Intellectual Properties*" – *IP agreement with Tobii AB*".

### Agreement regarding Acapela Group

On 28 October 2021, Tobii Dynavox entered into an agreement to acquire shares in Acapela Group Babel Technologies SA ("**Acapela Group**") from Société Régionale d'Investissement de Wallonie S.A., Société de Développement et de Participation du Borinage et du Centre and Marstrand SA, and a number of other minority shareholders. Together, the sellers that sign the share transfer agreement (the "**Sellers**") own 81.52 percent of the shares in Acapela Group. The agreement is premised on that the Sellers, by virtue of applicable drag along clauses, effect a transfer from the other sellers so that Tobii Dynavox acquires 100 percent of the shares in Acapela Group on the closing date. The acquisition is subject to customary closing conditions and the closing is expected to be completed during the first quarter of 2022.

The share transfer agreement contains customary guarantees and undertakings by the Sellers. Under the agreement, the Sellers make certain fundamental guarantees, referring to, for example, organizational structure and the capitalization of the relevant Company and the Seller's ownership of the shares. Furthermore, the Sellers make certain commitments to indemnify the buyer, referring to, for example, identified claims and potential violations of labor laws, generally limited to certain amounts. In addition to customary non-competition and non-recruitment clauses for the sellers concerned, the agreement contains provisions designed to ensure that certain key members of Acapela Group continue their employment within the company for a period of time (or at least do not leave as so called Bad Leavers), and provisions entitling Tobii Dynavox AB to a fixed amount of compensation if this is not the case.

## CUSTOMER AND SUPPLY AGREEMENTS

### Supply agreements

The Group's largest suppliers are Advantech Corporation ("**Advantech**"), ONYX Healthcare Inc ("**Onyx**") and Tobii AB. These agreements together account for 13 percent of the Group's net sales. Because of the low purchasing volumes and because such suppliers can be easily replaced when necessary, the Company uses so called "single source" suppliers for many components. "Single source" components are supplied by, *inter alia*, Advantech and Onyx.

### Customer agreements

The Group's customer agreements are divided between agreements for medical devices and agreements for Boardmaker. In EUROW, the Group sells medical devices and Boardmaker mainly through partners and resellers. In Norway, Sweden and Great Britain the Group however sells medical devices also directly to certain customers. The two customers Rehavista and Linkassistive are both resellers. Medicare, a customer in North America, is however a direct customer.

The Group furthermore sells its products directly to customers via [tobiidynavox.com](http://tobiidynavox.com), [goboardmaker.com](http://goboardmaker.com), [mytobidynavox.com](http://mytobidynavox.com) and via Apple's global App Store, such sales is however, according to the Company, very limited. All of the Group's retailer agreements in EUROW are entered into in accordance with the Group's own agreement template without deviations, except for commercial deviations such as discounts. The same agreement template is used for both medical devices and Boardmaker.

The Company's largest customers are Rehavista GmbH ("**Rehavista**"), Norwegian Labour and Welfare Administration ("**NAV**"), Linkassistive Pty Ltd (t/a link-at) ("**Linkassistive**") and Medicare, which accounts for 20 percent of the Company's net sales. The customer agreement with Rehavista allows Rehavista to sell products, primarily hardware, software and accessories, and is the Group's only agreement covering annual sales exceeding MEUR 2.0 in the last two years. Medicare is a publicly funded health insurance system in the United States that applies to individuals with disabilities. The Group has not entered into any actual customer agreements with Medicare, instead, the business model is structured in such a way that the Company applies for payment for the products from Medicare on behalf of the user. Medicare is thus merely a payer for the products.

In the United States, the Company has furthermore entered into an agreement with the U.S. Department of Veterans Affairs, a federal government department responsible for supporting former members of the U.S. Armed Forces with social assistance and medical care.

## INTELLECTUAL PROPERTY

### Trademarks and domain names

The Group has an extensive trademark portfolio containing about a hundred registered trademarks in several different jurisdictions, such as the United States, Canada, New Zealand, Australia, Brazil, Chile, México, the EU, Switzerland and Norway. The Company considers "Dynavox", "Boardmaker", "GoBoardmaker", "Speech Case" and "PCS" to be the most important trademarks. Additionally, the Group has about a hundred registered domain names. The Company considers "[tobiidynavox.com](http://tobiidynavox.com)", "[goboardmaker.com](http://goboardmaker.com)" and "[myboardmaker.com](http://myboardmaker.com)" to be the most important domain names for the Group.

### Patent

The Group is the holder of several patents registered in, inter alia, the United States, Canada, China, Germany, Spain, France, Great Britain, Italy and Sweden.

However, the Company's primary patent focus is patent applications in the United States.

As a result of the separation between Tobii AB and Tobii Dynavox AB, the Company has entered into a patent licensing agreement whereby the Company is granted the right to use all of Tobii AB's patents, and a patent assignment agreement whereby certain patents are transferred from Tobii AB to the Company. The consideration for the patent license is a license fee amounting to a certain percentage of the net income of the products, but no license fee shall be paid if the Company has incorporated hardware purchased from Tobii AB in the products. The consideration for the patent transfer is a one-off payment of SEK 517,951. Through the patent assignment agreement Tobii AB also obtains a non-exclusive license to use the transferred patent free of charge.

### Supply and license agreement with Tobii AB

The Company and Tobii AB have entered into a supply and license agreement. The agreement regards supply of Tobii AB's eye tracking platforms and the licensing of the associated software. The license is limited to be used in combination with eye tracking platforms from Tobii AB and in the following products: Tobii Dynavox I-13 and I-16, Tobii Dynavox PCEye and Tobii Dynavox Pilot. The Company has further been granted a software development license, including a right for the Company to use the licensed software to develop its own software. The term of the agreement is 60 months, after which the agreement is automatically renewed for 12 months until terminated. The notice period after these 60 months is twelve months. The agreement further contains a provision implying that orders placed prior to termination of the agreement shall be delivered.

The Company shall pay applicable fees for the license and the purchased hardware. The license fee amounts to a certain percentage of the net income of the products and shall be paid for as long as the Company uses the licensed software in its products. In addition, the Company shall pay an annual support and maintenance fee.

### IP agreement with Tobii AB

Pursuant to the agreement, the Company is granted a limited, exclusive only within the licensed field of application, non-transferable and non-sublicensable right to use the trademark "TOBII" in combination with the word Dynavox, e.g. Tobii Dynavox or TobiiDynavox. The licensed field of application is limited to special education and alternative and augmentative communication, i.e. devices that supplement or compensate speech or writing for individuals with disabilities in production or comprehension of spoken or written language. Outside of this field, the Company is not allowed to use the trademark TOBII, neither in connection with services or products nor as a part of the corporate name.

Furthermore, the agreement contains an assignment provision according to which certain trademarks and source code of certain software currently held by Tobii



AB will be transferred from Tobii AB to the Company. The consideration for the license and the transfer was a one-off payment of MSEK 280. Tobii AB may not terminate the license agreement other than in the event of breach of the scope of the license or the obligation to pay the consideration.

## OTHER AGREEMENTS

### Transitional services agreements

Tobii AB and the Company have entered into a transitional services agreement (“TSA”) to regulate inter alia transitional services provided by Tobii AB and its subsidiaries to the Company and its subsidiaries. These services include IT systems and infrastructure, finance/payroll-related services, production/assembly services in China and GDPR advice/assistance.

The TSA regarding the transitional services provided by Tobii AB and its subsidiaries to the Company and its subsidiaries is effective from 1 November 2021 and shall terminate in relation to each transitional service upon expiry of the transitional period applicable to such transitional service. The agreement includes a change of control provision pursuant to which either party may terminate the agreement with immediate effect in the event of a change of control of the other party. According to the TSA, “control” shall mean the direct or indirect ownership of more than 50% or more of the equity or voting rights of that party, except however, that such change of control provision shall not apply to the contemplated Listing of the Company on Nasdaq Stockholm.

## DISPUTES

The Company is not and has not been a party in any legal or arbitration proceeding (including cases that are pending or that the Company is aware could arise) during the last twelve months which have had, or may have, material effects on the Company’s financial position or earnings. Within the ordinary course of business, the Company is from time to time involved in disputes or other proceedings.

## INSURANCE

The Company believes that the Group’s insurance are sufficient with regards to the risks that are normally associated with the Group’s operations. However, there is no guarantee that the Group will not suffer losses that are not covered by its insurance.

## RELATED PARTY TRANSACTIONS

In the section “*Historical financial information – Historical financial information for the time period ending on 30 September 2021 and for the financial years that ended on 31 December 2020 and 2019*” are information regarding related party transactions in note 28 and as regards employees, employee expenses, pensions and remuneration to the Board of Directors of the Company, in note 7.

Since 30 September 2021, up to and including the date of the Prospectus, the following related party transactions that, separately or jointly, can be considered significant to Tobii Dynavox have been carried out:

- The Company has entered into the following agreements with Tobii AB:
  - A supply and license agreement
  - An IP agreement, and
  - An agreement regarding transitional services

For more information about these agreements, refer to section “*Legal considerations and supplementary information – Intellectual property – Supply and license agreement with Tobii AB*”, “*Legal considerations and supplementary information – IP agreement with Tobii AB*” and “*Other agreements – agreement regarding transitional services*”, respectively. On 19 October 2021, Tobii Dynavox made a payment of MSEK 280 under the IP agreement.

- As a part of the separation from Tobii AB, the Company prematurely repaid a loan to Tobii AB of MSEK 257 on 19 October 2021.
- On 29 October 2021, Tobii AB has granted the Company an unconditional shareholder contribution of MSEK 75. The purpose of the unconditional shareholder contribution was to strengthen the Company’s balance sheet.

## INTERESTS OF ADVISORS

BofA Securities will provide financial advisory and other services to the Company in connection with the admission to trading of the common shares on Nasdaq Stockholm, for which BofA Securities will receive customary remuneration. From time to time, BofA Securities will provide services in the ordinary course of business and in connection with other transactions, to Tobii Dynavox and parties affiliated with Tobii Dynavox.

Advokatfirman Vinge KB has been legal counsel in connection with the admission to trading of the common shares on Nasdaq Stockholm. Advokatfirman Vinge KB may provide additional legal services to the Company.

## DOCUMENTS AVAILABLE FOR INSPECTION

Articles of association and registration certificate as well as annual reports for the financial years 2019 and 2020, including auditors’ reports, for the Company and its subsidiaries are available for inspection during the validity period during office hours at the Company’s head office at Karlsrovägen 2D, SE-182 53 Danderyd, Sweden. These documents, with the exemption of the annual reports for the subsidiaries, are also available in electronic form on the Company’s website, [www.tobiidynavox.com](http://www.tobiidynavox.com). The information on the Company’s website is not included in the Prospectus unless that information is specifically incorporated by reference.

# Tax considerations in Sweden

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*Below is a summary of certain Swedish tax issues related to the distribution and the admission for trading of the common shares in the Company on Nasdaq Stockholm for private individuals and limited liability companies that are residents of Sweden for tax purposes, unless otherwise stated. The summary is based on current legislation and is intended to provide general information only regarding the common shares in the Company as from the admission for trading on Nasdaq Stockholm. The tax legislation in the investor's home country and in Sweden may affect any income received from the securities. The summary does not cover:*

- situations where shares are held as current assets in business operations;
- situations where shares are held by a limited partnership or a partnership;
- situations where shares are held in an investment savings account (Sw. *investeringssparkonto*);
- the special rules regarding tax-free capital gains (including non-deductible capital losses) and dividends that may be applicable when the investor holds shares in the Company that are deemed to be held for business purposes (for tax purposes);
- the special rules which in certain cases may be applicable to shares in companies which are or have been so-called close companies or to shares acquired by means of such shares;
- the special rules that may be applicable to private individuals who make or reverse a so-called investor deduction (Sw. *investeraravdrag*);
- foreign companies conducting business through a permanent establishment in Sweden; or
- foreign companies that have been Swedish companies.

*Furthermore, special tax rules apply to certain categories of companies. The tax consequence for each individual shareholder depend on such shareholder's particular circumstances. Each shareholder is advised to consult an independent tax advisor regarding the tax consequences that could arise from the distribution and the admission for trading of the common shares in the Company on Nasdaq Stockholm, including the applicability and effect of foreign tax legislation and provisions in tax treaties.*

## **DISTRIBUTION OF SHARES IN THE COMPANY**

The distribution of shares in the Company is intended to be in accordance with the so-called "Lex Asea-provisions", which means that no immediate taxation is incurred upon the distribution of shares. Under the so-called "Lex Asea-provisions", the shareholders of Tobii AB who are entitled to participate in the distribution will have the acquisition value for their shares in Tobii AB distributed between these shares and the shares received in the Company. The distribution of the acquisition value is based on the change in the value of the shares in Tobii AB that arises as a result of the distribution of the shares in the Company. Tobii AB intends to request for a general guideline from the Swedish Tax Agency on the allocation of the acquisition value. Information regarding the distribution is expected to be available on each company's website and on the Swedish Tax Agency's website, [www.skatteverket.se](http://www.skatteverket.se).

## **HOLDING OF SHARES IN THE COMPANY**

### **Private individuals**

For private individuals' resident in Sweden for tax purposes, capital income such as interest income, dividends and capital gains is taxed in the capital income category. The same applies to shareholders who receive excess share rights in the Company that are sold on their behalf. The tax rate for the capital income category is 30 percent.

The capital gain or the capital loss is computed as the difference between the consideration, less selling expenses, and the acquisition value. The acquisition value of the shares in the Company is to be determined on the basis of the general guideline that the Swedish Tax Agency is expected to announce. The acquisition value for each share right in the Company should amount to one-fifth of the acquisition value of one share

in the Company, which is expected to be determined on the basis of the Swedish Tax Agency's general guideline. The acquisition value for all shares of the same class and type shall be added together and computed collectively in accordance with the so-called average method (Sw. *genomsnittsmetoden*). As an alternative, the so-called standard method (Sw. *schablonmetoden*) may be used at the disposal of listed shares. This method means that the acquisition value may be determined as 20 percent of the consideration less selling expenses.

Capital losses on listed shares are fully deductible against taxable capital gains realised in the same year on shares, as well as on listed securities taxed as shares (however not mutual funds, (Sw. *värdepappersfonder*), or hedge funds, (Sw. *specialfonder*) containing Swedish receivables only, (Sw. *räntefonder*)). 70 percent of capital losses not absorbed by these set-off rules are deductible in the capital income category.

Should a net loss arise in the capital income category, a reduction is granted of the tax on income from employment and business operations, as well as national and municipal property tax. This tax reduction is 30 percent of the net loss that does not exceed SEK 100,000 and 21 percent of any remaining net loss. A net loss cannot be carried forward to future tax years.

For private individuals resident in Sweden for tax purposes, a preliminary tax of 30 percent is withheld on dividends. The preliminary tax is normally withheld by Euroclear Sweden or, in respect of nominee-registered shares, by the nominee.

#### **Limited liability companies**

For limited liability companies (Sw. *aktiebolag*) all income, including taxable capital gains and taxable dividends, is taxed as income from business operations at a rate of 20.6 percent. Capital gains and capital losses are calculated in the same way as described above for private individuals.

Deductible capital losses on shares may only offset taxable capital gains on shares and other securities taxed as shares. A net capital loss on shares that cannot be utilized during the year of the loss, may be carried forward (by the limited liability company that has suffered the loss) and offset against taxable capital gains on shares and other securities taxed as shares in future years, without any limitation in time. If a capital loss cannot be deducted by the company that has suffered the loss, it may be deducted from another legal entity's taxable capital gains on shares and other securities taxed as shares, provided that the companies are entitled to tax consolidation (through so-called group contributions) and both companies request this treatment for a tax year having the same filing date for each company (or, if one of the companies' accounting liability ceases, would have had the same filing date). Special tax rules may apply to certain categories of companies or certain legal persons, e.g. investment companies.

#### **SHAREHOLDERS THAT ARE NOT TAX RESIDENT IN SWEDEN**

For shareholders not resident in Sweden for tax purposes that receive dividends on shares in a Swedish limited liability company, Swedish withholding tax is normally withheld. The same withholding tax applies to certain other payments made by a Swedish limited liability company, such as payments as a result of redemption of shares and repurchase of shares through an offer directed to all shareholders or all holders of shares of a certain class. The withholding tax rate is 30 percent. The tax rate is, however, generally reduced under an applicable tax treaty. In accordance with the so-called "Lex ASEA-provisions" dividend in the form of shares in the Company is exempt from Swedish withholding tax. However, the distribution of shares in the Company could result in tax consequences in other jurisdictions. In Sweden, withholding tax deductions are normally carried out by Euroclear Sweden or, in respect of nominee-registered shares, by the nominee. The tax treaties Sweden has entered into generally enable withholding tax deduction to be made in accordance with the tax rate stipulated in the treaty, provided that Euroclear Sweden or the nominee, as applicable, has received necessary information on the tax residency of the investor entitled to the dividend. Further, investors entitled to reduced tax rate under applicable tax treaties may seek a refund from the Swedish Tax Agency if withholding tax has been withheld at a higher tax rate.

Shareholders not resident in Sweden for tax purposes - which are not conducting business through a permanent establishment in Sweden - are normally not liable for capital gains taxation in Sweden upon disposals of shares. Shareholders may, however, be subject to taxation in their state of residence.

According to a special rule, private individuals not resident in Sweden for tax purposes are, however, subject to Swedish capital gains taxation upon disposals of shares, including share rights, in the Company, if they have been residents of Sweden due to a habitual abode in Sweden or a stay in Sweden for six consecutive months at any time during the calendar year of disposal or the ten calendar years preceding the year of disposal. In a number of cases though, the applicability of this rule is limited by tax treaties.

# Definitions

<b>BofA Securities</b>	Bank of America Europe Designated Activity Company, Stockholm Branch.
<b>CAGR</b>	Compound annual growth rate.
<b>Early adopters</b>	Precursor, early adopter, pioneer - one who early acquires new products and follows new trends.
<b>EUR</b>	Euro.
<b>Euroclear Sweden</b>	Euroclear Sweden AB.
<b>FDA</b>	U.S. Food and Drug Administration.
<b>R&amp;D</b>	Research and development.
<b>FERPA</b>	Family Educational Rights and Privacy Act.
<b>HIPAA</b>	Health Insurance Portability and Accountability Act.
<b>MSEK</b>	Millions of Swedish kronor.
<b>MEUR</b>	Millions of euro.
<b>MUSD</b>	Millions of American dollars.
<b>Nasdaq Stockholm</b>	The regulated market operated by Nasdaq Stockholm AB.
<b>SAM</b>	Serviceable addressable market.
<b>SEK</b>	Swedish kronor.
<b>SOM</b>	Serviceable obtainable market.
<b>TAM</b>	Total addressable market.
<b>The Code</b>	The Swedish Corporate Governance Code.
<b>Tobii AB</b>	Tobii AB (publ), the Group in which Tobii AB (publ), is the parent company or a subsidiary of the Tobii AB group, depending on the context.
<b>The Tobii AB Group</b>	Tobii AB (publ) and its subsidiaries.
<b>Tobii Dynavox, the Company or the Group</b>	Tobii Dynavox AB, the Group in which Tobii Dynavox AB, is the parent company or a subsidiary of the Group, depending on the context.
<b>USD</b>	American dollars.

# Tobii Dynavox

## Historical financial information

### 2019–2021

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The financial information on pages F-1–F-3 are derived from Tobii Dynavox AB's interim report for the time period ending on 30 September 2021, which has not been audited or reviewed.

# The Group's combined income statement

MSEK	Q3 2021	Q3 2020	Nine months 2021	Nine months 2020	Full year 2020
Revenues	254.5	204.0	626.5	662.1	895.2
Cost of goods and services sold	-84.9	-67.2	-212.7	-226.2	-303.5
<b>Gross profit</b>	<b>169.7</b>	<b>136.7</b>	<b>413.8</b>	<b>435.9</b>	<b>591.7</b>
Selling expenses	-79.3	-67.5	-232.2	-218.6	-288.1
Research and development expenses	-29.1	-24.7	-83.7	-82.2	-108.6
Administrative expenses	-20.2	-15.2	-53.9	-48.7	-67.9
Other operating income and operating expenses	0.8	-1.6	2.7	6.5	0.0
<b>Operating profit</b>	<b>41.9</b>	<b>27.8</b>	<b>46.7</b>	<b>93.0</b>	<b>127.2</b>
Net financial items	-4.4	-7.8	-14.7	-18.5	-23.9
<b>Profit before tax</b>	<b>37.5</b>	<b>19.9</b>	<b>32.0</b>	<b>74.5</b>	<b>103.4</b>
Income Tax	-16.0	-2.2	-7.5	-12.4	26.5
<b>Net profit for the period</b>	<b>21.4</b>	<b>17.7</b>	<b>24.5</b>	<b>62.1</b>	<b>129.8</b>
<b>Other comprehensive income</b>					
Items that may be reclassified to net profit for the period:					
Translation differences	1.9	0.8	3.7	-0.1	-4.0
Other comprehensive income for the period, net after tax	1.9	0.8	3.7	-0.1	-4.0
<b>Total comprehensive income for the period</b>	<b>23.4</b>	<b>18.5</b>	<b>28.2</b>	<b>62.0</b>	<b>125.8</b>
Earnings per share, SEK	0.21	0.18	0.25	0.62	1.30
Earnings per share, diluted, SEK	0.21	0.18	0.25	0.62	1.30
Net profit for the period attributable to:					
Parent Company's shareholders	21.4	17.7	24.5	62.1	129.8
<b>Net profit for the period</b>	<b>21.4</b>	<b>17.7</b>	<b>24.5</b>	<b>62.1</b>	<b>129.8</b>
<b>Total comprehensive income for the period attributable to:</b>					
Parent Company's shareholders	23.4	18.5	28.2	62.0	125.8
<b>Total comprehensive income for the period</b>	<b>23.4</b>	<b>18.5</b>	<b>28.2</b>	<b>62.0</b>	<b>125.8</b>

# The Group's combined balance sheet

MSEK	Sept 30 2021	Sept 30 2020	Dec 31 2020
<b>NON-CURRENT ASSETS</b>			
<b>Intangible assets</b>			
Capitalized development expenditures	192.6	178.9	182.1
Trademarks	96.6	97.6	93.4
Other intangible assets	1.6	1.5	1.4
<b>Total</b>	<b>290.8</b>	<b>278.0</b>	<b>276.9</b>
<b>Tangible fixed assets</b>			
Plant and machinery	5.1	13.3	13.4
Equipment, tools, fixtures and fittings	2.2	1.6	1.4
Right-of-use assets	46.9	59.0	51.5
Other tangible fixed assets	10.8	18.2	15.8
<b>Total</b>	<b>65.0</b>	<b>92.0</b>	<b>82.1</b>
<b>Financial and other non-current assets</b>			
Deferred tax assets	52.4	15.7	51.6
Other long-term receivables	0.4	0.3	0.3
<b>Total</b>	<b>52.8</b>	<b>16.0</b>	<b>51.9</b>
<b>Total non-current assets</b>	<b>408.6</b>	<b>386.0</b>	<b>410.9</b>
<b>CURRENT ASSETS</b>			
Trade receivables	123.2	127.0	124.6
Inventories	40.2	41.2	39.9
Other current receivables	40.1	43.7	14.6
Prepaid expenses and accrued income	17.4	15.7	15.4
Cash and cash equivalents	109.8	118.0	172.7
<b>Total current assets</b>	<b>330.7</b>	<b>345.6</b>	<b>367.3</b>
<b>TOTAL ASSETS</b>	<b>739.3</b>	<b>731.6</b>	<b>778.2</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital	0.1	0.1	0.1
Reserves	-1.6	-1.5	-5.4
Retained earnings	58.3	-8.0	34.7
<b>Total equity</b>	<b>56.7</b>	<b>-9.4</b>	<b>29.3</b>
<b>Non-current liabilities</b>			
Leasing liabilities, long-term	42.0	48.8	42.9
Other non-current liabilities	106.2	442.0	88.0
<b>Total non-current liabilities</b>	<b>148.2</b>	<b>490.9</b>	<b>130.9</b>
<b>CURRENT LIABILITIES</b>			
Interest-bearing short-term loans	278.0	-	362.9
Leasing liabilities, short-term	11.2	11.7	10.3
Trade payables	58.1	46.5	58.8
Tax liabilities	4.5	0.3	1.0
Other current liabilities	15.0	22.3	16.5
Accrued expenses and deferred revenue	167.6	169.5	168.4
<b>Total current liabilities</b>	<b>534.4</b>	<b>250.2</b>	<b>618.0</b>
<b>Total liabilities</b>	<b>682.6</b>	<b>741.0</b>	<b>748.9</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>739.3</b>	<b>731.6</b>	<b>778.2</b>

# The Group's combined statement of cash flows

MSEK	Q3 2021	Q3 2020	Nine months 2021	Nine months 2020	Full year 2020
<b>Cash flow from operating activities</b>					
Profit after financial items	37.5	19.9	32.0	74.5	103.4
whereof paid and received interest	0.1	0.1	0.2	0.1	0.1
Adjustments for items not included in cash flow	32.7	26.7	90.4	82.9	107.8
Taxes paid	-0.2	-2.0	-0.8	-2.6	-1.5
<b>Cash flow before changes in working capital</b>	<b>69.9</b>	<b>44.6</b>	<b>121.6</b>	<b>154.8</b>	<b>209.7</b>
<b>Changes in working capital</b>					
Inventories	1.3	4.9	1.9	21.0	19.1
Operating receivables	-49.9	-9.2	-17.8	17.5	8.8
Operating liabilities	1.2	27.8	-3.8	7.1	34.9
<b>Cash flow from changes in working capital</b>	<b>-47.4</b>	<b>23.5</b>	<b>-19.7</b>	<b>45.6</b>	<b>62.8</b>
<b>Cash flow from operating activities</b>	<b>22.5</b>	<b>68.1</b>	<b>101.9</b>	<b>200.4</b>	<b>272.5</b>
<b>Investing activities</b>					
Investments in intangible assets	-16.3	-20.5	-55.5	-60.4	-78.4
Investments in tangible assets	-1.6	-1.5	-4.1	-19.3	-23.6
Aquisition of subsidiaries, net of cash acquired	-2.0	-	-2.3	-	-
<b>Cash flow from investing activities</b>	<b>-19.9</b>	<b>-22.1</b>	<b>-61.9</b>	<b>-79.7</b>	<b>-102.0</b>
<b>Financing activities</b>					
Repayment of lease liability	-2.5	-2.2	-6.7	-6.8	-9.0
Cash flow from other financing activities with shareholder, Tobii Group	-43.3	-34.8	-99.8	-42.4	-30.6
<b>Cash flow from financing activities</b>	<b>-45.8</b>	<b>-37.0</b>	<b>-106.5</b>	<b>-49.2</b>	<b>-39.6</b>
<b>Cash flow for the period</b>	<b>-43.1</b>	<b>9.0</b>	<b>-66.5</b>	<b>71.6</b>	<b>130.9</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>152.1</b>	<b>110.4</b>	<b>172.7</b>	<b>48.6</b>	<b>48.6</b>
Foreign Currency translation, cash and cash equivalents	1.2	-1.3	4.5	-2.6	-8.0
Other cash flow from transactions with shareholder, Tobii Group	-0.3	-0.1	-0.9	0.4	1.2
<b>Cash and cash equivalents at the end of the period</b>	<b>109.8</b>	<b>118.0</b>	<b>109.8</b>	<b>118.0</b>	<b>172.7</b>

The financial statements below are combined financial statements, intended to present the historical financial information of the Tobii Dynavox Group.

# Combined income statement

SEK million	Note	2021 (9 months)	2020 (12 months)	2019 (12 months)
Net sales	5	626.5	895.2	908.8
Cost of goods and services sold		-212.7	-303.5	-315.2
<b>Gross profit</b>		<b>413.8</b>	<b>591.7</b>	<b>593.6</b>
Selling expenses		-232.2	-288.1	-308.9
Research and development expenses		-83.7	-108.6	-121.3
Administrative expenses	6	-53.9	-67.9	-66.7
Other operating income and operating expenses	10	2.7	0.0	4.3
<b>Operating profit</b>	5, 6, 7, 8, 9	<b>46.7</b>	<b>127.2</b>	<b>101.0</b>
<i>Profit/loss from financial items</i>				
Financial income	11	1.3	3.9	3.9
Financial expenses	11	-15.9	-27.8	-23.9
<b>Total financial income and expenses</b>		<b>-14.7</b>	<b>-23.9</b>	<b>-20.0</b>
<b>Profit before tax</b>		<b>32.0</b>	<b>103.4</b>	<b>81.0</b>
Tax	12	-7.5	26.5	-13.3
<b>Net profit/loss for the period</b>		<b>24.5</b>	<b>129.8</b>	<b>67.7</b>
<b>Other comprehensive income</b>				
<i>Items that may subsequently be reclassified to profit or loss for the period</i>				
Translation differences		3.8	-4.0	-1.4
Other comprehensive income for the period, net after tax		3.8	-4.0	-1.4
<b>Total comprehensive income for the period</b>		<b>28.2</b>	<b>125.8</b>	<b>66.3</b>
Basic earnings per share, SEK	13	0.25	1.30	0.68
Earnings per share for the year, diluted, SEK	13	0.25	1.30	0.68

# Combined balance sheet

SEK million	Note	2021-09-30	2020-12-31	2019-12-31
<b>Non-current assets</b>				
Intangible fixed assets	14	290.8	276.9	263.1
Property, plant and equipment	15	18.0	30.6	29.9
Right-of-use assets	16	46.9	51.5	40.9
Deferred tax asset	12	52.4	51.6	16.2
Financial and other non-current assets		0.4	0.3	20.3
<b>Total non-current assets</b>		<b>408.6</b>	<b>410.9</b>	<b>370.4</b>
<b>Current assets</b>				
Accounts receivable	17	123.2	124.6	146.7
Inventories	18	40.2	39.9	63.2
Other current receivables		40.1	14.6	25.0
Prepaid expenses and accrued income	19	17.4	15.4	15.4
Cash and cash equivalents	20	109.8	172.7	48.6
<b>Total current assets</b>		<b>330.7</b>	<b>367.3</b>	<b>298.9</b>
<b>Total assets</b>		<b>739.3</b>	<b>778.2</b>	<b>669.3</b>
<b>EQUITY</b>				
Share capital	22	0.1	0.1	0.1
Reserves	23	-1.6	-5.4	-1.4
Retained earnings		58.2	34.7	-96.1
<b>Total equity</b>		<b>56.7</b>	<b>29.3</b>	<b>-97.4</b>
<b>LIABILITIES</b>				
<b>NON-CURRENT LIABILITIES</b>				
Interest-bearing non-current loans	24	0.0	0.0	356.7
Lease liabilities	16.24	42.0	42.9	30.8
Other non-current liabilities		106.2	88.0	96.0
<b>Total non-current liabilities</b>		<b>148.2</b>	<b>130.9</b>	<b>483.5</b>
<b>CURRENT LIABILITIES</b>				
Interest-bearing current loans	24	278.0	362.9	38.6
Accounts payable		58.1	58.8	56.8
Lease liabilities	16.24	11.2	10.3	10.2
Other current liabilities		19.5	17.6	8.6
Accrued expenses and deferred income	25	167.6	168.4	169.1
<b>Total current liabilities</b>		<b>534.4</b>	<b>618.0</b>	<b>283.3</b>
<b>Total liabilities</b>		<b>682.6</b>	<b>748.9</b>	<b>766.7</b>
<b>Total equity and liabilities</b>		<b>739.3</b>	<b>778.2</b>	<b>669.3</b>



# Combined statement of cash flows

SEK million	Note	2021 (9 months)	2020 (12 months)	2019 (12 months)
<b>Operating activities</b>				
Profit after financial items	27	32.0	103.4	81.0
Adjustments for items not included in cash flow	27	90.4	107.8	99.2
Taxes paid		-0.8	-1.5	-1.2
<b>Cash flow from operating activities before changes in working capital</b>		<b>121.6</b>	<b>209.7</b>	<b>179.0</b>
<b>Cash flow from change in working capital</b>				
Increase(-)/Decrease(+) in inventories		1.9	19.1	-19.2
Increase(-)/Decrease(+) in operating receivables		-17.8	8.8	-23.5
Increase(+)/Decrease(-) in operating liabilities		-3.8	34.9	48.4
<b>Cash flow from operating activities</b>		<b>101.9</b>	<b>272.5</b>	<b>184.7</b>
<b>Investing activities</b>				
Investments in intangible fixed assets		-55.5	-78.4	-87.1
Investments in property, plant and equipment		-4.1	-23.6	-21.5
Acquisition of subsidiary, net of cash acquired		-2.3	-	-
<b>Cash flow from investing activities</b>		<b>-61.9</b>	<b>-102.0</b>	<b>-108.6</b>
<b>Financing activities</b>				
Cash flow from other financing activities with shareholders, Tobii Group	28	-99.8	-30.6	-69.1
Repayment of lease liability		-6.7	-9.0	-8.4
<b>Cash flow from financing activities</b>		<b>-106.5</b>	<b>-39.6</b>	<b>-77.6</b>
<b>Cash flow for the year</b>		<b>-66.5</b>	<b>130.9</b>	<b>-1.4</b>
Cash and cash equivalents at the beginning of the year		172.7	48.6	46.1
Currency translation impact on cash and cash equivalents		4.5	-8.0	2.2
Other cash flow from transactions with shareholders, Tobii Group <sup>1)</sup>	28	-0.9	1.2	1.8
<b>Cash and cash equivalents at year-end</b>		<b>109.8</b>	<b>172.7</b>	<b>48.6</b>

1) The item "Other cash flow from transactions with shareholders, Tobii Group" refers to cash effects from cash flows included in the Tobii Dynavox combined financial statements and attributable to legal entities that will remain in the Tobii Group after the spin-off.

# Combined statement of changes in equity

SEK million	Note	Attributable to Parent Company shareholders				Total equity
		Share capital	Other paid-in capital	Reserves	Retained earnings	
<b>Opening balance 2019-01-01</b>		<b>0.1</b>			<b>-177.4</b>	<b>-177.4</b>
<i>Change in equity 12 months</i>						
Comprehensive income for the period				-1.4	67.7	66.3
Group contributions	28				-36.7	-36.7
Tax effects of transactions reflected directly in equity					7.8	7.8
Shareholder contributions	28				20.0	20.0
Other transactions with shareholders, Tobii Group	28				22.5	22.5
<b>Closing balance, 2019-12-31</b>		<b>0.1</b>		<b>-1.4</b>	<b>-96.1</b>	<b>-97.4</b>
<b>Opening balance, 2020-01-01</b>		<b>0.1</b>		<b>-1.4</b>	<b>-96.1</b>	<b>-97.4</b>
<i>Change in equity 12 months</i>						
Comprehensive income for the period				-4.0	129.8	125.8
Group contributions	28				-61.1	-61.1
Tax effects of transactions reflected directly in equity					12.6	12.6
Shareholder contributions	28				48.0	48.0
Other transactions with shareholders, Tobii Group	28				1.4	1.4
<b>Closing balance, 2020-12-31</b>		<b>0.1</b>		<b>-5.4</b>	<b>34.7</b>	<b>29.3</b>
<b>Opening balance, 2021-01-01</b>		<b>0.1</b>		<b>-5.4</b>	<b>34.7</b>	<b>29.3</b>
<i>Change in equity 9 months</i>						
Comprehensive income for the period				3.8	24.5	28.2
Other transactions with shareholders, Tobii Group	28				-0.9	-0.9
<b>Closing balance, 2021-09-30</b>		<b>0.1</b>		<b>-1.6</b>	<b>58.2</b>	<b>56.7</b>

# Notes

## Note 1. General information

Tobii Dynavox AB (publ) (Parent Company), corporate identity number 556914-7563, is a Swedish limited liability company with its registered office in Danderyd, Sweden. The address of the head office is Karlsrovägen 2D, Danderyd, Sweden. Tobii Dynavox AB (publ) and its subsidiaries (together the Group) is a global market leader in assistive technology for people with reduced ability to communicate. To meet the varying needs and requirements of users, eye-controlled communication solutions with integrated eye-tracking sensors, as well as touchscreen-controlled solutions and software are offered in an advanced ecosystem of resources and support. The ability to communicate and live more independently can dramatically impact quality of life for both users and their loved ones.

Tobii Dynavox operates globally from its offices in Sweden, China, Norway, the US and the UK.

## Note 2. Summary of significant accounting policies

### GENERAL INFORMATION

This section provides an overview of the basis used to prepare the combined financial statements. For information on accounting for certain line items, see the relevant note.

These combined financial statements comprise Tobii Dynavox AB, the Parent Company and its subsidiaries and have been prepared to present the Tobii Dynavox Group's historical financial information for the 2019 and 2020 financial years, as well as for the nine-month period ended September 30, 2021.

Depending on the context, the terms "Tobii Dynavox," "the Group" or "the Company" refer to Tobii Dynavox AB with corporate identity number 556914-7563, or to the group from which Tobii Dynavox and its subsidiaries emanate. Summed figures presented in tables and running text do not always agree with the calculated sum of the separate subcomponents due to rounding differences. The aim is for each sub-component to be consistent with its original source; consequently, rounding differences may affect the total when all sub-components are summed.

### BASIS OF PREPARATION OF THE ACCOUNTS

The combined financial statements have been prepared in accordance with international Financial Reporting standards (IFRS), issued by the international accounting standards Board (IASB) and the interpretation statements of the international Financial Reporting Interpretations Committee (IFRIC) as approved by the European Commission for application within the EU. Furthermore, the Swedish Financial Reporting Board's Recommendation RFR 1, "supplementary accounting Rules for Groups" has also been applied. IFRS does not specifically address the preparation of combined financial statements. The term "combined financial statements" refers to the

financial information of entities under common control that do not qualify as a group under IFRS 10 (Consolidated Financial Statements). The combined financial statements are intended to present the historical financial information of the Tobii Dynavox Group. A key requirement for the preparation of these historical financial statements is that all entities were under common control through the ownership of Tobii AB at the time of inclusion in the combined financial statements.

The formation of the Tobii Dynavox Group (the "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.

*The Tobii Dynavox Group consists of:*

Tobii Dynavox AB, Sweden (owns 100% of the following companies)

- Tobii Dynavox AS, Norway
- Tobii Dynavox GMBH, Germany
- Tobii Dynavox Technology (Suzhou) Co. Ltd, China
- Tobii Dynavox Trading (Suzhou) Co. Ltd, China
- Assistive Technology Inc, USA (owns 100% of the following companies)
  - Tobii Dynavox LLC, USA
  - Eye Response Technologies Inc, USA
  - DynaVox International Holdings Inc, USA
  - Tobii Dynavox Canada Inc, Canada
  - Tobii Dynavox Ltd, UK

The above-mentioned companies in Germany and China were launched in 2021. The Tobii Dynavox segment activities of the Tobii Group companies in Germany and China will be transferred to these newly established companies in the autumn of 2021. In the combined financial statements, the results generated in the 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.

For companies acquired or disposed of during the period covered by the combined financial statements, the following applies:

- Companies that have been acquired have been included in the combined statement of comprehensive income from the moment that Tobii AB or Tobii Dynavox AB obtained control.
- Divested companies are included in the combined income statement, where applicable, until Tobii AB or Tobii Dynavox AB no longer has control over the company. However, no disposals took place during the period covered by the reports.

During the third quarter of 2021, Tobii Dynavox entered into a perpetual license agreement with Tobii AB, for a one-time fee of SEK 280 million. The agreement gives the Company the right to use Tobii in combination with Tobii Dynavox and the transfer of certain trademarks from Tobii AB. This agreement has arisen in connection with the separation and is therefore not reflected in these combined financial statements.

As Tobii Dynavox has not previously prepared either consolidated or combined financial statements, these financial statements are the first IFRS financial statements of Tobii Dynavox to which IFRS 1 is to be applied (First-time Adoption of International Reporting Standards). IFRS 1 prescribes the procedures to be followed when an entity applies IFRS standards for the first time. IFRS 1 requires the same accounting policies to be applied in the opening balance sheet as at January 1, 2019 and in subsequent periods. The accounting policies applied shall be those IFRS standards in force at September 30, 2021, with certain mandatory and optional exemptions. For the presentation of the combined financial statements, the Tobii Dynavox Group has chosen to apply the optional exemptions in IFRS 1:

The cumulative translation difference for all foreign subsidiaries is assumed to be zero in the opening balance sheet for 2019.

Since the Tobii Group chose to apply the simplified transition method when transitioning to IFRS 16, as of Jan. 1, 2019, this is also how it was handled in the creation of the Tobii Dynavox Group, i.e. the cumulative effect of the transition to IFRS 16 is recognized as the opening balance for 2019.

The Tobii Dynavox Group has chosen to apply the same accounting policies as those applied by the Tobii AB Group. The Tobii AB Group has accounted for Tobii Dynavox as one of three segments within the Group. The management of Tobii Dynavox has determined that the Group's operations currently constitute only one segment.

Given that not only separate legal entities were transferred in the formation of the Tobii Dynavox Group, but also parts of legal entities, the following were taken into account in preparing the combined financial statements to determine the assets, liabilities, income and expenses and cash flows that are included. The accounting policies set out below have been applied consistently to all periods presented and to all entities included in the combined financial statements.

The preparation of reports in accordance with IFRS requires the use of a number of important estimates for accounting purposes.

Furthermore, management is required to make certain judgments in the application of the Group's accounting policies. The areas involving a high degree of judgement, complexity, or areas where assumptions and estimates are significant to the combined financial statements are disclosed in note 4.

## CONSOLIDATION PRINCIPLES APPLIED

The combined financial statements include Tobii Dynavox AB and all companies over which the Parent Company (Tobii Dynavox AB) has power, i.e. the power to direct the activities; exposure to variable return and the ability to use its power. When the Group ceases to have control or significant influence over the entity, any retained interest in the entity is remeasured at its fair value, with the change in carrying amount recognized in the Group's comprehensive income. The combined financial statements also include an assessed portion of companies with cross-segment operations.

Intra-group receivables and payables, income or expenses and unrealized gains or losses arising from intra-group transactions between group companies are eliminated in full in preparing the combined financial statements.

## ALLOCATION OF INCOME AND EXPENSES

The basis for the allocation of revenues and expenses for the Tobii Dynavox Group has been primarily the accounting of the Tobii Group segments. The Tobii Group has made an internal cost allocation where certain central costs such as IT and HR functions have been charged to the respective segments. The cost allocations are based on actual costs incurred by the Tobii Group.

Historically, the Tobii Group has not charged the Tobii Dynavox segment for any royalty or license fees relating to the Tobii brand. No such charges have been taken into account in these combined reports either. During the third quarter of 2021, Tobii Dynavox entered into an agreement with Tobii AB regarding a perpetual license, which for a one-time fee of SEK 280 million gives Tobii Dynavox the right to use the Tobii brand in combination with Dynavox and in combination with PCS. This fee also includes the Dynavox (in Canada and Europe) and PCS (in Canada and Europe) trademarks transferred to Tobii Dynavox.

## RECOGNITION OF RECEIVABLES AND PAYABLES

The most significant receivable during the financial years presented relates to the promissory note to Tobii AB that arose at the beginning of 2019 in connection with the formation of the Tobii Dynavox Group, when Tobii Dynavox AB acquired both incoming and subsidiary shares from Tobii AB at their carrying amounts. Interest on the promissory note has been paid at 5%. In 2019, no interest was charged on the intercompany loan, but an estimated interest rate for 2019 has been included in the combined reports. This transaction has then been recognized directly through equity and is reported in Equity on the line "Other transactions with shareholders, Tobii Group".

Tobii Dynavox AB received shareholder contributions and paid group contributions to Tobii AB in 2019 and 2020. These transactions have been excluded from the combined financial statements, as these statements aim to show the Group as if it had stood on its own feet from 2019. These transactions have also been recognized directly through equity and are disclosed on separate lines in the equity specification.

If the Group contribution had not been paid, Tobii Dynavox would have paid tax instead, resulting in a tax calculated for 2019 and 2020, which has been charged to profit or loss in the combined financial statements, and recognized through Equity on a separate line in the specification.

For 2021-09, tax was calculated for Tobii Dynavox, which has been recognized in the income statement and balance sheet (tax liability).

In addition, over time the Group and Tobii AB have had short-term transactions of a settlement nature.

## NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED BY THE GROUP

Amendments to IFRS 1 First-time Adoption of IFRS; IFRS 3 Business Combinations; IFRS 9 Financial Instruments; IFRS 16 Leases; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets are not mandatory for 2021 and have not been early adopted. The amendments are not expected to have a material impact on Dynavox in current or future accounting periods, nor on future transactions that can be predicted at this time.

## EARNINGS PER SHARE

The Extraordinary General Meeting of Tobii on October 25, 2021 resolved, in accordance with the proposal of the Board of Directors, to distribute all common shares in Tobii Dynavox to the ordinary shareholders of Tobii. The meeting also resolved to issue a number of shares in Tobii Dynavox AB so that the number of shares will be equal to the number of common shares in Tobii AB on the record date determined by the Board. All shares in Tobii Dynavox will be distributed to Tobii shareholders in proportion to each shareholder's holding in Tobii. For each share in Tobii AB, shareholders will receive one share in Tobii Dynavox AB.

As of September 30, Tobii has 99,800,523 common shares; consequently, this is the number of shares presented in the combined financial statements for all periods. Calculation of earnings per share for each period presented in these combined financial statements is based on the Tobii Dynavox Group's net profit attributable to shareholders of the Parent Company, divided by the number of outstanding shares in Tobii AB as at September 30, 2021. Tobii AB has a number of option and stock unit programs in place that may affect the number of shares in Tobii Dynavox AB in the future. The combined financial statements have not taken into account any dilutive effect of the number of shares from these option and stock unit programs. See note 13 for more information.

## SHAREHOLDER AND RELATED-PARTY TRANSACTIONS

Group contributions and shareholder contributions between the Tobii Dynavox Group and the Tobii AB Group have been accounted for separately in equity in these combined financial statements. In the combined financial statements, the results generated in the 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. Transactions with companies within the "new" Tobii AB Group in the ordinary course of business have been recognized as related-party transactions. See note 28 for more information.

## SEGMENT REPORTING

The Tobii AB Group has conducted business through three divisions, Tobii Dynavox, Tobii Pro and Tobii Tech, each of which has had its own distinct markets, products and personnel.

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.

## FUNCTIONAL CURRENCY

The Parent Company's functional currency is Swedish kronor (SEK), which is also the presentation currency for the Parent Company and the Group. This means that the financial statements are presented in Swedish krona. Unless otherwise stated, all amounts are rounded to the nearest million (SEK million).

## FOREIGN CURRENCY

### Transactions in foreign currency

Transactions in foreign currency are translated into the functional currency at the exchange rates prevailing on the date of the transaction. Monetary assets and liabilities in foreign currency are translated into the functional currency at the exchange rates prevailing on the balance sheet date. Non-monetary assets and liabilities recognized at historic cost are translated at the exchange rates prevailing on the date of the transaction.

Non-monetary assets and liabilities recognized at fair value are translated into the functional currency at the exchange rate prevailing on the date fair value measurement was applied. Exchange rate differences that arise on the translations are recognized in the income statement, both in operating profit/ loss and in net financial items depending on the nature of the underlying transactions.

SEK million	Closing price			Average rate		
	2021-09	2020-12	2019-12	2021-09	2020-12	2019-12
EUR	10.201	10.037	10.434	10.120	10.487	10.588
USD	8.791	8.189	9.317	8.489	9.204	9.458
GBP	11.810	11.087	12.214	11.758	11.798	12.072

### Foreign entities' financial statements

The functional currency is the currency in the primary economic environment in which the entity operates. Assets and liabilities in foreign operations, including goodwill and other consolidated surpluses and deficits, are translated from the foreign entities' functional currency to the Group's presentation currency, Swedish krona, at the exchange rate prevailing on balance sheet date. Income and expenses in a foreign entity is translated to Swedish krona at an average rate that is an approximation of the exchange rates pertaining on the dates of the transactions respectively. Translation differences that arise on the translation of foreign entities are recognized in Other comprehensive income as a translation reserve. When a foreign entity is divested, the accumulated translation differences attributable to the entity are recognized in the consolidated statement of comprehensive income.

## REVENUE RECOGNITION

### General

The Group applies IFRS 15 "Revenue from Contracts with Customers" where the basic principle is that an entity should recognize revenue in the manner that reflects the transfer of the promised good or service to the customer, at the amount the entity expects to be entitled to receive in exchange for the good or service. Revenue is recognized when the customer obtains control over the good or service. Revenue is recognized based on the contract with the customer and is recorded at the transaction price of the consideration to which Tobii Dynavox expects to be entitled in exchange for the goods or services, net of sales tax, estimated customer returns, rebates and similar deductions. The Group derives the majority of its revenue from products provided in bundles of hardware, software and services.



### **Sale of goods**

Tobii's revenue from goods consists primarily of the sale of self-manufactured products at fixed prices. The Group sells both hardware and software. Revenue from the sale of goods is recognized when control of the goods is transferred, which occurs when the goods are delivered to the buyer and there are no unfulfilled commitments that could affect the buyer's acceptance of the goods. If there is significant uncertainty regarding payment, associated expenses or risk of return, revenue is not recognized. Software is sold either for a one-off fee, where the customer receives the right to use the software in the format in which it is delivered in perpetuity, or as a subscription which includes updates, support and service. Since software is sold for a one-off fee, revenue is recognized on delivery. When software is sold as a subscription, revenue is allocated over the period of the subscription.

### **Service assignments**

Revenue from services consists primarily of support, service contracts, consultancy assignments and training. These services are provided either based on time and material, and revenue is recognized in the period during which the service is rendered—or as fixed price agreements during a defined period and revenue is recognized in the period during which the service is rendered, allocated on a straight-line basis over the term of the agreement.

### **Sale of bundles that include both goods and services**

The majority of products sold within the Group are sold as bundles consisting of both goods such as hardware and software as well as service commitments in the form of extended warranty and customer support delivered in future periods after the date of sale. Tobii Dynavox products are closely integrated with and defined by standard customer contracts. When contracts include both goods and services, the transaction price is allocated to the separate performance obligations and revenue is recognized when each separate performance obligation is fulfilled. Revenue for goods and service commitments is recognized according to the above models for each sale.

Normally, analysis is applied based on principles for different types of bundles including service or support:

- 1) Hardware not including future service obligations
- 2) Hardware including future service obligations
- 3) Perpetual software with limited support and updates
- 4) Perpetual software including support and upgrades
- 5) Subscriptions, rentals and other services

For such sales, revenue is allocated between goods and services. The revenue for goods and service commitments is then recognized according to the respective sales model above.

### **Rental revenue**

A minor part of the Group's revenue comes from product rentals. Products are rented out for a short period of time, so the customer can try out the product before making a purchase. Revenue and corresponding expenses regarding product rentals are recognized in the period in which the rental occurs.

### **Royalty revenue**

The Company's royalty revenue mainly relates to income from use of the Company's proprietary illustrated communication symbols. The Company's customers receive the right to use the symbols in exchange for royalties -royalty revenue is recognized according to actual usage.

### **Transaction price**

Transaction price is assigned to each performance obligation promised in a customer contract. The price of a defined benefit obligation is determined either by 1) a fixed price that is set when the obligation is sold separately, 2) an estimate of the cost of providing the obligation plus a margin, known as "cost plus," or 3) in the latter case, by the residual method. The Company sometimes sells products at a discount; revenue for such sales is recognized based on the quoted price of the product less the estimated discounts. Discounts are calculated and recognized based on experience using estimates of the most likely amount. Revenue is recognized only to the extent that it is highly probable that a material reversal will not occur. The estimated discount is revised at each reporting occasion.

### **Government grants**

Government grants are recognized in the balance sheet as deferred income when there is reasonable assurance that the grant will be received and the Group will fulfill the terms associated with the grant. Grants are allocated systematically in the income statement in the same manner and over the same periods as the expenses for which the grants are intended to compensate.

Government grants related to assets are reported in the balance sheet as deferred income and allocated over the asset's useful life as operating income.

Certain divisions within Tobii Dynavox received government support related to COVID-19 during the reporting period, including for short-term layoffs in Sweden. For grants linked to costs, Tobii Dynavox has chosen to recognize these grants as a reduction of costs for the items to which the grants relate. Grants without a direct link to cost items are recognized as other operating income.

### **Contract assets and contract liabilities**

The timing of revenue recognition, invoicing and payments received results in invoiced accounts receivables, as well as customer advances and customer payments (contract liabilities) in the consolidated balance sheet. The Tobii Dynavox Group sometimes receives advances or payments from customers, before revenue is recognized, which results in contract liabilities. These contract liabilities are recognized in the consolidated balance sheet at the end of each reporting period. The Group has no contract assets. Payment terms vary from contract to contract and depend on what has been agreed with the customer.

Costs of obtaining customer contracts are not recognized as assets since most of the performance obligations under the contracts are fulfilled within one year. There is no financing component in customer contracts when the time from the transfer of the goods/service to the payment from the customer is less than one year.

### **LEASES**

The Group is the lessee under all existing leases. The Group is not active as a landlord. Leasing arrangements as lessee applies mainly to assets such as office premises and warehouses, vehicles and certain other equipment.

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Such an assessment is performed at inception of a contract. An identified lease agreement is further categorized as either a short-term lease, a lease of a low-value asset, or a standard lease. Short-term leases are defined as leases with a term of twelve months or less.

Lease payments related to short-term and low-value leases are recognized as operating expenses on a straight-line basis over the lease term. The group applies the term "standard lease" to all identified leases which are categorized as neither short-term leases nor leases of a low-value asset. Thus, a standard lease is a lease

agreement for which a right-of-use asset and a corresponding lease liability are recognized at commencement of the lease.

Assets and liabilities arising from a lease are initially measured on a present value basis. The lease liability is determined as the present value of all future lease payments at the commencement date using the implicit rate in the contract, if that rate can be readily determined. If the implicit rate cannot be readily determined, the Group's incremental borrowing rate is used, reflecting the Group's credit rating and with consideration taken to the maturity of the lease, the underlying asset, the funds necessary to obtain, and the economic environment.

A right-of-use asset is measured at cost comprising the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement day, less any lease incentives received, and any initial direct costs. The right-of-use asset is subsequently measured at cost less accumulated depreciation, any impairment losses as well as any remeasurement of the lease liability. Depreciation is made on a straight-line basis over the shorter of the asset's useful life and the lease-term. Depreciation starts at the commencement date of the lease.

A lease payment related to a standard lease is accounted for partly as repayment of the lease liability and partly as interest expense in the statement of comprehensive income.

## FINANCIAL INCOME AND EXPENSES

Financial income and expenses consist of interest income on funds in banks, receivables and interest expenses on borrowings, exchange rate differences, and unrealized and realized gains on financial investments within the financial activities.

Exchange rate differences attributable to financial receivables and liabilities are recognized among financial items in the income statement. Exchange rate differences attributed to operating items are recognized in the respective item in the income statement and included in operating profit/loss.

Financial expenses charged to Tobii Dynavox entities are based on actual costs of loans and interest payable to the Tobii AB Group for the entities that were separate legal entities during the historical periods and are now part of the Tobii Dynavox Group, except where such costs for prior periods are accounted for as transactions with shareholders. This is the case when interest has not been charged on loans between Swedish companies where there was a right to group contributions.

The Tobii Dynavox Group's historical capital structure as presented in these combined financial statements is not necessarily representative of a separate entity's capital structure, since external borrowings have been managed centrally within the Tobii AB Group.

## TAXES

In the combined financial statements, tax is recognized based on the taxable income generated by the companies included in the combined financial statements.

Income tax in the combined financial statements includes both current and deferred tax. Income taxes are recognized in the income statement except when the underlying transaction is recognized directly in equity or in other comprehensive income, in which case the related tax effect is recognized in equity and other comprehensive income respectively. Current tax is tax that is to be paid or received the current year, with application of the tax rates adopted, or adopted in practice, on the balance sheet date. Also included in current tax are adjustments to current tax attributable to previous periods.

Deferred tax is calculated according to the balance sheet method on the basis of temporary differences between the recog-

nized and tax values and carrying amounts of assets and liabilities. The following temporary differences are not considered: temporary differences arising on initial recognition of goodwill, the initial recognition of assets and liabilities that are not business combinations and do not influence either recognized or taxable profit/loss on the date of transaction.

Furthermore, temporary differences attributable to interests in subsidiaries and associated companies that are not expected to be reversed within the foreseeable future. The measurement of deferred tax is based on how the carrying amounts of assets or liabilities are expected to be realized or settled. Deferred tax is measured at the tax rate expected to be applied and tax laws that have been enacted or in practice by the balance sheet date.

Deferred tax assets on deductible temporary differences and loss carry-forwards are recognized only to the extent it is likely they can be utilized. The value of deferred tax receivables is reduced when it is no longer considered likely that they can be utilized.

Any income tax surcharges arising in conjunction with the payment of dividends are recognized at the same time the dividend is recognized as a liability.

## FINANCIAL INSTRUMENTS

### Recognition and measurement of financial instruments

A financial asset or a financial liability is reported in the balance sheet when the Group becomes party to the contractual terms and conditions of the instrument. Accounts receivable is reported in the balance sheet when an invoice is sent. A liability is reported in the balance sheet when the counterpart has performed and there is a contractual obligation to pay even if the invoice has not yet been sent. Supplier invoices are reported as a liability when the invoice is received.

At initial recognition, the Group measures a financial asset or financial liability at fair value. In the case of a financial asset or financial liability that is not measured at fair value through profit or loss, transaction costs are included in cost, while transaction costs for financial assets and financial liabilities recognized at fair value through profit or loss are expensed through profit or loss.

A financial asset is derecognized from the balance sheet when the rights in the contract are realized, expired or the Group loses control over them. A financial liability is derecognized when it is extinguished, i.e. when the obligations under the contract are discharged, cancelled or terminated.

### Financial assets - classification and subsequent measurement

The Group classifies its financial assets in the following measurement categories:

- fair value through profit or loss,
- fair value through other comprehensive income, or
- amortized cost.

### Accounts and loan receivables

Accounts and loan receivables are measured at amortized cost. Amortized cost is determined based on the effective interest which is calculated at acquisition date. The expected maturity of accounts receivable is short, and values are recognized at nominal amount with no discounts.

### Impairment and expected loss

Tobii Dynavox assesses the expected credit losses associated with financial receivables. A provision for estimated losses is recognized at each reporting date. For accounts receivable, a method is applied under which the provision for doubtful accounts

receivable corresponds to expected credit losses for the remaining maturity. If a provision is deemed insufficient due to individual assessments, the provision is increased to cover the actual expected losses.

#### **Cash and cash equivalents**

The Group's cash and cash equivalents consist of cash and bank balances at financial institutions and are recognized at their nominal amount.

#### **Financial liabilities - classification and subsequent measurement**

##### **Interest-bearing liabilities**

Borrowings are initially recognized at fair value net of transaction costs incurred. After initial recognition, borrowings are valued at amortized cost using the effective interest method.

##### **Other financial liabilities**

Other financial liabilities are classified and subsequently measured at amortized cost. This category includes accounts payable. The Group's accounts payable have a short expected maturity and are valued without discounting at nominal amount.

#### **INVENTORIES**

Inventories are measured at the lower of the cost and the net realizable value. Net realizable value is the estimated selling price from operating activities less the estimated cost of production and sales. Impairment of inventories, if any, is recognized under Cost of goods and services sold.

Cost for inventories is calculated using the first-in-first-out method (FIFO) and includes expenses that arise on acquisition and transportation of the inventory assets to their current location and condition. Cost for manufactured goods and work in progress includes a reasonable proportion of overhead based on normal capacity.

Intra-group profits arising from deliveries between Group companies are eliminated in the consolidated accounts.

#### **PROPERTY, PLANT AND EQUIPMENT**

Property, plant and equipment owned by the Group are recognized as assets in the balance sheet if it is probable that future economic benefits will accrue to the Group and cost for the asset can be calculated reliably.

Property, plant and equipment are recognized at cost less accumulated depreciation and any impairment losses. Cost includes the purchase price and expenses directly related to transporting the asset to its location and in a condition so that it can be utilized as intended. Examples of directly related expenses included in cost are delivery and handling, installation, registration of title, and consultant and legal services.

##### **Depreciation principles**

The straight-line basis for depreciation is used for all property, plant and equipment owned by the Group.

The following periods of depreciation are applied:

- Equipment, tools and installations 3–5 years
- Demonstration units 2 yrs

Computer equipment used in the Group is recognized as an expense when it arises. Assets' residual value and useful lives are estimated every year and adjusted as required.

#### **INTANGIBLE ASSETS**

##### **Research & development**

Research and development costs are recognized as an expense immediately. Expenses for development projects (related to the design and testing of new or improved products) are capitalized in the balance sheet as intangible assets to the extent these expenses are expected to generate future economic benefits. Other development costs are recognized as expenses as they arise.

Development costs previously expensed are not capitalized as an asset in the balance sheet in subsequent periods. Direct costs include personnel costs for development staff and share of indirect costs.

Borrowing costs attributable to the construction of so-called qualifying assets are capitalized as part of the cost of the asset. A qualifying asset is an asset that necessarily takes a significant amount of time to complete. The Group uses 12 months as the starting point for the assessment of significant time. In the first instance, borrowing costs are capitalized for loans taken out specific to the qualifying asset. In the second, borrowing costs are capitalized on general loans.

Amortization of capitalized development expenditure is calculated on a straight-line basis, commencing when the product is available for use. The useful life is reviewed annually.

The unamortized amount of capitalized development is tested for impairment annually (in accordance with IAS 36) when the products resulting from the development are not yet available for sale.

- Amortization period of capitalized development expenditure: 2 – 4 years

##### **Trademarks**

Trademarks acquired through business combinations are recognized at fair value on the day of acquisition. The Group's acquired trademarks have an indefinite useful life and are not amortized, but tested annually for any possible impairment.

##### **Patents**

Expenditure on patents is capitalized in the balance sheet and amortized on a straight-line basis over its estimated useful life.

#### **IMPAIRMENT**

The recognized values of the Group's assets are tested at each balance sheet date to assess whether there is evidence of impairment. The Group applies IAS 36 for impairment testing of assets other than financial assets, inventories and deferred tax assets. The asset's recoverable amount is calculated if there is indication of impairment loss. Assets exempted according to the above are tested in accordance with the relevant standard.

#### **IMPAIRMENT TESTING FOR PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS AND PARTICIPATIONS IN SUBSIDIARIES.**

If there is indication of impairment, the asset's recoverable amount is calculated according to IAS 36 (see below). The recoverable amount is calculated annually for intangible assets with indefinite useful lives and intangible assets not yet ready for use.

If it is not possible to determine substantially independent cash flow to an individual asset when testing for impairment, then assets are to be grouped at the lowest level at which substantially independent cash flows can be identified (cash-generating units). Impairment loss is recognized when an asset or cash-generating unit's carrying amount is higher than its recoverable amount. Impairment is recognized in the income statement.

**Reversal of impairment**

Impairment is reversed if there has been a change in the assumptions that formed the basis for calculating the recoverable amount. Impairment is reversed only to the extent that the asset's carrying amount after reversal does not exceed the carrying amount the asset would have had if impairment had not been recognized, with consideration to the depreciation/amortization that would have been recognized.

**EMPLOYEE BENEFITS****Defined-contribution retirement plans**

Commitments concerning premiums for defined-contribution plans are recognized as an expense in the income statement as they arise. Defined-contribution plans are those plans where the company's obligations are limited to the contributions the company has committed to pay. In such cases, the size of the employee's retirement benefit is dependent on the contributions that the company pays into the plan or insurance company, and the returns on capital that these premiums generate. Subsequently, it is the employee who bears the actuarial risk (that benefits are lower than expected) and the investment risk (that invested assets will be insufficient to generate the expected benefits).

**Defined-benefit retirement plans**

The Group has no defined-benefit plans at present.

**Severance pay**

A provision is recognized in conjunction with terminations of employees only if the company is formally obliged to prematurely terminate employment or when remuneration is offered as an incentive to initiate voluntary redundancy.

**Share-based compensation to employees**

Actual share-based compensation expenses relating to Tobii Dynavox employees incurred by the Tobii Group have been recognized in the Tobii Dynavox segment and are therefore presented in the combined financial statements through profit or loss.

The Group applies IFRS 2 for share-based payment schemes.

There are currently two schemes issued within Tobii AB, 2020 and 2021. The long-term incentive programs for these years (LTI 2020) consist of stock units and synthetic stock units, where one stock unit entitles the participant to receive, subject to certain conditions being met, one performance share free of charge consistent with certain conditions, such as stock performance and continued employment. The synthetic stock units will be paid, subject to the conditions being met, in a cash payment to cover the tax on the taxable benefits of the performance shares. Both the stock units and the synthetic stock units are measured according to a Monte Carlo simulation. The value of the stock unit does not change over the vesting period of the incentive plan, while the value of the synthetic stock unit is adjusted once a year to take into account the share price performance. In connection with the spin-off of Tobii Dynavox from Tobii, and depending on the decision of the shareholders, these programs will be canceled in Tobii AB and the intention is that the equivalent will be offered in Tobii Dynavox AB.

**PROVISIONS**

A provision differs from other liabilities in that there is a certain prevailing uncertainty about the date of payment or the amount required to clear the provision. A provision is recognized in the balance sheet when the Group has an existing legal or informal commitment as a result of an event that has occurred, and it is probable that an outflow of economic resources will be required to settle the commitment and the amount required can be estimated reliably.

Where the effect of the timing of payments is material, provisions are calculated by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks associated with the liability.

**Warranties**

A provision for warranties is recognized when the underlying products or services are sold. The most common extended warranty action within Tobii Dynavox is to repair or replace defective goods. The provision is based on historical data on guarantees and a consideration of possible outcomes in relation to the probabilities associated with the outcomes. The guarantee commitment is recognized as a provision over the guarantee period. Tobii Dynavox products normally have a warranty period of 1-2 years for which warranty claims are made. In addition, Tobii Dynavox offers, for several of its products, an extended warranty and telephone support for up to five years. For this extended warranty, no warranty provisions are made as it is a service commitment that affects the timing of revenue recognition.

### Note 3. Financial risks and risk management

Through its international operations, the Group is exposed to financial risks that are managed in accordance with the policies adopted by the Board of Directors. The exposure comprises mainly currency risk, interest rate risk, credit risk and financing and liquidity risk.

The Tobii Dynavox Group's financial risks were managed in 2019, 2020 and the first nine months of 2021 as part of financial risk management within the Tobii AB Group.

#### CURRENCY RISK

Currency risk refers to the risk that fluctuating exchange rates will have a negative impact on the Group's net profit/loss, balance sheet or cash flows. Currency exposure arises when products and services are bought or sold in other currencies than the local currencies used by the respective subsidiaries (transaction exposure), and when the balance and income statements from non-Swedish subsidiaries are converted to SEK (translation exposure). Tobii Dynavox's global operations give rise to significant cash flows in currencies other than SEK.

The Group is mainly exposed to changes in EUR and USD in relation to SEK.

Tobii Dynavox conducts regular impact assessments relating to developments affecting the main currencies. Currently, the Group does not use any currency hedges.

#### Net exposure by currency in the consolidated balance sheet

SEK million	2021-09	2020	2019
USD	94	67	64
EUR	29	61	22
Other shareholders	48	16	-20
<b>Total</b>	<b>171.0</b>	<b>144</b>	<b>66</b>

A change in exchange rate against SEK of +/- 10 percent would effect the Group's balance sheet at the end of September 2021, December 2020 and December 2019 with +/- MSEK 17.1, MSEK 14.4 and MSEK 6.6 respectively.

#### INTEREST RATE RISK

Interest rate risk arises when changes in market interest rates affect interest income from the Group's interest-bearing assets and interest expense on the Group's interest-bearing liabilities, which affects the Group's net interest and cash flow.

Based on the interest-bearing assets and liabilities at the end of September 2021, December 2020 and December 2019, a one percentage point increase in interest rates (100 basis points) is estimated to have had an impact on profit of SEK -2.5 million, SEK -3.8 million and SEK -4.1 million, respectively.

#### CREDIT RISK

Credit risk is the risk that a customer or other party to a transaction involving a financial instrument will not be able to meet its obligations. Credit risk arises in the context of cash and cash equivalents, other balances with banks and financial institutions, and credit exposure through accounts receivable. The maximum exposure to credit risk on financial assets is equal to the carrying amount of each category as defined in note 21.

#### Financial credit risk

The Group's cash and cash equivalents amounted to SEK 109.8 million at September 30, 2021, SEK 172.7 million at December 31, 2020 and SEK 48.6 million at December 31, 2019. Cash and cash equivalents are invested in bank accounts in accordance with the Group's investment policy, which requires, for example, that a maximum amount be placed with a single financial institution and only with highly rated financial institutions.

#### Credit risk in accounts receivable

In those markets where the Group has its own sales companies, the company is responsible for marketing and sales to customers. In other markets, Tobii Dynavox cooperates with a network of dealers and distributors whose ability to bear customer losses may affect the Group. The amount of the credit risk is assessed for each customer and outstanding accounts receivable is reviewed regularly. Total customer receivables amounted to SEK 123.2 million at September 30, 2021, SEK 124.6 million at December 31, 2020 and SEK 146.7 million at December 31, 2019. No single customer accounts for 10% or more of the Group's total accounts receivable. The maturity profile of outstanding accounts receivable is presented in note 17.

#### FINANCING AND LIQUIDITY RISK

The Group's objective is to have an optimal capital structure that safeguards its ability to continue as a going concern and that keeps the cost of capital low. As of September 21, 2021, Tobii Dynavox entered into a 12-month agreement with Swedbank for a bank loan of SEK 550 million and a credit facility of SEK 150 million to be used in connection with the acquisition.

In the event that Tobii Dynavox requires access to external financing, it will depend on factors such as market conditions, general credit availability and Tobii Dynavox's creditworthiness. There is a risk that Tobii Dynavox may not be able to secure such financing on favorable terms, but Tobii Dynavox believes that the Group is fully funded to execute its current business plan and achieve its financial target of 10% growth on average (adjusted for currency), to achieve and maintain sustainable profitability in excess of 15% operating profit and to maintain a rational capital structure over time (for Tobii Dynavox this means a net debt/EBITDA ratio of 2.5x plus minus 0.5X).

The Group works to reduce its capital risk by:

- Establishing sufficient credit facilities in good time to meet foreseeable needs.
- Monitoring maturities of total debt with the aim of matching repayments with expected cash flow.
- Meeting key performance indicators as per loan agreement. Key performance measures in the one-year credit facility in Swedbank are reported to the lender on a quarterly basis. The relevant key performance measure in this agreement is net debt (interest-bearing liabilities minus cash and cash equivalents) in relation to EBITDA.
- Optimizing the working capital of the Group.
- Monitoring the net debt/equity ratio.

Liquidity risk pertains to the risk of not being able to cover payment obligations due to insufficient cash and cash equivalents or difficulties in obtaining external financing. To manage these uncertainties and risks the Group's operating companies prepare cash flow forecasts that are aggregated to consolidated Group values by the finance department. Forecasts are monitored on an ongoing basis to ensure that the Group has sufficient cash and cash equivalents to cover the projected needs of the business. The Group also has the possibility to modify to some extent the pace at which investments are made in order to try to align the annual capital requirements with the Group's actual financial resources.



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## **Note 4. Important estimates and assessments when applying the accounting policies**

The preparation of the combined financial statements in accordance with IFRS requires management to make judgements that affect the application of accounting policies. Management also makes estimates and assumptions about the future that are based on past experiences and a number of other factors that under the prevailing circumstances appear reasonable. The results of these estimates and assumptions are then used to determine the carrying amounts of assets and liabilities not otherwise clearly evident from other sources. The actual outcome may deviate from these estimates and assumptions.

These estimates and assumptions are reviewed regularly. Changes in estimates are recognized in the period in which the change is made if the change affects only that period, or in the period the change is made and future periods if the change affects both the actual period and future periods. Areas where estimates and assumptions could imply a significant risk for adjustments in the reported values of assets and liabilities during the coming fiscal year are primarily:

### **CAPITALIZED EXPENDITURE ON PRODUCT DEVELOPMENT**

Expenditure on development projects is capitalized to the extent the expenditure can be expected to generate economic benefits. Capitalization commences when management judges that the product will be technically or economically viable. Capitalization ceases and amortization of capitalized development expenditure begins when the product is ready for sale. Capitalized development expenditure is subject to annual impairment testing whereby an assessment is made on the technical and economic value of the product.

### **TESTING OF IMPAIRMENT FOR GOODWILL AND TRADEMARKS**

The Group tests annually for impairment for capitalized product development expenditure and trademarks in accordance with the Company's accounting policies. The test requires an estimate of parameters affecting future cash flows and the determination of a discount factor. Forecasts for future cash flows are based on the best possible estimation of future income and operating expenses. For more information regarding intangible assets and a description of impairment testing and assumptions, see note 14.

### **LEASES**

For lease accounting under IFRS 16, the lease term is determined based on the information available in the lease agreement and other relevant facts and circumstances as per management's judgement. Periods covered by an option to extend the lease are included in the lease term if the Group is reasonably certain of exercising that option. Periods covered by an option to terminate the contract are included in the lease term if the Group is reasonably certain not to exercise that option. For contracts without specific renewal or termination clauses, judgements are made on the basis of the information contained in the contract together with management's assessment of the relevant circumstances.

As per September 30, 2021, the carrying amount of right-of-use assets was SEK 46.9 million, of which SEK 46.5 million relates to buildings with different types of extension and termination options.

### **ASSESSMENT OF USEFUL LIFE OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS**

Group management determines the estimated useful life and related depreciation for the Group's property, plant and equipment and intangible assets. Estimates of the useful lives of intangible assets are based on expectations of how long the asset is expected to generate economic benefit. The useful lives of property, plant and equipment are based on the historical useful lives of the corresponding assets. Useful lives and estimated residual values are reviewed at the end of each financial year and the estimated useful lives may change, and, as a result, the profit or loss for the period and the financial position may be affected.

### **MEASUREMENT OF LOSS CARRY-FORWARDS**

Deferred tax assets on loss carry-forwards are recognized to the extent that it is deemed probable that future tax surpluses will be available against which the deduction can be offset. Deferred tax assets on the balance sheet at September 30, 2021 amounted to SEK 1.0 million and according to the Group's forecasts, the deficits will be used against future surpluses. The reported tax assets are impacted by the estimates and assessments used to forecast future taxable profits and tax regulations. Forecasts indicate that the loss carry-forwards can be applied to future surpluses. See note 12 for more information on the Group's deferred taxes.

### **ACCOUNTS RECEIVABLE**

The Group estimates the risk of non-payment of receivables and makes provisions for bad debts based on individual assessments as well as on calculations based on historical loss rates.

### **REVENUE RECOGNITION**

A condition of revenue recognition is that revenue from sales should reflect the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Assessing when risk and control have been transferred requires an examination of each type of contract and the circumstances in which each type of transaction is carried out. Tobii Dynavox products are closely integrated with and defined by standard customer contracts. New product offerings are analyzed in terms of performance obligations and transaction price, and an assessment of how much of each comprises a good or service is determined based on the product offering.

For a large proportion of sales to insurance companies in the US, final discounts are not determined until final payment. These discounts represent 3-4% of the Group's US corporate ledger, so a provision is made monthly which reduces revenue and accounts receivable by the corresponding amount. In addition, some resellers, mainly in Europe, have discount agreements that entitle them to additional discounts based on sales above a certain amount. These discounts amount to approximately SEK 6 million each year and revenue and accounts receivable are therefore reduced on current account during the year by approximately SEK 0.5 million each month.

### **PROVISIONS FOR WARRANTIES**

Provisions for product warranties are intended to cover future commitments for sales volumes that have already been realized. The guarantee reconciliation is an estimate that includes various variables. The calculation methods are based on the type of products sold and historical data regarding repairs, replacements and time spent providing support. The underlying estimates used to calculate the provision are reviewed when new products are introduced or when changes occur that may affect the calculation.

## Note 5. Revenue

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 of goods account for the majority of the Group's revenue. The table below shows the breakdown of revenue by type of product, as well as the timing of revenue recognition. Revenue recognized over time mainly relates to revenue from service and support.

### REVENUE BY PRODUCT TYPE

SEK million	2021 (9m)	2020 (12m)	2019 (12m)
Goods	565.7	816.6	833.3
Services	57.6	74.2	70.5
Royalty	3.2	4.4	5.0
<b>Total</b>	<b>626.5</b>	<b>895.2</b>	<b>908.8</b>

### REVENUE BY DATE OF REVENUE RECOGNITION

SEK million	2021 (9m)	2020 (12m)	2019 (12m)
At a certain time	539.4	755.2	872.7
Over time	87.1	140.1	36.0
<b>Total revenue</b>	<b>626.5</b>	<b>895.2</b>	<b>908.8</b>

### REVENUE BY GEOGRAPHIC MARKET

SEK million	2021 (9m)	2020 (12m)	2019 (12m)
Sweden	129.9	183.2	171.0
North America	457.7	675.1	702.5
Other markets	38.9	37.0	35.2
<b>Total</b>	<b>626.5</b>	<b>895.2</b>	<b>908.8</b>

### NON-CURRENT ASSETS BY COUNTRY

SEK million	2021-09	2020	2019
Sweden	255.4	242.5	241.0
US	151.0	166.0	123.9
Other countries	2.2	2.4	5.5
<b>Total</b>	<b>408.6</b>	<b>410.9</b>	<b>370.4</b>

### CONTRACTUAL LIABILITIES

SEK million	2021-09	2020	2019
<b>Opening balance</b>	<b>197.1</b>	<b>202.5</b>	<b>138.1</b>
Gross increase during the year	86.1	158.3	71.8
Revenue recognized during the year	-87.1	-140.1	-27.0
Exchange rate differences	11.5	-23.6	19.5
<b>Closing balance</b>	<b>207.6</b>	<b>197.1</b>	<b>202.5</b>

Of the total contractual liability of SEK 208 million as of September 30, 2021, SEK 111 million will be recognized as income over the next 12 months. The remaining contractual liability of SEK 98 million will be recognized within 13-60 months.

## Note 6. Remuneration of auditors

SEK million	Group		
	2021 (9m)	2020 (12m)	2019 (12m)
<b>PricewaterhouseCoopers</b>			
Audit engagement	0.1	1.3	1.3
Audit activities not included in audit engagement	0	0	0
Tax consultancy services	0	0	0
Other services	0	0	0
<b>Total</b>	<b>0.1</b>	<b>1.3</b>	<b>1.3</b>
<b>Other auditors</b>			
Audit engagement	0.1	0.1	0
Audit activities not included in audit engagement	0	0	0
Tax consultancy services	0	0	0
Other services	0	0	0
<b>Total</b>	<b>0.1</b>	<b>0.1</b>	<b>0</b>
<b>Total remuneration of auditors</b>	<b>0.2</b>	<b>1.4</b>	<b>1.3</b>

The amounts in this note include only fees and remuneration invoiced directly by the audit firm to a legal entity within the Tobii Dynavox Group.

## Note 7. Employees and personnel costs

### AVERAGE NUMBER OF EMPLOYEES

	2021 (9m)	Of which women, %	2020 (12m)	Of which women, %	2019 (12m)	Of which women, %
Sweden	76	40%	70	38%	62	39%
Norway	5	20%	6	33%	11	24%
Germany	5	0%	4	0%	5	0%
China	17	76%	22	73%	22	73%
US	350	57%	347	57%	333	55%
UK	10	47%	10	52%	11	70%
Chile	1	100%	1	100%	0	0%
Denmark	1	100%	0	100%	0	0%
France	2	0%	2	0%	2	0%
Netherlands	2	0%	1	0%	0	0%
Canada	1	100%	0	0%	2	67%
<b>Total average no. of employees</b>	<b>469</b>	<b>54%</b>	<b>464</b>	<b>53%</b>	<b>448</b>	<b>53%</b>

### SALARIES, REMUNERATION AND SOCIAL SECURITY CONTRIBUTIONS

SEK million	2021 (9m)	2020 (12m)	2019 (12m)
Board, CEO and other senior executives	13.1	13.7	14.0
Other employees	256.2	341.3	342.6
<b>Total wages and salaries</b>	<b>269.3</b>	<b>355.0</b>	<b>356.6</b>
Defined-contribution retirement expenses	9.6	11.9	11.3
Other social security contributions	33.8	41.1	40.8
<b>Total social security contributions</b>	<b>43.4</b>	<b>53.1</b>	<b>52.1</b>
<b>Total salaries, remuneration and social security contributions</b>	<b>312.7</b>	<b>408.0</b>	<b>408.7</b>

### REMUNERATION TO THE PARENT COMPANY'S BOARD OF DIRECTORS, THE GROUP'S CEO AND OTHER SENIOR EXECUTIVES

2021-09 SEK million	Board fees/ Basic salary	Defined contri- bution benefits	Tobii Incentive program¹	Variable remu- neration	Share-related remuneration¹	Total
Åsa Hedin	0.1					0.1
Henrik Eskilsson	0.1					0.1
Caroline Ingre	0.1					0.1
Charlotta Falvin	0.1					0.1
Carl Bandhold	0.1					0.1
<b>Total, Board of Directors</b>	<b>0.3</b>					<b>0.3</b>
Fredrik Ruben (CEO)	1.6	0.4	0.6	0.4	0.4	3.3
Other senior executives (5 people 9 months, 2 people 3 months)	7.7	0.7	0.1	1.4	0.6	10.5
Total, senior executives	9.3	1.0	0.7	1.7	1.0	13.8
<b>Total Board of Directors, CEO and other senior executives</b>	<b>9.6</b>	<b>1.0</b>	<b>0.7</b>	<b>1.7</b>	<b>1.0</b>	<b>14.1</b>

2020 SEK million	Board fees/ Basic salary	Defined contri- bution benefits	Tobii Incentive program <sup>1</sup>	Variable remuneration	Share-related remuneration <sup>1</sup>	Total
Fredrik Ruben (CEO)	1.7	0.5	0.6	0.2	0.2	3.1
Other senior executives (5 people)	9.2	0.7	0.1	1.2	0.5	11.8
Total, senior executives	10.9	1.2	0.7	1.4	0.7	14.9
<b>Total Board of Directors, CEO and other senior executives</b>	<b>10.9</b>	<b>1.2</b>	<b>0.7</b>	<b>1.4</b>	<b>0.7</b>	<b>14.9</b>

2019 SEK million	Board fees/ Basic salary	Defined contri- bution benefits	Tobii Incentive program <sup>1</sup>	Variable remuneration	Share-related remuneration <sup>1</sup>	Total
Fredrik Ruben (CEO)	2.0	0.4	0.3	0.8	0.0	3.5
Other senior executives (5 people)	9.3	0.7	0.0	1.1	0.5	11.7
Total, senior executives	11.3	1.2	0.3	1.9	0.5	15.2
<b>Total Board of Directors, CEO and other senior executives</b>	<b>11.3</b>	<b>1.2</b>	<b>0.3</b>	<b>1.9</b>	<b>0.5</b>	<b>15.2</b>

For the period Jan. 1, 2019 to June 30, 2021, Tobii Dynavox's Board of Directors consisted of individuals employed by the Group and no fees were paid for the Board's work in Tobii Dynavox.

<sup>1</sup> Tobii incentive program relates to a cash payment as compensation for the purchase of warrants in the incentive program in 2018 and 2019. Tobii Dynavox does not have its own incentive program. Costs for Tobii AB's incentive programs and share-based payments are taken in Tobii AB and charged to Tobii Dynavox.

## Note 8. Depreciation, amortization and impairment of property, plant and equipment and intangible fixed assets

SEK million	Group		
	2021 (9m)	2020 (12m)	2019 (12m)
Intangible assets (Note 14)	45.0	58.3	55.7
Property, Plant and Equipment (Note 15, 16)	25.0	29.5	24.0
<b>Total depreciation/amortiza- tion</b>	<b>70.0</b>	<b>87.8</b>	<b>79.7</b>
Impairment losses (Notes 14, 15, 16)	0	0	0
<b>Total depreciation/amortiza- tion and impairment charges</b>	<b>70.0</b>	<b>87.7</b>	<b>79.7</b>
Intangible:			
Capitalized development costs	45.0	58.3	55.7
Other	0	0	0
	<b>45.0</b>	<b>58.3</b>	<b>55.7</b>
Non-current:			
Owned	17.0	19.0	14.2
Right of use	8.0	10.5	9.8
	<b>25.0</b>	<b>29.5</b>	<b>24.0</b>

## Note 9. Expenses by type

SEK million	Group		
	2021 (9m)	2020 (12m)	2019 (12m)
Cost of materials and changes in inventory	155.5	227.0	241.7
Personnel costs	312.7	408.0	408.7
Other external expenses	44.3	45.4	81.8
Depreciation/amortization and impairment charges	70.0	87.7	79.8
<b>Total expenses</b>	<b>582.5</b>	<b>768.0</b>	<b>812.0</b>

## Note 10. Other operating income and expenses

SEK million	Group		
	2021 (9m)	2020 (12m)	2019 (12m)
<b>Other operating income</b>			
Exchange rate differences in operating receivables and liabilities	2.7	0.2	14.2
Public grants received	0.0	8.4	0.0
Other income	0.7	1.8	0.8
<b>Total other operating income</b>	<b>3.4</b>	<b>10.4</b>	<b>15.0</b>
<b>Other operating expenses</b>			
Exchange rate differences in operating receivables and liabilities	-0.7	-10.4	-10.6
Other expenses	-0.1	0.0	-0.1
<b>Total other operating expenses</b>	<b>-0.8</b>	<b>-10.4</b>	<b>-10.7</b>
<b>Total other income and expenses</b>	<b>2.7</b>	<b>0.0</b>	<b>4.3</b>

## Note 11. Financial income and expenses

SEK million	Group		
	2021 (9m)	2020 (12m)	2019 (12m)
<b>Financial income</b>			
Interest income and similar items	0.3	0.3	0.0
Exchange rate differences	1.0	3.6	3.9
<b>Total financial income</b>	<b>1.3</b>	<b>3.9</b>	<b>3.9</b>
<b>Financial expenses</b>			
Interest expenses and similar items	-15.3	-22.4	-23.4
Exchange rate differences	-0.7	-5.4	-0.5
<b>Total financial expenses</b>	<b>-15.9</b>	<b>-27.8</b>	<b>-23.9</b>
<b>Total financial income and expenses</b>	<b>-14.7</b>	<b>-23.9</b>	<b>-20.0</b>

## Note 12. Taxes

SEK million	Group		
	2021 (9m)	2020 (12m)	2019 (12m)
<b>Current tax</b>	<b>-4.6</b>	<b>-15.3</b>	<b>-11.0</b>
Current tax attributable to previous years	0.0	1.3	0.4
<b>Total current tax</b>	<b>-4.6</b>	<b>-14.0</b>	<b>-10.6</b>
<b>Deferred tax</b>	<b>-2.9</b>	<b>40.5</b>	<b>-2.7</b>
<b>Total tax</b>	<b>-7.5</b>	<b>26.5</b>	<b>-13.3</b>
<i>Deferred tax assets</i>			
Inventories	2.8	2.6	3.3
Non-current assets	0.9	0.2	0.4
Accrued income	24.3	18.2	15.9
Other accrued expenses	8.5	5.2	5.3
Amortization of goodwill	7.9	8.5	10.5
Loss carry-forwards	25.9	36.1	67.8
Other deferred tax assets	10.0	6.4	7.5
Unused tax losses for which no deferred tax asset has been recognized	-24.9	-23.2	-91.6
<b>Total deferred tax assets</b>	<b>55.5</b>	<b>53.9</b>	<b>19.2</b>
<i>Deferred tax liabilities</i>			
Non-current assets	-3.0	-2.3	-2.9
<b>Total deferred tax liabilities</b>	<b>-3.0</b>	<b>-2.3</b>	<b>-2.9</b>
<b>Total net deferred tax assets</b>	<b>52.4</b>	<b>51.6</b>	<b>16.2</b>



A deferred tax asset on loss carry-forwards is recognized to the extent that it is likely that the tax loss carry-forwards will be available against which future taxable profit can be offset. A reassessment of the amount meeting this criterion is carried out at least once a year.

The Group's deferred tax assets on unused loss carry-forwards relate entirely to Group companies in the United States. The losses amounted to SEK 123.3 million at September 2021, SEK 171.7 million at December 31 2020 and SEK 249.7 million at December 31 2019.

## RECONCILIATION OF EFFECTIVE TAX

SEK million	Group		
	2021 (9m)	2020 (12m)	2019 (12m)
Reported profit before tax	32.0	103.4	81.0
Tax according to current tax rate	-6.6	-22.1	-17.3
Difference in tax rate in foreign operations	-0.2	0.1	-1.1
Tax effect of non-deductible expenses	-2.9	-1.0	-1.3
Tax effect of non-taxable income	1.8	2.4	2.2
Prior year deficits for which tax asset is recognized	0.0	40.7	0.0
Deficit without corresponding tax asset	0.0	0.0	-1.6
Use of prior year's tax loss carry-forward for which no tax asset has been recognized	0.1	4.7	6.0
Adjustment of taxes attributable to previous years	0.0	1.3	0.4
Other	0.3	0.4	-0.5
<b>Total recognized tax expense (-)/tax income (+)</b>	<b>-7.5</b>	<b>26.5</b>	<b>-13.3</b>
<b>Effective tax rate</b>	<b>-23%</b>	<b>26%</b>	<b>-16%</b>

## Note 13. Earnings per share

The Extraordinary General Meeting of Tobii on October 25, 2021 resolved, in accordance with the proposal of the Board of Directors,

to distribute all ordinary shares in Tobii Dynavox to the ordinary shareholders of Tobii. The meeting also resolved to issue a number of shares in Tobii Dynavox so that the number of shares will be equal to the number of ordinary shares in Tobii AB on the record date determined by the Board. All shares in Tobii Dynavox will be distributed to Tobii shareholders in proportion to each shareholder's holding in Tobii. For each share in Tobii AB, shareholders will receive one share in Tobii Dynavox.

As of September 30, 2021, Tobii AB has 99,800,523 ordinary shares; consequently, this is the number of shares presented in the combined financial statements for all periods.

Calculation of earnings per share for each period presented in these combined financial statements is based on the Tobii Dynavox Group's net profit attributable to shareholders of the Parent Company, divided by the number of outstanding shares in Tobii AB as at September 30, 2021. Tobii AB has a number of option and stock unit programs in place that may affect the number of shares in Tobii Dynavox AB in the future.

The combined financial statements have not taken into account any dilutive effect of the number of shares from these option and stock unit programs.

SEK million	Group		
	2021 (9m)	2020 (12m)	2019 (12m)
<b>Earnings per share, basic</b>			
Profit for the period attributable to Parent Company shareholders.	24.5	129.8	67.7
Weighted average number of outstanding shares during the year	99,800,523	99,800,523	99,800,523
<b>Earnings per share, basic</b>	<b>0.25</b>	<b>1.30</b>	<b>0.68</b>
<b>Earnings per share, diluted</b>			
Profit for the period attributable to Parent Company shareholders.	24.5	129.8	67.7
Weighted average number of ordinary shares outstanding, diluted	99,800,523	99,800,523	99,800,523
<b>Earnings per share, diluted</b>	<b>0.25</b>	<b>1.30</b>	<b>0.68</b>

## Note 14. Intangible fixed assets

2021	Development costs	Trademarks	Other intangible assets	Total
<b>Accumulated cost</b>				
Opening balance January 1, 2021	499.4	93.4	1.5	594.3
Acquisitions	55.0	0.0	0.5	55.5
Disposals and eliminations	0.0	0.0	0.0	0.0
Reclassifications	0.0	0.0	0.0	0.0
Translation differences	1.5	3.2	0.0	4.7
<b>Closing balance Sept 30, 2021</b>	<b>555.9</b>	<b>96.6</b>	<b>2.0</b>	<b>654.5</b>
<b>Accumulated amortization</b>				
Opening balance January 1, 2021	-317.3	0.0	0.0	-317.4
Disposals and eliminations	0.0	0.0	0.0	0.0
Amortization for the year (Note 8)	-44.6	0.0	-0.4	-45.0
Reclassifications	0.0	0.0	0.0	0.0
Translation differences	-1.3	0.0	0.0	-1.3
<b>Closing balance Sept 30, 2021</b>	<b>-363.2</b>	<b>0.0</b>	<b>-0.4</b>	<b>-363.6</b>
<b>Carrying amount at end of period</b>	<b>192.7</b>	<b>96.6</b>	<b>1.6</b>	<b>290.8</b>

2020	Development costs	Trademarks	Other intangible assets	Total
<b>Accumulated cost</b>				
Opening balance January 1, 2020	424.2	99.4	1.5	525.0
Acquisitions	78.4	0.0	0.0	78.4
Disposals and eliminations	0.0	0.0	0.0	0.0
Reclassifications	0.0	0.0	0.0	0.0
Translation differences	-3.2	-6.0	0.0	-9.2
<b>Closing balance December 31, 2020</b>	<b>499.4</b>	<b>93.4</b>	<b>1.5</b>	<b>594.3</b>
<b>Accumulated amortization</b>				
Opening balance January 1, 2020	-261.9	0.0	0.0	-261.9
Disposals and eliminations	0.0	0.0	0.0	0.0
Amortization for the year (Note 8)	-58.2	0.0	0.0	-58.3
Reclassifications	0.0	0.0	0.0	0.0
Translation differences	2.8	0.0	0.0	2.8
<b>Closing balance December 31, 2020</b>	<b>-317.3</b>	<b>0.0</b>	<b>0.0</b>	<b>-317.4</b>
<b>Carrying amount at end of period</b>	<b>182.1</b>	<b>93.4</b>	<b>1.4</b>	<b>276.9</b>

2019	Development costs	Trademarks	Other intangible assets	Total
<b>Accumulated cost</b>				
Opening balance January 1, 2019	337.6	97.6	0.0	435.1
Acquisitions	85.6	0.0	1.5	87.1
Disposals and eliminations	0.0	0.0	0.0	0.0
Reclassifications	0.0	0.0	0.0	0.0
Translation differences	1.0	1.8	0.0	2.8
<b>Closing balance December 31, 2019</b>	<b>424.2</b>	<b>99.4</b>	<b>1.5</b>	<b>525.0</b>
<b>Accumulated amortization</b>				
Opening balance January 1, 2019	-205.5	-9.0	0.0	-214.5
Disposals and eliminations	0.0	9.0	0.0	9.0
Amortization for the year (Note 8)	-55.7	0.0	0.0	-55.7
Reclassifications	0.0	0.0	0.0	0.0
Translation differences	-0.8	0.0	0.0	-0.8
<b>Closing balance December 31, 2019</b>	<b>-261.9</b>	<b>0.0</b>	<b>0.0</b>	<b>-261.9</b>
<b>Carrying amount at end of period</b>	<b>162.2</b>	<b>99.4</b>	<b>1.5</b>	<b>263.1</b>

The trademarks are well-known, established and enjoy indefinite trademark protection in the majority of markets in which the Company operates. The Group tests for impairment annually, or when there is an indication that a trademark may be impaired.

#### IMPAIRMENT TESTING OF TRADEMARKS

Impairment tests for trademarks with indefinite useful lives are performed annually or when there is an indication that an impairment loss may be necessary. The recoverable amount of a cash-generating unit is defined on the basis of calculations of value in use. The calculations derive from estimated future cash flows based on financial projections approved by management covering a five-year period. The assessment of future cash flows makes assumptions primarily about sales growth, operating margin and discount rate (WACC). The estimated growth rate as well as the projected operating margin are based on the company's budget and forecasts for

each unit. The growth rate after the forecast period is estimated at 2.0%, which coincides with the Group's long-term inflation assumption. The Company believes that all of its cash generating units can be categorized as essentially established product categories with strong and stable cash flows based on existing business relationships. The discount rate of 7.8% before tax reflects the specific risks associated with the cash-generating unit.

Based on the assumptions presented above, the value in use exceeds the carrying amount of the trademarks by a good margin for all cash-generating units, and the conclusion is that no impairment of trademarks is required.

## Note 15. Property, plant and equipment

	Machinery and other technical equipment	Equipment, tools and installations	Leasehold improvements	Own products for demo, rental and lending	Total
<b>2021</b>					
<b>Accumulated cost</b>					
Opening balance January 1, 2021	37.3	18.7	5.2	92.7	153.9
Acquisitions	0.6	0.2	0.0	3.2	4.1
Disposals and eliminations	-0.1	0.0	0.0	-1.3	-1.4
Reclassifications	-5.9	1.2	4.7	0.0	0.0
Translation differences	1.1	1.4	0.5	5.7	8.7
<b>Closing balance Sept 30, 2021</b>	<b>32.9</b>	<b>21.5</b>	<b>10.5</b>	<b>100.3</b>	<b>165.3</b>
<b>Accumulated amortization</b>					
Opening balance January 1, 2021	-23.9	-17.3	-3.4	-78.8	-123.3
Disposals and eliminations	0.0	0.0	0.0	0.6	0.6
Amortization for the year (Note 8)	-3.1	-0.7	-0.9	-12.2	-17.0
Reclassifications	0.0	0.0	0.0	0.0	0.0
Translation differences	-0.9	-1.3	-0.2	-5.2	-7.5
<b>Closing balance Sept 30, 2021</b>	<b>-27.9</b>	<b>-19.3</b>	<b>-4.5</b>	<b>-95.6</b>	<b>-147.3</b>
<b>Carrying amount at end of period</b>	<b>5.1</b>	<b>2.2</b>	<b>6.1</b>	<b>4.7</b>	<b>18.0</b>

	Machinery and other technical equipment	Equipment, tools and installations	Leasehold improvements	Own products for demo, rental and lending	Total
<b>2020</b>					
<b>Accumulated cost</b>					
Opening balance January 1, 2020	28.4	23.6	5.2	102.8	159.9
Acquisitions	12.4	0.2	0.6	10.4	23.6
Disposals and eliminations	-0.8	-2.7	0.0	-9.9	-13.4
Reclassifications	-0.4	0.2	0.1	0.0	0.0
Translation differences	-2.4	-2.6	-0.6	-10.6	-16.1
<b>Closing balance December 31, 2020</b>	<b>37.3</b>	<b>18.7</b>	<b>5.2</b>	<b>92.7</b>	<b>153.9</b>
<b>Accumulated amortization</b>					
Opening balance January 1, 2020	-21.3	-21.2	-3.1	-84.4	-130.0
Disposals and eliminations	0.1	2.7	0.0	9.3	12.1
Amortization for the year (Note 8)	-4.3	-1.2	-0.7	-12.7	-18.9
Reclassifications	0.0	0.0	0.0	0.0	0.0
Translation differences	1.6	2.4	0.4	9.1	13.5
<b>Closing balance December 31, 2020</b>	<b>-23.9</b>	<b>-17.3</b>	<b>-3.4</b>	<b>-78.8</b>	<b>-123.3</b>
<b>Carrying amount at end of period</b>	<b>13.4</b>	<b>1.4</b>	<b>1.9</b>	<b>14.0</b>	<b>30.6</b>

2019	Machinery and other technical equipment	Equipment, tools and installations	Leasehold improvements	Own products for demo, rental and lending	Total
<b>Accumulated cost</b>					
Opening balance January 1, 2019	23.5	22.5	5.0	86.4	137.5
Acquisitions	5.0	0.2	0.0	16.3	21.5
Disposals and eliminations	-0.6	0.0	0.0	-2.9	-3.5
Reclassifications	0.0	0.0	0.0	0.0	0.0
Translation differences	0.5	0.9	0.2	3.0	4.5
<b>Closing balance December 31, 2019</b>	<b>28.4</b>	<b>23.6</b>	<b>5.2</b>	<b>102.8</b>	<b>159.9</b>
<b>Accumulated amortization</b>					
Opening balance January 1, 2019	-19.4	-18.9	-2.6	-72.6	-113.4
Disposals and eliminations	0.0	0.0	0.0	0.9	0.9
Amortization for the year (Note 8)	-1.4	-1.7	-0.4	-10.6	-14.2
Reclassifications	0.0	0.0	0.0	0.0	0.0
Translation differences	-0.5	-0.7	-0.1	-2.1	-3.4
<b>Closing balance December 31, 2019</b>	<b>-21.3</b>	<b>-21.2</b>	<b>-3.1</b>	<b>-84.4</b>	<b>-130.0</b>
<b>Carrying amount at end of period</b>	<b>7.1</b>	<b>2.3</b>	<b>2.1</b>	<b>18.4</b>	<b>29.9</b>

## Note 16. Right-of-use assets and lease liabilities

2021	Premises	Automotive	Other machinery and equipment	Total
<b>Accumulated cost</b>				
Opening balance January 1, 2021	67.2	0.5	1.4	69.0
Additional right of use	0.0	0.3	0.0	0.3
Disposals and eliminations	0.0	0.0	0.0	0.0
Reclassifications	0.0	0.0	0.0	0.0
Translation differences	4.3	0.0	0.1	4.4
<b>Closing balance Sept 30, 2021</b>	<b>71.4</b>	<b>0.8</b>	<b>1.5</b>	<b>73.7</b>
<b>Accumulated amortization</b>				
Opening balance January 1, 2021	-16.4	-0.4	-0.7	-17.5
Disposals and eliminations	0.0	0.0	0.0	0
Amortization for the year (Note 8)	-7.4	-0.4	-0.3	-8.0
Reclassifications	0.0	0.0	0.0	0.0
Translation differences	-1.1	0.0	-0.1	-1.2
<b>Closing balance Sept 30, 2021</b>	<b>-25.0</b>	<b>-0.7</b>	<b>-1.1</b>	<b>-26.8</b>
<b>Carrying amount at end of period</b>	<b>46.5</b>	<b>0.0</b>	<b>0.5</b>	<b>46.9</b>



2020	Premises	Automotive	Other machinery and equipment	Total
<b>Accumulated cost</b>				
Opening balance January 1, 2020	48.4	0.5	1.6	50.5
Additional right of use	28.1	0.0	0.0	28.1
Disposals and eliminations	-1.1	0.0	0.0	-1.1
Reclassifications	0.0	0.0	0.0	0.0
Translation differences	-8.3	0.0	-0.2	-8.5
<b>Closing balance December 31, 2020</b>	<b>67.2</b>	<b>0.5</b>	<b>1.4</b>	<b>69.1</b>
<b>Accumulated amortization</b>				
Opening balance January 1, 2020	-9.0	-0.2	-0.4	-9.7
Disposals and eliminations	0.8	0.0	0.0	0.8
Amortization for the year (Note 8)	-9.9	-0.2	-0.4	-10.5
Reclassifications	0.0	0.0	0.0	0.0
Translation differences	1.7	0.0	0.1	1.8
<b>Closing balance December 31, 2020</b>	<b>-16.4</b>	<b>-0.4</b>	<b>-0.7</b>	<b>-17.5</b>
<b>Carrying amount at end of period</b>	<b>50.8</b>	<b>0.1</b>	<b>0.7</b>	<b>51.5</b>

2019	Premises	Automotive	Other machinery and equipment	Total
<b>Accumulated cost</b>				
Opening balance January 1, 2019	46.8	0.5	1.5	48.9
Additional right of use	0.0	0.0	0.0	0.0
Disposals and eliminations	0.0	0.0	0.0	0.0
Reclassifications	0.0	0.0	0.0	0.0
Translation differences	1.6	0.0	0.1	1.7
<b>Closing balance December 31, 2019</b>	<b>48.4</b>	<b>0.5</b>	<b>1.6</b>	<b>50.5</b>
<b>Accumulated amortization</b>				
Opening balance January 1, 2019	0.0	0.0	0.0	0.0
Disposals and eliminations	0.0	0.0	0.0	0.0
Amortization for the year (Note 8)	-9.2	-0.2	-0.4	-9.8
Reclassifications	0.0	0.0	0.0	0.0
Translation differences	0.1	0.0	0.0	0.1
<b>Closing balance December 31, 2019</b>	<b>-9.0</b>	<b>-0.2</b>	<b>-0.4</b>	<b>-9.7</b>
<b>Carrying amount at end of period</b>	<b>39.4</b>	<b>0.3</b>	<b>1.2</b>	<b>40.9</b>

## LEASE LIABILITIES

<b>2021-09-30</b>	<b>Premises</b>	<b>Automotive</b>	<b>Other machinery and equipment</b>	<b>Total</b>
Non-current lease liabilities	41.9	0.0	0.1	42.0
Current lease liabilities	10.6	0.1	0.4	11.2
<b>Total carrying amount of lease liabilities</b>	<b>52.6</b>	<b>0.1</b>	<b>0.5</b>	<b>53.2</b>
Maturity analysis of undiscounted contractual lease payments				
1-12 months	13.3	0.2	0.4	13.9
13-36 months	27.1	0.0	0.1	27.2
37-60 months	18.3	0.0	0.0	18.3
>60 months	9.7	0.0	0.0	9.7
<b>Total</b>	<b>68.5</b>	<b>0.2</b>	<b>0.5</b>	<b>69.1</b>

<b>2020-12-31</b>	<b>Premises</b>	<b>Automotive</b>	<b>Other machinery and equipment</b>	<b>Total</b>
Non-current lease liabilities	42.6	0.0	0.3	42.9
Current lease liabilities	9.9	0.1	0.4	10.3
<b>Total carrying amount of lease liabilities</b>	<b>52.5</b>	<b>0.1</b>	<b>0.7</b>	<b>53.2</b>
Maturity analysis of undiscounted contractual lease payments				
1-12 months	10.3	0.1	0.4	10.8
13-36 months	18.3	0.0	0.3	18.7
37-60 months	19.1	0.0	0.0	19.1
>60 months	16.4	0.0	0.0	16.4
<b>Total</b>	<b>64.1</b>	<b>0.1</b>	<b>0.7</b>	<b>64.9</b>

<b>2019-12-31</b>	<b>Premises</b>	<b>Automotive</b>	<b>Other machinery and equipment</b>	<b>Total</b>
Non-current lease liabilities	29.9	0.1	0.7	30.8
Current lease liabilities	9.6	0.2	0.4	10.2
<b>Total carrying amount of lease liabilities</b>	<b>39.5</b>	<b>0.3</b>	<b>1.2</b>	<b>41.0</b>
Maturity analysis of undiscounted contractual lease payments				
1-12 months	10.0	0.2	0.4	10.6
13-36 months	17.2	0.1	0.8	18.1
37-60 months	16.5	0.0	0.0	16.5
>60 months	1.4	0.0	0.0	1.4
<b>Total</b>	<b>45.1</b>	<b>0.3</b>	<b>1.2</b>	<b>46.6</b>

**EFFECT ON CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

SEK million	2021-09	2020-12	2019-12
Depreciation of right-of-use assets	8.0	10.5	9.8
Variable lease payments	0.0	0.1	0.0
Lease of low-value assets and short-term leases	0.1	0.1	0.1
<b>Total lease expenses in operating income</b>	<b>8.1</b>	<b>10.5</b>	<b>10.0</b>
Included in interest expenses	3.0	3.1	2.4

**EFFECT ON CONSOLIDATED STATEMENT OF CASH FLOWS**

SEK million	2021-09	2020-12	2019-12
Included in cash flow from financing activities			
Repayment of lease liabilities	-6.7	-9.0	-8.4

**Note 17. Accounts receivable**

SEK million	Group		
	2021-09	2020-12	2019-12
Accounts receivable	124.2	123.5	143.0
Receivables, related parties	0.7	1.4	4.9
Bad debts provision	-1.6	-0.3	-1.1
<b>Total accounts receivable</b>	<b>123.2</b>	<b>124.6</b>	<b>146.7</b>

**Maturity analysis**

Not yet due	87.2	92.4	113.0
1-30 days overdue	7.3	6.9	9.3
31-60 days overdue	4.0	3.7	5.0
61-90 days overdue	2.6	4.0	4.1
Over 90 days overdue	23.7	17.8	16.4
<b>Closing balance</b>	<b>124.8</b>	<b>124.9</b>	<b>147.8</b>

**Changes in the provision for doubtful accounts receivable:**

As at January 1	0.3	1.1	0.1
Bad debts provision	1.3	0.4	1.5
Receivables written off during the year as uncollectible	0.0	-0.2	-0.4
Reversal of unused amount	0.0	-1.0	-0.1
<b>Closing balance</b>	<b>1.6</b>	<b>0.3</b>	<b>1.1</b>

The provision for expected credit loss is initially based on historical data, which means the proportion of the customer account, by maturity, that resulted in actual customer loss. For accounts receivable due in less than 90 days, no provision has been made. For accounts receivable past due by more than 90 days, different percentages (in parentheses) for expected credit losses have been applied to different maturity ranges; 91-180 days (3%), 181-360 days (10%) and more than 360 days (4%).

**Note 18. Inventories**

SEK million	Group		
	2021-09	2020-12	2019-12
Raw materials and consumables	3.1	3.3	6.3
Finished products	36.3	35.8	56.2
Advances from suppliers	0.3	0.3	0.3
Work in process	0.4	0.6	0.3
<b>Total inventories</b>	<b>40.2</b>	<b>39.9</b>	<b>63.2</b>

## Note 19. Prepaid expenses and accrued income

SEK million	Group		
	2021-09	2020-12	2019-12
Prepaid insurance	3.7	5.4	3.7
Prepaid license fees	5.5	2.6	3.4
Prepaid marketing expenses	0.9	3.3	1.7
Prepaid IT expenses	0.6	0.4	2.9
Prepaid personnel costs	0.4	0.1	1.6
Other items	6.2	3.7	2.0
<b>Total prepaid expenses, accrued income</b>	<b>17.4</b>	<b>15.4</b>	<b>15.4</b>

## Note 20. Cash and bank

SEK million	Group		
	2021-09	2020-12	2019-12
Current investments	0	0	0
Cash and cash equivalents	109.8	172.7	48.6
<b>Total cash and cash equivalents</b>	<b>109.8</b>	<b>172.7</b>	<b>48.6</b>

As of September 30, 2021, 66% of total cash and cash equivalents were held in USD.

## Note 21. Financial instruments by category in the Group

The table below represents the carrying amount and fair value for the Group's financial assets and financial liabilities by category.

		2021-09-30		2020-12-31		2019-12-31	
SEK million	Note	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets							
At amortized cost:							
Other financial assets		0.4	0.4	0.3	0.3	20.3	20.3
Accounts receivable	17	123.2	123.2	124.6	124.6	146.7	146.7
Other receivables		40.1	40.1	14.6	14.6	25.0	25.0
Cash and cash equivalents	20	109.8	109.8	172.7	172.7	48.6	48.6
Total		273.5	273.5	312.2	312.2	240.7	240.7
Financial liabilities							
At amortized cost:							
Accounts payable		58.1	58.1	58.8	58.8	56.8	56.8
Interest-bearing loans	24	278.0	278.0	362.9	362.9	395.3	395.3
Lease liabilities	16, 24	53.2	53.2	53.2	53.2	41.0	41.0
Other liabilities, non-interest bearing	24	29.5	29.5	22.2	22.2	13.9	13.9
Total		418.7	418.7	497.2	497.1	507.1	507.1

## Note 22. Changes in share capital

Date/ transaction	Change Share capital (SEK 000s)	Share capital (SEK 000s)	Total number
2012 Founding	50	50	50,000
2021 New share issue	450,000	500,000	500,000
2021 Reverse split of shares	N/A	500,000	1
2021 Share split	500,000	104,851	201

On September 30, 2021, Tobii Dynavox AB's share capital was increased to SEK 50,000 divided into 50,000 shares. The Extraordinary General Meeting of Tobii AB on October 25 resolved, in accordance with the proposal of the Board of Directors, to distribute all ordinary shares in Tobii Dynavox to the ordinary shareholders of Tobii. The meeting also resolved to issue a number of shares in Tobii Dynavox so that the number of shares will be equal to the number of ordinary shares in Tobii AB on the record date determined by the Board. All shares in Tobii Dynavox will be distributed to Tobii shareholders in proportion to each shareholder's holding in Tobii. For each share in Tobii AB, shareholders will receive one share in Tobii Dynavox AB.

As of September 30, 2021, Tobii AB has 99,800,523 ordinary shares; consequently, this is the number of shares presented in all historical comparison years.

Tobii AB has a number of option and stock unit programs in place that may affect the number of shares in Tobii Dynavox AB in the future.

This report has not taken into account any dilutive effect of the number of shares from these option and stock unit programs.

Equity in the Group comprises share capital, other paid-in capital, reserves.

### Group

#### Share capital

The number of shares is 50,000 with a nominal value of SEK 1.00 as at December 31, 2020.

### Reserves

Reserves consist of the translation reserve, which includes all exchange differences arising from the translation into SEK of the financial statements of foreign operations that have prepared their financial statements in the currency of the economic environment in which the respective entity principally operates (functional currency). The Parent Company and the Group present their financial statements in Swedish kronor (SEK).

### Earned profits

Earned profits in the Group comprise the profit for the year and previous year's earned profits after payment of any dividends.

### Right to dividend:

The ordinary shares in Tobii Dynavox carry the right to dividends for the first time on the record date for dividends that falls closest after the dividend of the ordinary shares in Tobii Dynavox has been effected. Dividends, if any, will be paid according to the decision of the General Meeting.

## Note 23. Reserves in equity

The item Reserves in equity relates entirely to translation differences.

## Note 24. Maturity profile of financial liabilities - undiscounted payments

SEK million	< 1 year	> 1 year < 5 years	> 5 years	Total
<b>2021-09</b>				
Interest-bearing loans	278.0	–	–	278.0
Lease liabilities	13.9	45.5	9.7	69.1
Accounts payable	58.1	–	–	58.1
Other	29.5	–	–	29.5
<b>Total</b>	<b>379.5</b>	<b>45.5</b>	<b>9.7</b>	<b>434.7</b>

SEK million	< 1 year	> 1 year < 5 years	> 5 years	Total
<b>2020-12</b>				
Interest-bearing loans	362.9	–	–	362.9
Lease liabilities	10.8	37.8	16.4	65.0
Accounts payable	58.8	–	–	58.8
Other	22.3	–	–	22.3
<b>Total</b>	<b>454.8</b>	<b>37.8</b>	<b>16.4</b>	<b>509.0</b>

SEK million	< 1 year	> 1 year < 5 years	> 5 years	Total
<b>2019-12</b>				
Interest-bearing loans	38.6	356.7	–	395.3
Lease liabilities	10.6	34.6	1.4	46.6
Accounts payable	56.8	–	–	56.8
Other	13.9	–	–	13.9
<b>Total</b>	<b>120.0</b>	<b>391.3</b>	<b>1.4</b>	<b>512.7</b>

Interest-bearing loans presented in this note refer to loans with Tobii AB. On September 21, 2021, Tobii Dynavox AB signed a 12-month amortization-free loan agreement with Swedbank for a bank loan of SEK 550 million and a multi-denominated revolving credit facility amounting to MSEK 150, that can be drawn down in the form of an overdraft facility for acquisitions.

The loan has an interest rate base of libor and an interest rate supplement of 2.25%. The facility is subject to a covenant, which is based on net debt (interest-bearing liabilities less cash and cash equivalents) in relation to EBITDA.



## Note 25. Accrued expenses and deferred income

SEK million	Group		
	2021-09	2020-12	2019-12
Accrued income, current portion	111.5	114.0	112.5
Accrued personnel expenses	35.8	38.9	35.7
Other accrued expenses	20.3	15.5	21.0
<b>Total accrued expenses and deferred income</b>	<b>167.6</b>	<b>168.4</b>	<b>169.1</b>

## Note 26. Pledged assets and contingent liabilities

Neither the parent company Tobii Dynavox AB nor any of the Group companies have any pledged assets or contingent liabilities at the end of any of the financial periods presented in this report.

In connection with the incorporation of Tobii Dynavox AB on January 1, 2019, and the transfer of assets from Tobii AB to Tobii Dynavox, a liability to Tobii AB initially for SEK 442 million arose.

As part of the separation, the Company signed a loan agreement on September 21, 2021 with Swedbank, which is providing a term loan of SEK 550 million and a multidenominational revolving loan facility of SEK 150 million that can be drawn down in the form of an overdraft facility for acquisitions. Both facilities have a 12-month period without amortization.

As of October 19, 2021, Swedbank will pay SEK 550 million to Tobii Dynavox to prepay a loan to Tobii AB and to complete payments for intellectual property licensing agreements.

During the period leading up to the Company's listing, Tobii AB has pledged Tobii Dynavox AB's shares together with a corporate mortgage of SEK 100 million. In connection with the planned listing, Tobii's pledge of Tobii Dynavox shares and the corporate mortgage of SEK 100 million will be released. At the same time, Tobii Dynavox will issue a chattel mortgage of SEK 50 million to Swedbank.

## Note 27. Supplementary disclosures to the statement of cash flows

SEK million	Group		
	2021-09	2020-12	2019-12
<b>Interest paid and received</b>			
Interest received	0.3	0.2	0.4
Interest paid	-0.1	-0.2	-0.1
<b>Total interest paid and received</b>	<b>0.2</b>	<b>0.1</b>	<b>0.3</b>

SEK million	Group		
	2021-09	2020-12	2019-12
Amortization and impairment on intangible assets	45.0	58.3	55.7
Depreciation, amortization and impairment on property, plant and equipment and right-of-use assets	25.0	29.4	24.1
Unrealized exchange rate differences	-0.3	1.7	-3.4
Accrued interest (intercompany loan Tobii Group)	12.2	18.9	20.5
Other non-cash items	8.5	-0.3	1.9
<b>Total non-cash items</b>	<b>90.4</b>	<b>107.8</b>	<b>99.2</b>

## Note 28. Related party transactions

Transactions between Tobii Dynavox AB and its subsidiaries have been eliminated and are not disclosed in this note. Transactions with key personnel and the Board of Directors are disclosed in note 7.

The shareholder of Tobii Dynavox AB is Tobii AB. The following table and information relate to the transactions that have taken place between the Tobii Dynavox Group and the Tobii Group.

Purchases from the Tobii Group relate to eye-tracking products that are integrated into the Group's products.

The Group has also purchased services from the Tobii Group, such as IT, logistics and purchasing, as well as some administrative services. The pricing for these services corresponds to what would have applied if the Group had performed them in-house. Tobii Dynavox does not yet have its own incentive programs. The cost of share-based payments is incurred by the Tobii Group. They are invoiced to Tobii Dynavox and are therefore included in the income statement in these combined financial statements.

The most significant receivable during the financial years presented relates to the promissory note to Tobii AB that arose at the beginning of 2019 in connection with the formation of the Tobii Dynavox Group, when Tobii Dynavox AB acquired both incoming and subsidiary shares from Tobii AB at fair value. Interest on the promissory note has been paid at 5%. In addition, over time the Group and Tobii AB have had short-term transactions of a settlement nature.

Equity transactions with the Tobii Group, such as group contributions and shareholder contributions, are disclosed in the statement of changes in equity. The line other transactions with shareholders relates to 2019 where interest was not treated as an actual transaction between the companies (only calculated in these reports) and to all three periods presented, as well as to earnings from the Dynavox segments within legal Tobii AB entities in Germany and China that only gave effect in the income statement of Tobii Dynavox in these combined reports, i.e. for which there is no corresponding receivable or payable to the Tobii Group. In the future, the earnings of these entities will be included in Tobii Dynavox through newly formed legal entities in these countries.

Cash effects from transactions attributable to legal entities that will remain in the Tobii Group have been recognized separately in cash flow through the line "Other cash flow from transactions with shareholders, Tobii Group". The line in the cash flow statement entitled "Other financing activities with the Tobii Group" includes the change in promissory note, group contributions and other financing-related transactions with the Tobii Group.

### TO/FROM TOBII GROUP

SEK million	Group		
	2021-09	2020-12	2019-12
<b>Revenue</b>			
Sale of goods	5.0	1.2	–
Sale of services	0.5	1.8	–
<b>Expenses</b>			
Purchase of services	–23.4	–36.6	–36.4
Interest expenses	–12.2	–19.1	–20.9
<b>Assets</b>			
Long-term loans	–	–	20.0
Accounts receivable	0.7	1.4	4.9
Other financial receivables	–	–	17.0
Other current receivables	15.8	9.3	–
<b>Liabilities</b>			
Long-term loans	–	–	356.7
Accounts payable	24.8	26.5	16.5
Short-term loans	278.0	362.9	38.6
<b>Equity</b>			
Group contributions	–	–61.1	–36.7
Shareholder contributions	–	48.0	20.0
Other transactions with shareholders, Tobii Group	–0.9	1.4	22.5
<b>Cash flow</b>			
Cash flow from other financing activities with shareholders, Tobii Group	–99.8	–30.6	–69.1
Other cash flow from transactions with shareholders, Tobii Group	–0.9	1.2	1.8

Tobii Dynavox entered into a perpetual license agreement with Tobii AB, for a one-time fee of SEK 280 million. This agreement gives the Company the right to use Tobii in combination with Tobii Dynavox and the transfer of certain trademarks from Tobii AB. The agreement was signed in Q3 2021 but the payment and transaction took place in October 2021, for which reason this transaction is not reflected in the table above. In October, the company also repaid SEK 257 million of the promissory note to Tobii AB.

Tobii Dynavox has also signed a supplier agreement giving the Company the right to purchase eye tracking devices from Tobii AB and a transitional agreement for services related to the spin-off of Tobii Dynavox.

During the period leading up to the Company's listing, Tobii AB has pledged Tobii Dynavox AB's shares together with a corporate mortgage of SEK 100 million. In connection with the planned listing, Tobii's pledge of Tobii Dynavox shares and the corporate mortgage of SEK 100 million will be released.

On October 29, 2021, Tobii AB gave Tobii Dynavox AB an unconditional shareholder contribution of SEK 75 million. The purpose of the unconditional shareholder contribution was to strengthen the Company's balance sheet.

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## Note 29. Significant events after the balance sheet date

On October 28, it was announced that Tobii Dynavox AB entered into an agreement whereby Tobii Dynavox will acquire all shares in the Belgian company Acapela Group Babel Technologies SA ("Acapela Group").

Tobii Dynavox has entered into an agreement with shareholders holding more than 80% of the voting rights, to acquire all the shares in Acapela Group. The remaining shares will be acquired through a simplified offer to minority shareholders and, if necessary, a drag-along process for these. The total purchase consideration for all the shares amounts to EUR 9.8 million, including cash and debt, and will be paid in cash. Acapela Group's net cash position as of September 30, 2021 was approximately EUR 2 million. The deal is subject to approval by the relevant competition authorities and certain other conditions, and is expected to be completed in the first quarter of 2022.

Acapela Group is a provider of voice synthesis and digital voice development solutions in areas such as assistive technology for communication, special education, public transport and customer interaction. Acapela Group's products are currently sold together with Tobii Dynavox's assistive technology for communication, as well as by many other companies in the area of assistive technology for communication and also other applications. The company has around 50 employees and is based in Mons, Belgium. In 2020, Acapela Group had sales of approximately EUR 6 million with an operating margin (EBIT) of 14%.

Tobii Dynavox believes that the primary value creation resulting from this acquisition will mainly arise from innovation and accelerated development of technology and solutions for voice synthesis, which are a vital component of assistive technology for communication. In addition, the acquisition creates the conditions for increased sales of both companies' products.

### Information brochure

In the beginning of October, the company published an information brochure in advance of Tobii AB's extraordinary general meeting held on 25 October. The purpose of the brochure was to provide the shareholders a basis for a decision, describing the two companies and the dividend and listing process.

### The company's financial targets

The company's financial targets were communicated. The company's targets are to increase currency-adjusted revenue by more than 10 percent on average per year, to achieve and maintain an EBIT margin in excess of 15 percent and to maintain a net debt/equity ratio of 2.5x (+/- 0.5x) in the last 12 months EBITDA.

### Other events

In October, the company received a payment in respect of the new credit facility with Swedbank of SEK 550 million. The money has been used, inter alia, to prepay loans from Tobii AB. On November 15, the Company has entered into an agreement with Swedbank, whereby the final repayment date of the fixed-term credit and the multi-denominated revolving facility was extended to 31 March 2023.

In October, the company has paid SEK 280 million to Tobii AB. The transaction is part of the license agreement regarding intellectual property, which, inter alia, gives the company the right to use Tobii in combination with Dynavox.

Tobii AB's extraordinary general meeting held on 25 October approved the dividend of Tobii Dynavox.

On October 29 2021, Tobii AB gave Tobii Dynavox AB an unconditional shareholder contribution of SEK 75 million. The purpose of the unconditional shareholder contribution was to strengthen the Company's balance sheet.

# Independent Auditor's report

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This is a literal translation of the Swedish original report

To the Board of Directors of Tobii Dynavox AB (publ), corporate identity number 556914-7563

## **REPORT ON THE COMBINED ACCOUNTS**

### **Opinions**

We have audited the combined accounts of Tobii Dynavox group for the period of two financial years ending 31 December 2020 and for the nine months period ending 30 September 2021. The combined accounts of the group are included on pages F-4–F-33 in this document.

In our opinion, the combined accounts have been prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the EU and present fairly, in all material respects, the combined financial position of the group as of 30 September 2021, 31 December 2020 and 31 December 2019 and its combined financial performance and combined cash flow for each of the two financial years ending 31 December 2020 and for the nine months period ending 30 September 2021 in accordance with the International Financial Reporting Standards (IFRS), as adopted by the EU.

### **Basis for Opinions**

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

### **Responsibilities of the Board of Directors and the Managing Director**

The Board of Directors and the Managing Director are responsible for the preparation of the combined accounts and that they give a fair presentation according to IFRS as adopted by the EU. The Board of Directors and the Managing Director is also responsible for such internal control as they determine is necessary to enable the preparation of combined accounts that are free from material misstatement, whether due to fraud or error.

In preparing the combined accounts, The Board of Directors and the Managing Director are responsible for the assessment of the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

### **Auditor's responsibility**

Our objectives are to obtain reasonable assurance about whether the combined accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the combined accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the combined accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the combined accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the combined accounts or, if such disclosures are inadequate, to modify our opinion about the combined accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the combined accounts, including the disclosures, and whether the combined accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the combined accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for my our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

Stockholm 23 November 2021  
PricewaterhouseCoopers AB

Johan Engstam  
Authorized Public Accountant



# Addresses

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