

Year-End Report Q4 and Full Year

January–December 2021

QUARTER OCTOBER - DECEMBER 2021

- Revenue grew 3% organically to SEK 245 million (233)
- Gross margin was 64% (67%).
- Operating profit totaled SEK 13 million (34), corresponding to an operating margin of 5.4% (14.7%).
- Cash flow after current investments was SEK -274 million (50).
- Basic earnings per share were SEK 0.05 (0.68)

PERIOD: JANUARY - DECEMBER 2021

- Revenue was SEK 872 million (895), corresponding to flat organic growth.
- Logistics-related delays at the end of the year caused some revenue to be postponed until 2022, which negatively impacted revenue by approximately SEK 10 million.
- Gross margin was 65% (66%).
- Operating profit was SEK 60 million (127), corresponding to an operating margin of 6.9% (14.2%).
- Cash flow after current investments was SEK -234 million (171).
- Basic earnings per share were SEK 0.30 (1.30).
- The Board of Directors proposes to the Annual General Meeting that no dividend be paid for fiscal year 2021.

SIGNIFICANT EVENTS DURING THE QUARTER

- Tobii Dynavox launched the communication device "TD Pilot," the very first Apple-certified product to enable control of an iPad with eye movements alone.
- Tobii Dynavox announced its financial targets. The Company's targets are to increase currency-adjusted revenue by more than 10% on average per year and to achieve and maintain an EBIT margin in excess of 15%. Tobii Dynavox intends to maintain a net debt/equity ratio of 2.5x (+/- 0.5x) for the last 12 months' EBITDA.
- The Company received a payment from Swedbank of SEK 550 million under an agreed credit facility. The money was used for purposes to repay all loans to Tobii AB. The Company also paid SEK 280 million to Tobii AB under a previously signed license agreement.
- Tobii Dynavox entered into an agreement to acquire all shares in the Belgium-based Acapela Group for EUR 9.8 million in cash. The deal is subject to approval by the relevant competition authorities, as well as certain other conditions. It is expected to be completed in the beginning of 2022.
- The Tobii Group was separated into two and Tobii Dynavox ordinary shares were listed on Nasdaq Stockholm on December 9.

FINANCIAL OVERVIEW

SEK m (except for earnings per share)	Q4 2021	Q4 2020	Δ	Δ Organic	Full year 2021	Full year 2020	Δ	Δ Organic
Revenue	245,0	233,1	5,1%	2,9%	871,6	895,2	-2,6%	0,3%
EBITDA	38,3	56,2	-31,8%	-	155,0	214,9	-27,8%	-
Operating profit/loss (EBIT)	13,3	34,3	-61,1%	-60,9%	60,0	127,2	-52,8%	-51,0%
Net profit/loss for the period	5,4	67,7	-92,1%	-	29,8	129,8	-77,0%	-
Earnings per share, (SEK)	0,05	0,68	-92,3%	-	0,30	1,30	-77,2%	-
Earnings per share after dilution (SEK)	0,05	0,68	-92,3%	-	0,30	1,30	-77,2%	-
Cashflow after continuous investments	-273,7	49,7	-650,9%	-	-233,7	170,5	-237,1%	-

Comments from the CEO

The fourth quarter was eventful and intense, with several historic milestones for the company. At the same time, the pandemic had a temporary, but clearly negative, impact on business and earnings. Demand for our products remains significant. We are confident that we can deliver on our financial targets.

In 2021, the pandemic had a significant negative impact on our business, which was further exacerbated in the fourth quarter by the increased restrictions. In particular, the increased spread of the pandemic meant that our ability to meet with our customers, prescribers and users was again severely limited. Face-to-face meetings, often in our user's own home, is important in our world – and remains heavily restricted compared to before. Some of our staff have tested positive or had to be isolated, while logistics and the component shortage continued to be affected. To not have enough products to meet the demand is very frustrating, specifically for our users and customers.

As a result, our revenue grew by a relatively modest 3% organically. However, it is important to point out that Tobii Dynavox, has managed to maintain the same revenue level compared the year before the pandemic despite the major challenges. Our most important business, assistive technology for communication in North America, continued to perform well, while the impact on our special education products and other markets was much larger. Furthermore, we saw an unusually strong increase in new insurance applications related to our products during full-year 2021, which bodes well for our growth in 2022. Overall, we estimate that our underlying business volume for assistive technology for communication in North America grew by over 10% for the full year.

THREE KEY EVENTS MARKED THE QUARTER

The spin-off of Tobii Dynavox as an independent listed company means that we free up a lot of energy within the organization which gives us better conditions to continue drive the industry forward as the clear market leader with the most complete offering of solutions for our customers.

We are extremely proud of the Apple-based communication device "TD Pilot", which was launched in mid-November. The medically classified device enables people with disabilities to control an iPad with their eyes. The market response has been overwhelmingly positive. As this assistive device is primarily sold on a prescription basis, it will take until the middle of the first half of the year before sales start in earnest.

At the end of October, we signed an agreement to acquire Acapela Group, headquartered in Belgium, a global provider of synthetic voice and AI-driven voice synthesis technology. The company has been an important partner to us for many years. The merger further deepens this relationship, providing great opportunities to achieve new, important solutions for our users. The acquisition fits well with our focus on being an innovative driving force in assistive technology for communication. The deal is subject to customary regulatory approvals, which we expect to be completed in the beginning of 2022.

Despite the short-term challenges accompanying the rising case rates, we continue to work on long-term growth. One such initiative is customer satisfaction, which is at high levels.

LOW MARKET PENETRATION MEANS HIGH GROWTH POTENTIAL

We are optimistic about our long-term business potential, especially with such an underpenetrated market. Only two percent of those diagnosed annually are estimated to have access to assistive technology for communication, primarily because of low awareness and inadequate reimbursement solutions. Our education initiatives are therefore a critical factor in raising awareness of our solutions and these continue with unwavering commitment. Although it will take some time to recover from the negative effects of the pandemic, we are confident that we can deliver on our long-term financial targets.

In conclusion, I would like to underscore the inherent strength of the organization. We are passionate about our users and are constantly working to improve our products and services to make their lives easier. We look forward to an exciting and eventful 2022.

Fredrik Ruben, CEO



Fredrik Ruben
CEO, Tobii Dynavox

Comments on the Group's performance

QUARTER OCTOBER-DECEMBER

Revenue

Consolidated revenue was SEK 245 million (233), corresponding to organic growth of 3%. Currency movements had a positive impact of 2% on revenue. Delivery and logistics delays in earlier quarters of 2021 caused some revenue to be postponed to the fourth quarter, which are estimated to have positively impacted revenue for the quarter by SEK 14 million. At the same time, delivery and logistics-related delays at the end of the quarter caused some revenue to be postponed to the first quarter of 2022, which negatively impacted revenue by approximately SEK 10 million. Adjusted for the above effects, underlying organic growth would have been around 1%.

Performance

Gross profit amounted to SEK 157 million (156), corresponding to a gross margin of 64% (67%). The margin decline was attributable in part to non-recurring items that together amounted to SEK 4 million, and in part to a pandemic-related increase in costs for components and shipping.

Operating profit amounted to SEK 13 million (34) and the operating margin was 5% (15%). Delayed deliveries from earlier quarters in 2021 had a positive impact on operating profit of approximately SEK 11 million. The postponement of certain revenue to the first quarter of 2022 due to delivery and logistics-related delays is estimated to have negatively impacted the quarter by approximately SEK 8 million. Non-recurring costs related to the spin-off from Tobii AB also had a negative impact on earnings of approximately SEK 5 million, as did M&A costs of SEK 2 million.

Research and development expenses had a negative impact on operating profit of SEK 7 million for the quarter compared with the corresponding quarter last year, mainly related to new products. Investments relate to the development of proprietary products, the majority of which involve software.

The comparative period had lower costs due to COVID-19-related government grants of approximately SEK 4 million, as well as somewhat lower activity because of the pandemic, such as travel, events, etc.

Profit before tax was SEK 9 million (29). Financial items amounted to SEK -5 million (-5) and mainly consisted of interest on external loans.

Tax for the period amounted to SEK -3 million (39), of which SEK -3 million (40) relates to deferred tax. The positive tax effects from the previous year are related to the capitalization of the tax asset in the US in the fourth quarter of 2020.

Profit for the period was SEK 5 million (68). Basic earnings per share were SEK 0.05 (0.68) and diluted earnings per share were SEK 0.05 (0.68).

Currency effects

Higher exchange rates, primarily USD/SEK, impacted revenue by SEK 5 million and operating profit positive by SEK 6 million compared with the corresponding quarter last year.

Cash flow, liquidity and financial position

Cash flow from operating activities before changes in working capital amounted to SEK 15 million (55). Change in working capital amounted to SEK 20 million (17).

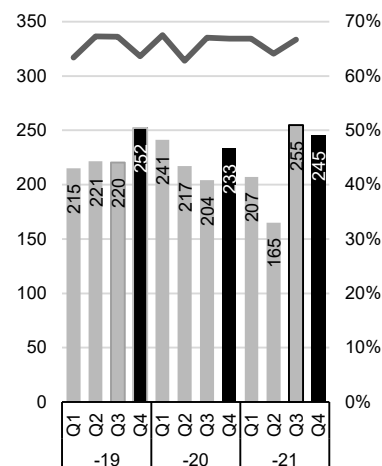
Cash flow from investing activities amounted to SEK -308 million (22), of which SEK -21 million (-18) was capitalization of R&D costs. Investments also include SEK -280 million related to the license agreement signed in 2021 with Tobii, concerning intangible assets that give the company the right to use Tobii in combination with Tobii Dynavox, as well as the transfer of certain trademarks over from Tobii AB. A new loan of SEK 550 million from Swedbank and a shareholder contribution from Tobii AB of SEK 75 million strengthened the cash flow from financing activities during the period. These funds were used to pay Tobii AB for the license agreement and previous loans. Cash flow for the period was SEK 86 million (59).

At the end of the quarter, the Group had cash and cash equivalents of SEK 197 million (173). Consolidated net debt totaled SEK 409 million (243), including SEK 59 million (53) in IFRS 16 finance leases.

Organization

The number of employees converted to full-time equivalents at the close of the period was 469 (464).

REVENUE, SEK M,
AND GROSS MARGIN, %



SIGNIFICANT EVENTS DURING THE QUARTER

- Tobii Dynavox launched the "TD Pilot" communication device. TD Pilot is a medically certified device and the very first Apple-certified product to enable control of Apple's iPad using only eye movements.
- The Company announced its financial targets. Tobii Dynavox's targets are to increase currency-adjusted revenue by more than 10% on average per year and to achieve and maintain an EBIT margin in excess of 15%. Tobii Dynavox intends to maintain a net debt/equity ratio of 2.5x (+/- 0.5x) for the last 12 months' EBITDA
- The Company announced its financial targets. Tobii Dynavox's targets are to increase currency-adjusted revenue by more than 10% on average per year and to achieve and maintain an EBIT margin in excess of 15%. Tobii Dynavox intends to maintain a net debt/equity ratio of 2.5x (+/- 0.5x) for the last 12 months' EBITDA
- The company received a payment from Swedbank of SEK 550 million under an agreed credit facility, known as a term loan, with maturity in March 2023. The money was used for purposes such as repayment of loans to Tobii AB. The Company also paid SEK 280 million to Tobii AB under the previously concluded license agreement.
- Tobii Dynavox entered into an agreement to acquire all shares in the Belgium-based Acapela Group for EUR 9.8 million in cash. Acapela Group is a provider of digital voices and AI-powered voice synthesis software. The deal is subject to approval by the relevant competition authorities, as well as certain other conditions. It is expected to be completed in the beginning of 2022.
- Tobii Dynavox ordinary shares were listed on Nasdaq Stockholm on December 9.

KEY PERFORMANCE MEASURES

SEK m	Q4 2021	Q4 2020	Full year 2021	Full year 2020
Revenue	245,0	233,1	871,6	895,2
Revenue change:	5,1%	-7,5%	-2,6%	-1,5%
- of which organic	2,9%	2,0%	0,3%	1,1%
- of which currency	2,2%	-9,5%	-2,9%	-2,6%
Gross margin	64,0 %	66,9 %	65,5 %	66,1 %
Operating profit/loss (EBIT)	13,3	34,3	60,0	127,2
EBIT change	-61,1 %	22,4 %	-52,8 %	26,0 %
EBIT margin	5,4 %	14,7 %	6,9 %	14,2 %

REVENUE BY GEOGRAPHIC MARKET

SEK m	Q4 2021	Q4 2020	Full year 2021	Full year 2020
Europe	47,0	56,9	176,9	187,1
North America	183,4	171,2	641,1	674,8
Other countries	14,6	5,0	53,5	33,4
Total revenue	245,0	233,1	871,6	895,2

RESEARCH & DEVELOPMENT

SEK m	Q4 2021	Q4 2020	Full year 2021	Full year 2020
Total R&D expenditures	-36,4	-29,5	-130,1	-128,6
Capitalization	21,0	18,0	76,0	78,4
Amortization	-18,2	-14,9	-63,2	-58,4
R&D expenses in the income statement	-33,6	-26,4	-117,3	-108,6

PERIOD: JANUARY - DECEMBER**Revenue**

Consolidated revenue was SEK 872 million (895), corresponding to organic growth of 0%. Currency movements had a negative impact of 3% on revenue. Delivery and logistics-related delays are estimated to have deferred revenue of approximately SEK 10 million to the following year. Adjusted for these factors, organic growth would have been 2%.

Performance

Consolidated gross profit amounted to SEK 571 million (592), corresponding to a gross margin of 65% (66%). The margin decline was partly explained by increased pandemic-related costs for components and shipping of approximately SEK 10 million, as well as non-recurring costs of SEK 2 million.

Operating profit fell to SEK 60 million (127) and the operating margin was 7% (14%). The postponement of certain revenue to the next year, due to delivery and logistics-related delays, is estimated to have negatively impacted operating profit by approximately SEK 8 million. Non-recurring costs related to the spin-off from Tobii AB also had a negative impact on earnings of approximately SEK 8 million. Higher research and development costs related to new products also affected performance, as did lower capitalization and higher depreciation and amortization compared with the previous year, related to the timing of various product launches. The difference compared with the previous year was SEK 9 million net, mainly related to the roll-out of a new generation of the Board-maker product, which began at the end of 2020. Investments relate to the development of proprietary products, mainly software.

The comparative period had lower costs due to COVID-19-related government grants and working time reductions of about SEK 22 million.

Profit before tax was SEK 41 million (103). Financial items amounted to SEK -20 million (-24) and mainly consisted of interest on external loans.

Tax for the period amounted to SEK -11 (26) million, of which SEK -6 (40) million relates to deferred tax. The positive tax effects for the previous year are related to the capitalization of deferred tax assets in the US. Profit for the period was SEK 30 million (130); basic earnings per share were SEK 0.30 (1.30), while diluted earnings per share were SEK 0.30 (1.30).

Currency effects

Lower exchange rates for USD/SEK and EURO/SEK affected revenue by SEK -27 million and operating profit positive by SEK 7 million compared to last year.

Cash flow, liquidity and financial position

Cash flow from operating activities before changes in working capital amounted to SEK 136 million (210). Change in working capital amounted to SEK 0 million (63). Cash flow from investing activities amounted to SEK -370 million (-102), of which SEK -76 million (-78) was capitalization of R&D costs. A new loan of SEK 550 million from Swedbank and a shareholder contribution from Tobii AB of SEK 75 million strengthened the cash flow from financing activities during the period. These funds were used to pay Tobii AB for the license agreement and previous loans. Cash flow for the period was SEK 19 million (131).

At the end of the year, the Group had cash and cash equivalents of SEK 197 million (173). Consolidated net debt totaled SEK 409 million (243), including SEK 59 million (53) in IFRS 16 finance leases.

Organization

The number of employees converted to full-time equivalents at the close of the period was 467 (464).

DIVIDENDS

The Board of Directors proposes to the Annual General Meeting that no dividend be paid for fiscal year 2021.

Group

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK m	Note	Q4 2021	Q4 2020	Full year 2021	Full year 2020
Revenues	9	245,0	233,1	871,6	895,2
Cost of goods and services sold		-88,2	-77,3	-301,0	-303,5
Gross profit		156,8	155,8	570,6	591,7
Selling expenses		-80,5	-69,5	-312,7	-288,1
Research and development expenses		-33,6	-26,4	-117,3	-108,6
Administrative expenses		-29,7	-19,2	-83,6	-67,9
Other operating income and operating expenses		0,4	-6,5	3,0	0,0
Operating profit/loss (EBIT)		13,3	34,3	60,0	127,2
Net financial items		-4,8	-5,4	-19,5	-23,9
Profit/loss before tax (EBT)		8,5	28,9	40,5	103,4
Income Tax		-3,2	38,8	-10,7	26,5
Net profit/loss for the period		5,4	67,7	29,8	129,8
Other comprehensive income					
Items that may be reclassified to net profit for the period:					
Translation differences		2,2	-3,9	5,9	-4,0
Other comprehensive income for the period, net after tax		2,2	-3,9	5,9	-4,0
Total comprehensive income for the period		7,5	63,8	35,8	125,8
Earnings per share, SEK		0,05	0,68	0,30	1,30
Earnings per share, diluted, SEK		0,05	0,68	0,30	1,30
Net profit/loss for the period attributable to:					
Parent Company's shareholders		5,4	67,7	29,8	129,8
Net profit/loss for the period		5,4	67,7	29,8	129,8
Total comprehensive income for the period attributable to:					
Parent Company's shareholders		7,5	63,8	35,8	125,8
Total comprehensive income for the period		7,5	63,8	35,8	125,8
Number of shares at the end of the period (million)		104,9	99,8	104,9	99,8
Weighted average number of shares (million)		102,5	99,8	100,5	99,8

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

SEK m	Note	Dec 31 2021	Dec 31 2020
NON-CURRENT ASSETS			
Intangible assets			
Capitalized development expenditures		193,2	182,1
Trademarks		377,9	93,4
Other intangible assets		1,4	1,4
Total		572,6	276,9
Tangible fixed assets			
Plant and machinery		7,1	13,4
Equipment, tools, fixtures and fittings		3,2	1,4
Right-of-use assets		52,4	51,5
Other tangible fixed assets		13,5	15,8
Total		76,2	82,1
Financial and other non-current assets			
Dererred tax assets		51,1	51,6
Other long-term receivables		0,4	0,3
Total		51,5	51,9
Total non-current assets		700,3	410,9
CURRENT ASSETS			
Trade receivables		139,2	124,6
Inventories		58,4	39,9
Other current receivables		30,2	14,6
Prepaid expenses and accrued income		20,9	15,4
Cash and cash equivalents		197,3	172,7
Total current assets		446,1	367,3
TOTAL ASSETS		1 146,3	778,2
EQUITY AND LIABILITIES			
Share capital		0,5	0,1
Reserves		0,6	-5,4
Retained earnings		138,4	34,7
Total equity		139,5	29,3
Non-current liabilities			
Interest-bearing long-term loans		547,7	-
Leasing liabilities, long-term		44,9	42,9
Other non-current liabilities		108,3	88,0
Total non-current liabilities		700,9	130,9
CURRENT LIABILITIES			
Interest-bearing short-term loans		-	362,9
Leasing liabilities, short-term		14,1	10,3
Trade payables		77,5	58,8
Tax liabilities		4,6	1,0
Other current liabilities		22,4	16,5
Accrued expenses and deferred revenue		187,3	168,4
Total current liabilities		305,9	618,0
Total liabilities		1 006,9	748,9
TOTAL EQUITY AND LIABILITIES		1 146,3	778,2

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEK m	Attributable to Parent Company shareholders				
	Note	Share capital	Reserves	Retained earnings	Total
Opening balance, Jan 1, 2020		0,1	-1,3	-96,1	-97,4
Comprehensive income for the period			-4,0	129,8	125,8
Group contributions Tobii Group				-61,1	-61,1
Tax related to other income for the period				12,6	12,6
Shareholder contribution, Tobii Group				48,0	48,0
Other transactions with shareholders, Tobii Group	2			1,4	1,4
Closing balance, Dec 31, 2020		0,1	-5,4	34,7	29,3
Opening balance, Jan 1, 2021		0,1	-5,4	34,7	29,3
Rights issue		0,5			0,5
Comprehensive income for the period			5,9	29,8	35,8
Shareholder contribution, Tobii Group				75,0	75,0
Other transactions with shareholders, Tobii Group	2			-1,1	-1,1
Closing balance, Dec 31, 2021		0,5	0,6	138,4	139,5

CONSOLIDATED STATEMENT OF CASH FLOWS

SEK m	Note	Q4 2021	Q4 2020	Full year 2021	Full year 2020
Cash flow from operating activities					
Profit after financial items		8,5	28,9	40,5	103,4
whereof paid and received interest		-12,9	0,0	-12,7	0,1
Adjustments for items not included in cash flow		8,5	24,9	98,9	107,8
Taxes paid		-2,3	1,1	-3,1	-1,5
Cash flow before changes in working capital		14,8	54,8	136,3	209,7
Changes in working capital					
Inventories		-16,6	-1,9	-14,7	19,1
Operating receivables		-2,8	-8,7	-20,5	8,8
Operating liabilities		39,3	27,8	35,5	34,9
Cash flow from changes in working capital		19,9	17,2	0,2	62,8
Cash flow from operating activities		34,7	72,0	136,5	272,5
Investing activities					
Investments in intangible assets		-301,0	-18,0	-356,5	-78,4
Investments in tangible assets		-6,7	-4,3	-10,8	-23,6
Aquisition of subsidiaries, net of cash acquired		-0,7	-	-3,0	-
Cash flow from investing activities		-308,4	-22,3	-370,3	-102,0
Financing activities					
Proceeds from borrowings		550,0	-	550,0	-
Shareholder contribution		75,0	48,0	75,0	48,0
Repayment of lease liability		-3,7	-2,3	-10,5	-9,0
Other financing activities		-2,0	-0,2	0,6	-1,7
Repayment internal loan and cash flow from other financing activities with Tobii Group		-259,7	-36,0	-362,0	-76,9
Cash flow from financing activities		359,6	9,6	253,1	-39,6
Cash flow for the period		85,9	59,3	19,4	130,9
Cash and cash equivalents at the beginning of the period		109,8	118,0	172,7	48,6
Currency translation impact on cash and cash equivalents		1,8	-5,4	6,4	-8,0
Other cash flow from transactions with shareholder, Tobii Group	2	-0,2	0,8	-1,1	1,2
Cash and cash equivalents at the end of the period		197,3	172,7	197,3	172,7

Parent Company

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

Net sales for the Parent Company, Tobii Dynavox AB, for the period January 1 to December 31, 2021 amounted to SEK 458 million (500), of which SEK 290 million (331) are attributable to sales to group companies and SEK 168 million (169) to external customers. Operating profit for the corresponding period was SEK 30 million (77). Investments in property, plant and equipment and intangible assets totaled SEK 362 million (86). At the end of the period, the Parent Company had SEK 139 million (98) in cash and cash equivalents.

CONDENSED PARENT COMPANY INCOME STATEMENT

SEK m	Q4 2021	Q4 2020	Full year 2021	Full year 2020
Revenues	136,8	136,8	458,2	500,3
Cost of goods and services sold	-63,0	-54,2	-202,7	-209,6
Gross profit	73,9	82,6	255,5	290,7
Selling expenses	-17,1	-11,5	-52,4	-38,3
Research and development expenses	-34,7	-26,4	-116,1	-107,9
Administrative expenses	-36,8	-17,0	-89,8	-60,1
Other operating income and operating expenses	29,6	-6,0	32,8	-7,7
Operating profit/loss	15,0	21,7	30,0	76,6
Financial items	-4,2	-19,1	-15,7	-19,6
Group Contributions	-	-61,1	-	-61,1
Profit/loss before tax	10,8	-58,5	14,3	-4,1
Income tax	-2,9	-	-2,9	-
Net profit/loss for the period	7,8	-58,5	11,4	-4,1

CONDENSED PARENT COMPANY BALANCE SHEET

SEK m	Dec 31 2021	Dec 31 2020
NON-CURRENT ASSETS		
Intangible assets	469,8	201,7
Tangible assets	7,6	9,3
Financial assets	147,6	146,6
Total non-current assets	625,0	357,6
CURRENT ASSETS		
Inventories	14,9	11,5
Trade receivables	16,6	16,9
Receivables from Group companies	38,4	45,7
Other current assets	20,8	83,7
Cash and cash equivalents	138,9	98,3
Total current assets	229,5	256,1
TOTAL ASSETS	854,6	613,7
EQUITY AND LIABILITIES		
Restricted equity	172,1	138,8
Unrestricted equity	-23,1	-76,6
Equity	149,0	62,2
Non-current liabilities		
Interest-bearing liabilities	547,7	-
Liabilities to Group companies	40,6	-0,0
Other non-current liabilities	15,0	14,4
Total non-current assets	603,3	14,4
Current liabilities		
Interest-bearing liabilities	-	370,7
Trade payables	50,1	43,3
Liabilities to Group companies	0,8	-
Other current liabilities	51,1	122,7
Total current liabilities	101,9	536,8
Total liabilities	705,5	551,5
TOTAL EQUITY AND LIABILITIES	854,6	613,7

KEY PERFORMANCE MEASURES FOR THE GROUP

	Q4 2021	Q4 2020	Full year 2021	Full year 2020
Earnings per share, SEK	0,05	0,68	0,30	1,30
Earnings per share, diluted, SEK	0,05	0,68	0,30	1,30
Equity per share, SEK	1,4	0,3	1,4	0,3
EBITDA, SEK m	38,3	56,2	155,0	214,9
EBIT, SEK m	13,3	34,3	60,0	127,2
Cash flow from operating activities, SEK m	34,7	72,0	136,5	272,5
Cash flow after continuous investments, SEK m	-273,7	49,7	-233,7	170,5
Working capital, SEK m	-143,1	-133,3	-143,1	-133,3
Total assets, SEK m	1 146,3	778,2	1 146,3	778,2
Net debt, SEK m	409,4	243,4	409,4	243,4
Net Debt/EBITDA LTM			2,6	1,1
Equity, SEK m	139,5	29,3	139,5	29,3
Equity/assets ratio, %	12,2	3,8	12,2	3,8
Debt/equity, %	435,0	1 418,6	435,0	1 418,6
Gross margin, %	64,0	66,9	65,5	66,1
EBITDA margin, %	15,6	24,1	17,8	24,0
Operating margin, %	5,4	14,7	6,9	14,2
Average number of outstanding shares, million	102,5	99,8	100,5	99,8
Average number of outstanding shares after dilution, million	102,5	99,8	100,5	99,8
Number of outstanding shares at period end, million	104,9	99,8	104,9	99,8
Number of outstanding shares after dilution at period end, million	104,9	99,8	104,9	99,8
Average number of employees	469	464	467	464

Definitions, see note 10.

QUARTERLY DATA

	2019				2020				2021			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Revenue, SEK m	215,1	221,2	220,3	252,1	241,2	217,0	204,0	233,1	207,1	164,9	254,5	245,0
Gross Margin, %	63,4	67,3	67,2	63,6	67,5	62,8	67,0	66,9	66,8	64,1	66,7	64,0
EBITDA, SEK	38,3	45,0	48,6	49,0	60,1	50,5	48,1	56,2	49,8	0,9	66,0	38,3
EBIT, SEK m	17,6	25,3	30,2	28,0	36,7	28,5	27,8	34,3	28,0	-23,2	41,9	13,3
Operating Margin, %	8,2	11,4	13,7	11,1	15,2	13,1	13,6	14,7	13,5	-14,1	16,5	5,4
Profit/Loss before tax, SEK m	20,8	23,7	30,9	5,7	34,3	20,3	19,9	28,9	28,0	-33,5	37,5	8,5

Notes

Note 1. Accounting policies

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

Tobii Dynavox's interim report contains condensed financial statements. For the Group, this mainly means that the note disclosures are limited compared with the financial statements presented in the prospectus. The accounting policies applied are in effect in all periods and are consistent with the accounting policies applied in the preparation of the prospectus "Admission to trading of the common shares in Tobii Dynavox AB (publ) on Nasdaq Stockholm," note 2.

The financial statements of the Parent Company are generally presented in condensed format, with limited disclosures compared with the annual accounts. The interim reports for Tobii Dynavox AB have been prepared in accordance with the Swedish Annual Accounts Act and standard RFR 2, Accounting for legal entities. The most recent annual report of Tobii Dynavox AB has been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Financial Accounting Standards Council's standard BFNAR 2012:1 Annual Report and Consolidated Financial Statements (K3).

Note 2. Formation of the Group

In April 2021, Tobii's Board of Directors announced its intention to propose to the Extraordinary General Meeting to resolve on a distribution of all common shares in the wholly owned subsidiary Tobii Dynavox to the common shareholders of Tobii with subsequent stock exchange listing. On October 25, 2021, Tobii's Extraordinary General Meeting resolved in accordance with the Board's proposal. The first day of trading in Tobii Dynavox ordinary shares on Nasdaq Stockholm was December 9, 2021.

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

Note 3. Risks and uncertainty factors

Tobii's business risks include the economic climate, the competitive situation, currency risks, credit risks in relation to customers, financing risks, the risk of impairment write-downs of capitalized R&D and other intangible assets, and regulatory risks (Tobii Dynavox in the U.S. is under the supervisory control of the U.S. Food and Drug Administration (FDA)). The Group's risks and risk management are described in more detail in the risk section on page 10 of the prospectus and in note 3 of the prospectus.

Note 4. Segment reporting

The assessment of which operating segments exist in the Group shall be based on the internal reporting provided to the chief operating decision maker. The chief operating decision maker is the function responsible for allocation of resources and analyzing the segment's profit/loss. In the Tobii Dynavox Group, this function has been identified as Group Management. The financial information

provided to Group Management within Tobii Dynavox, as a basis for decisions on the allocation of resources, applies to the business as a whole without any subdivision into underlying segments. Given this situation, the management of the Tobii Dynavox Group has determined that the business as a whole should be considered a segment until further notice. Sales by geographic market is broken down into the following markets: North America, Europe and other countries.

Note 5. Transactions with related parties

Purchases and sales of services and products between Tobii Dynavox and Tobii and its subsidiaries were considered related party transactions until December 9, 2021

Purchases from the Tobii Group relate to eye-tracking devices 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 has entered into two major agreements with Tobii AB, a supplier agreement giving the Company the right to purchase eye tracking devices from Tobii AB and an intellectual property license agreement giving the Company the right to use Tobii in combination with Tobii Dynavox and the transfer of certain trademarks from Tobii AB. Tobii Dynavox entered into a perpetual license agreement with Tobii AB, for a one-time fee of SEK 280 million. This agreement was signed in the third quarter and the transaction took place in the fourth quarter.

Note 6. Sustainability information

The Group's work on sustainability is described in more detail in the Sustainability agenda section on page 42 of the prospectus.

Note 7. Pledged assets and contingent liabilities

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 with Swedbank on September 21, which is providing a term loan of SEK 550 million and a multidenominational revolving loan facility of SEK 150 million. Both facilities have a 12-month period without amortization.

As of October 19, Swedbank paid SEK 550 million to Tobii Dynavox to prepay a loan to Tobii AB and to complete payments for intellectual property licensing agreements.

At the same time, Tobii Dynavox issued a chattel mortgage of SEK 50 million to Swedbank.

Note 8. Share data

As of December 31, 2021, Tobii Dynavox held 104,851,201 common shares, each carrying one vote.

Note 9. Breakdown of revenue

SEK m	Q4 2021	Q4 2020	Full year 2021	Full year 2020
REVENUE BY PRODUCT CATEGORY				
Goods	220,5	213,3	781,2	815,4
Services	22,5	18,2	80,2	74,2
Royalties	1,1	1,3	4,2	4,4
Total revenues	245,0	233,1	871,6	895,2
REVENUE BY TIMING CATEGORY				
At a point in time	179,2	149,5	718,6	755,2
Over time	65,9	83,6	153,0	140,1
Total revenues	245,0	233,1	871,6	895,2

Note 10. Alternative performance measures

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

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

RECONCILIATION OF ALTERNATIVE PERFORMANCE MEASURES

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

SEK m	Q4 2021	Q4 2020	Full year 2021	Full year 2020
Gross margin				
Gross profit	156,8	155,8	570,6	591,7
Revenues	245,0	233,1	871,6	895,2
Gross margin, %	64,0%	66,9%	65,5%	66,1%

SEK m	Q4 2021	Q4 2020	Full year 2021	Full year 2020
EBITDA and EBITDA-margin				
Operating profit	13,3	34,3	60,0	127,2
Amortization and impairment on intangible assets	18,1	14,9	63,1	58,3
Depreciation, amortization and impairment on tangible assets	6,9	7,1	31,9	29,4
EBITDA	38,3	56,2	155,0	214,9
Revenue	245,0	233,1	871,6	895,2
EBITDA-marginal, (%)	15,6%	24,1%	17,8%	24,0%

SEK m	Q4 2021	Q4 2020	Full year 2021	Full year 2020
Equity/share				
Equity	139,5	29,3	139,5	29,3
Average number of outstanding shares, million	102,5	99,8	100,5	99,8
Equity/share	1,4	0,3	1,4	0,3

SEK m	Q4 2021	Q4 2020	Full year 2021	Full year 2020
Net debt				
Cash and cash equivalents	197,3	172,7	197,3	172,7
Interest-bearing liabilities	606,7	416,1	606,7	416,1
Net debt	409,4	243,4	409,4	243,4

	Q4 2021	Q4 2020	Full year 2021	Full year 2020
Net debt/EBITDA ratio				
Net debt	-	-	409,4	243,4
EBITDA last twelve months	-	-	155,0	214,9
Net debt/EBITDA LTM	-	-	2,6	1,1

SEK m	Q4 2021	Q4 2020	Full year 2021	Full year 2020
Organic growth				
Revenue corresponding period previous year	233,1	252,1	895,2	908,8
Currency effect	5,0	-23,6	-26,6	-23,0
Currency-adjusted income corresponding period last year	238,1	228,5	868,6	885,8
Revenue current year	245,0	233,1	871,6	895,2
Organic growth, %	2,9%	2,0%	0,3%	1,1%

SEK m	Q4 2021	Q4 2020	Full year 2021	Full year 2020
Working capital				
Inventories	58,4	39,9	58,4	39,9
Trade receivables	139,2	124,6	139,2	124,6
Other receivables	51,1	30,0	51,1	30,0
Accounts payables	-77,5	-58,8	-77,5	-58,8
Other liabilities	-314,4	-269,0	-314,4	-269,0
Working capital	-143,1	-133,3	-143,1	-133,3

SEK m	Q4 2021	Q4 2020	Full year 2021	Full year 2020
Operating margin (EBIT-margin)				
Operating profit	13,3	34,3	60,0	127,2
Revenue	245,0	233,1	871,6	895,2
Operating margin, %	5,4%	14,7%	6,9%	14,2%

SEK m	Q4 2021	Q4 2020	Full year 2021	Full year 2020
Net debt/equity ratio				
Interest-bearing liabilities	606,7	416,1	606,7	416,1
Equity	139,5	29,3	139,5	29,3
Net debt/equity ratio, %	435,0%	1418,6%	435,0%	1418,6%

SEK m	Q4 2021	Q4 2020	Full year 2021	Full year 2020
Equity/assets ratio				
Equity	139,5	29,3	139,5	29,3
Total assets	1 146,3	778,2	1 146,3	778,2
Equity/assets ratio, %	12,2%	3,8%	12,2%	3,8%

Stockholm, 8 februari 2022

Åsa Hedin
styrelseordförande

Charlotta Falvin
styrelseledamot

Caroline Ingre
styrelseledamot

Carl Bandhold
styrelseledamot

Henrik Eskilsson
styrelseledamot

Fredrik Ruben
verkställande direktör

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

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

This information is inside information that Tobii Dynavox AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out below, on February 8, 2022, at 07:30 CET.

Information to shareholders

WEB PRESENTATION

Today at 10:30 a.m. CET, Tobii Dynavox will host a webcast presentation for media, analysts and investors. If you want to attend the webcast click the following [link](#). The year-end report and a recording of the webcast will be available [here](#)

CONTACT DETAILS

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

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

FINANCIAL CALENDAR

Interim Report Q1 2022	April 27, 2022
Annual General Meeting 2022	May 19, 2022
Half-Year Report Q2 2022	July 21, 2022
Interim Report Q3 2022	October 28, 2022
Year-end Report Q4 2022	February 8, 2023