



Capital Markets Day
November 30, 2021

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Fredrik Ruben
Chief Executive Officer



Linda Tybring
Chief Financial Officer

Today's Agenda

09:30

Welcome

09:40

Introduction to Tobii Dynavox

Market fundamentals

Solution offering

10:40

Break

11:10

Strategy for profitable growth

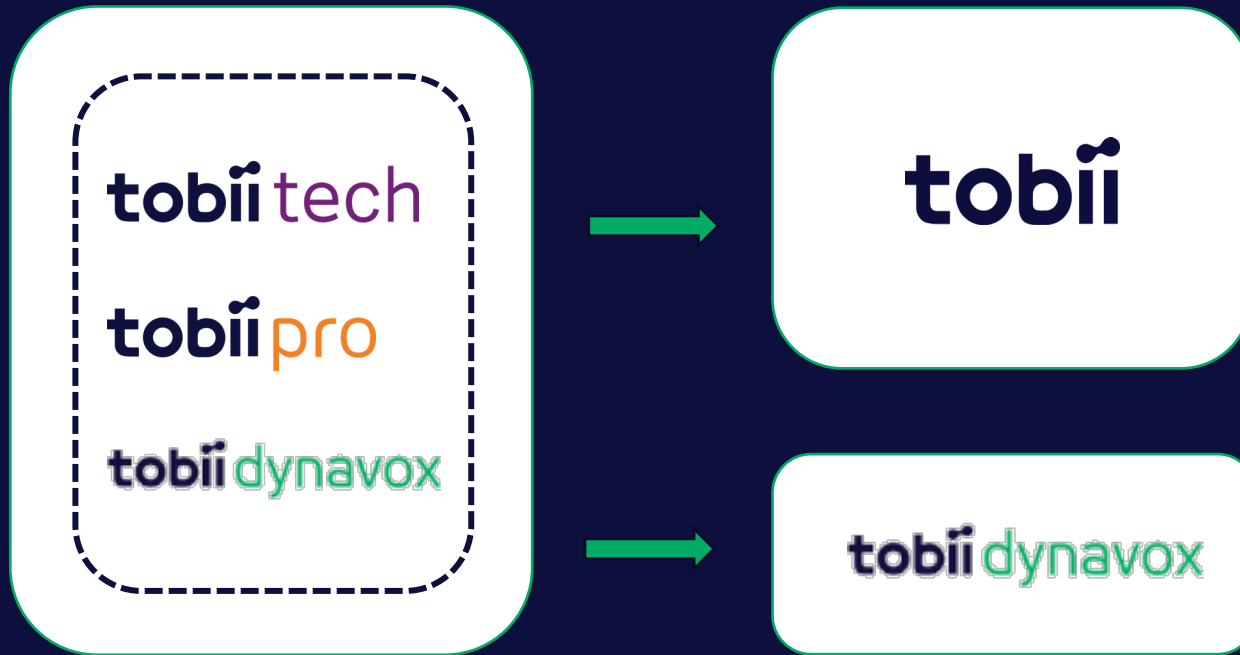
Financial performance and targets

Concluding remarks

12:00

Q&A

The Spin-Off



Tobii Dynavox AB (publ) & Tobii AB (publ) as two world leading separate companies



tobii dynavox

The World Leader in Assistive Technology for Communication



tobii dynavox

”Power to be you”

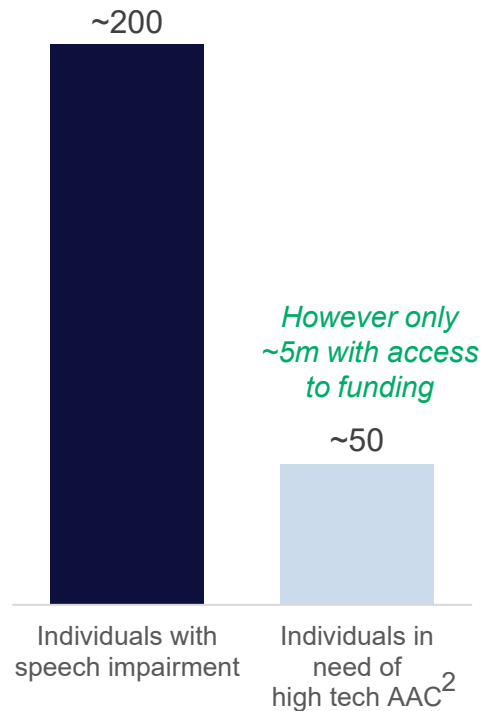
Tobii Dynavox’s mission is to empower people with disabilities to do what they once did, or never thought possible.



Communication aids provide benefits to several user groups – significant unmet need

Prevalence

Million individuals globally¹



Incidence

Million individuals globally¹



Note.

(1) Arthur D. Little, study funded by Tobii

(2) Augmentative (in addition to) and Alternative (instead of) Communication

Acquired a condition



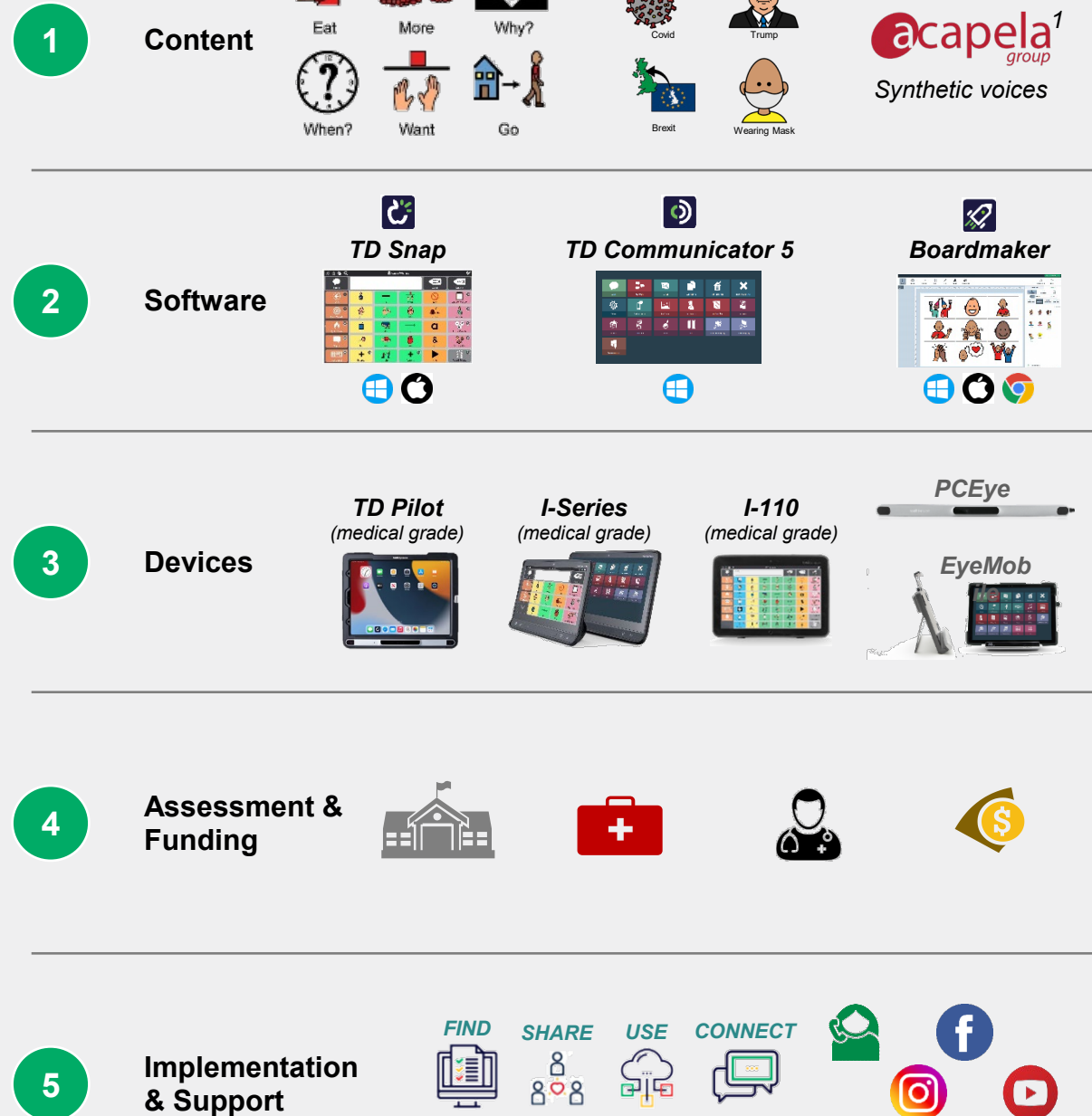
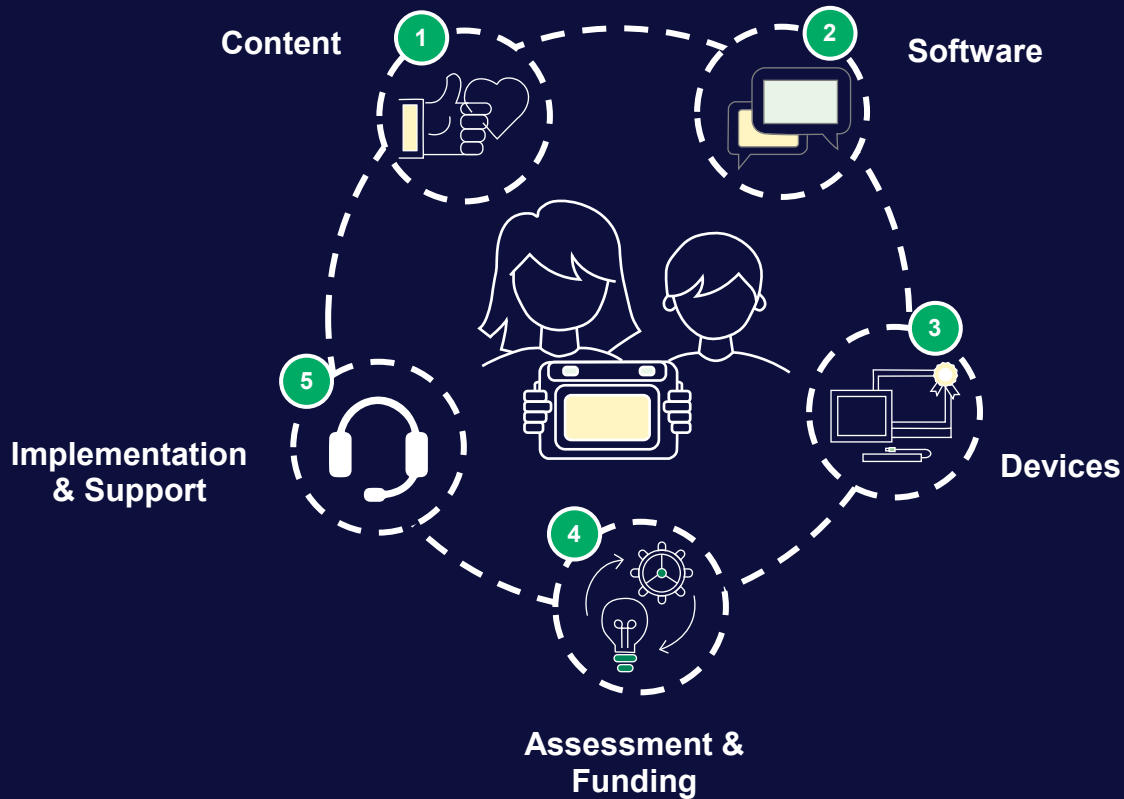
- ALS
- Aphasia
- Multiple sclerosis
- Huntington's
- Parkinson's
- Spinal cord injury

Born with a condition

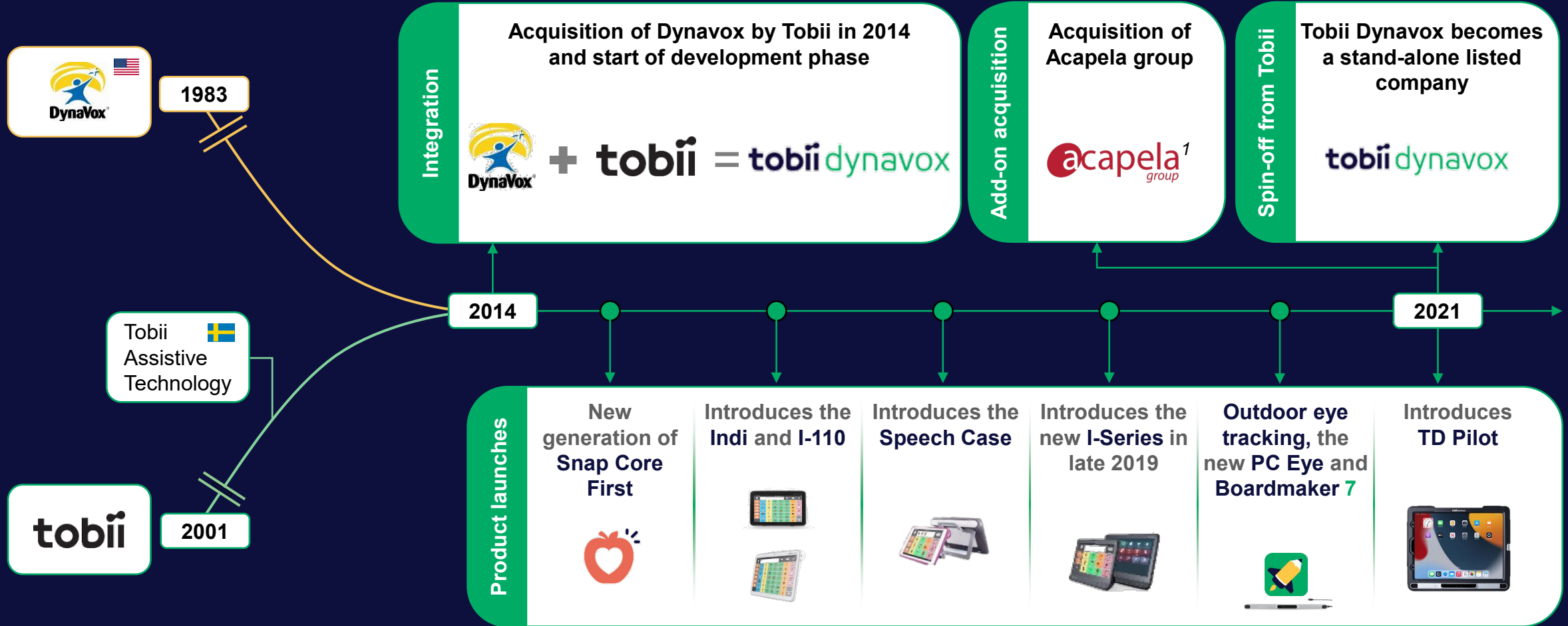


- Autism
- Cerebral palsy
- Down's syndrome
- Intellectual disability
- Muscular dystrophy
- Rett syndrome
- Spinal muscular dystrophy

Fully integrated solution

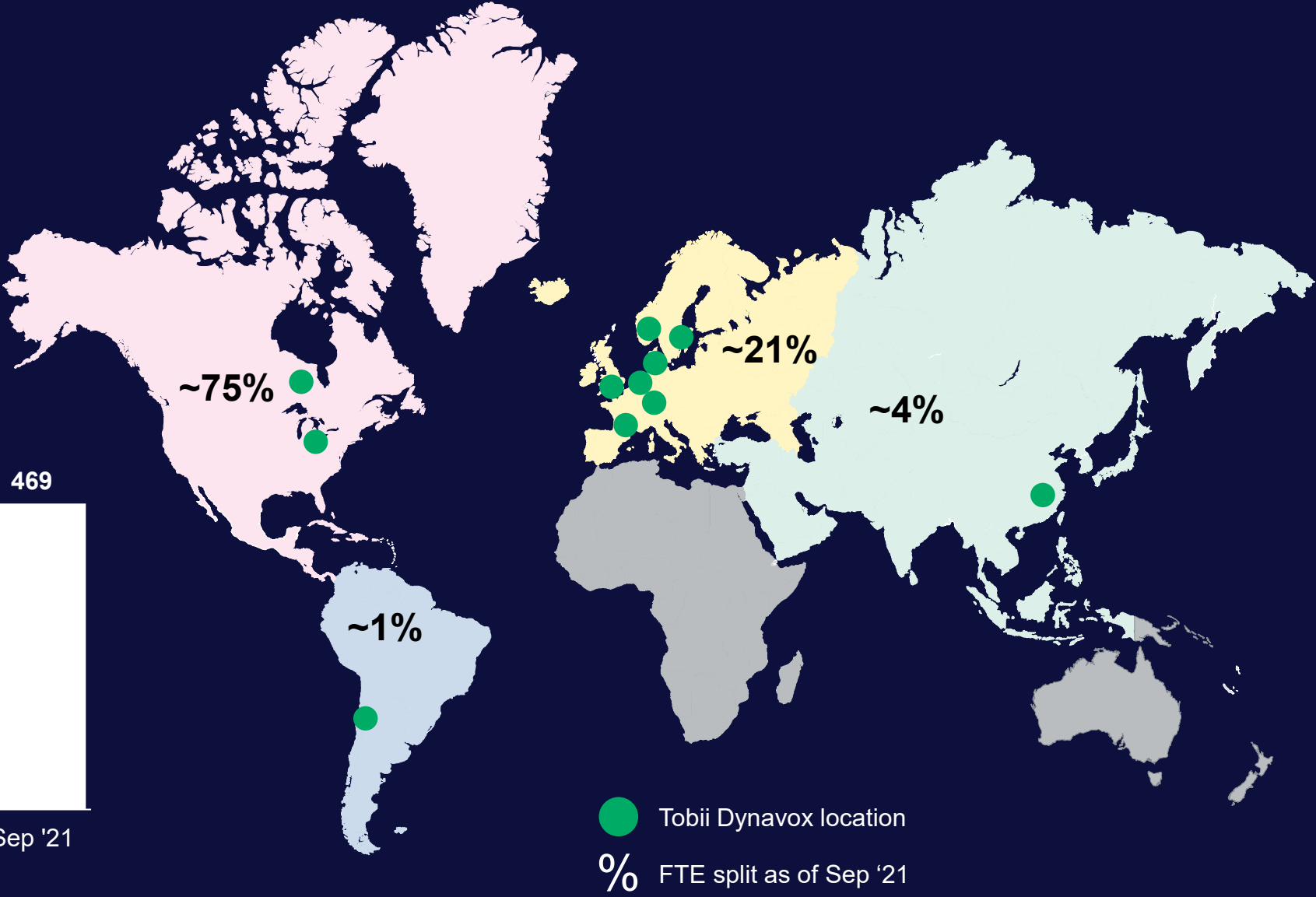
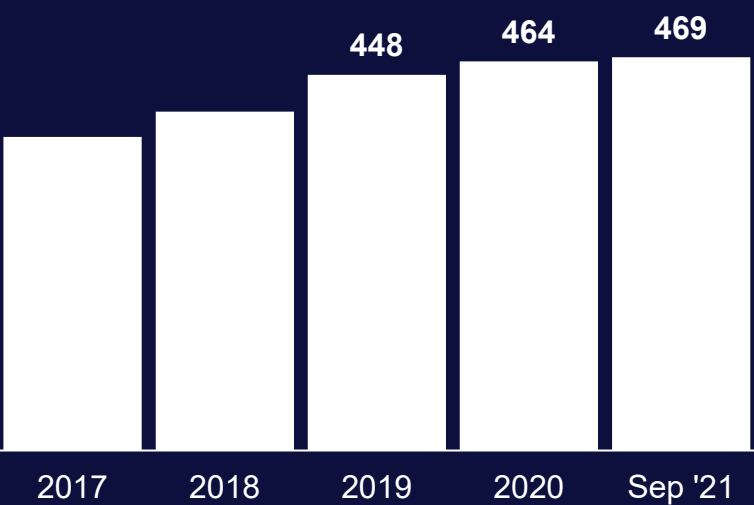


History of Tobii Dynavox

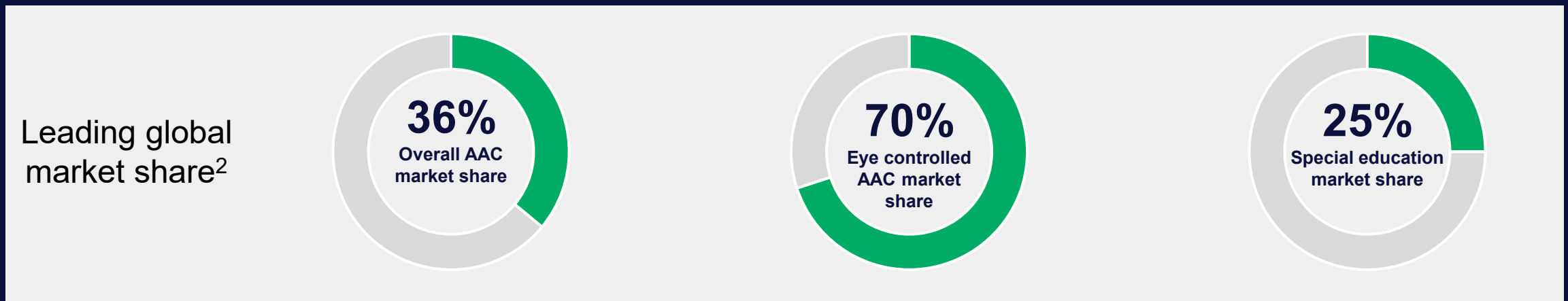
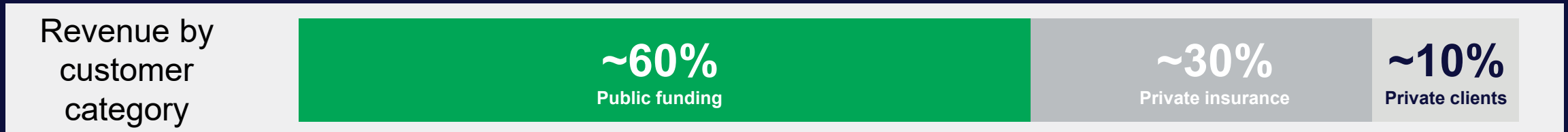


Global presence

Average FTE



Tobii Dynavox snapshot



Experienced senior executives and Board of Directors

Senior executives



Fredrik Ruben
Chief Executive Officer



Tara Rudnicki
President, Market Unit North American



Linda Tybring
Chief Financial Officer



Kristen Cook
Chief Marketing Officer



Tony Pavlik
Chief Operations Officer



Nils Normell
President, Market unit EUROW



Al Biglan
Chief Technology Officer



Rebecca Kastell
Chief People & Sustainability Officer

Board of Directors



Åsa Hedin
Chair of the Board



Henrik Eskilsson
Board member



Charlotta Falvin
Board member



Dr Caroline Ingre
Board member



Carl Bandhold
Board member

Positioned for sustainable growth in a vital industry

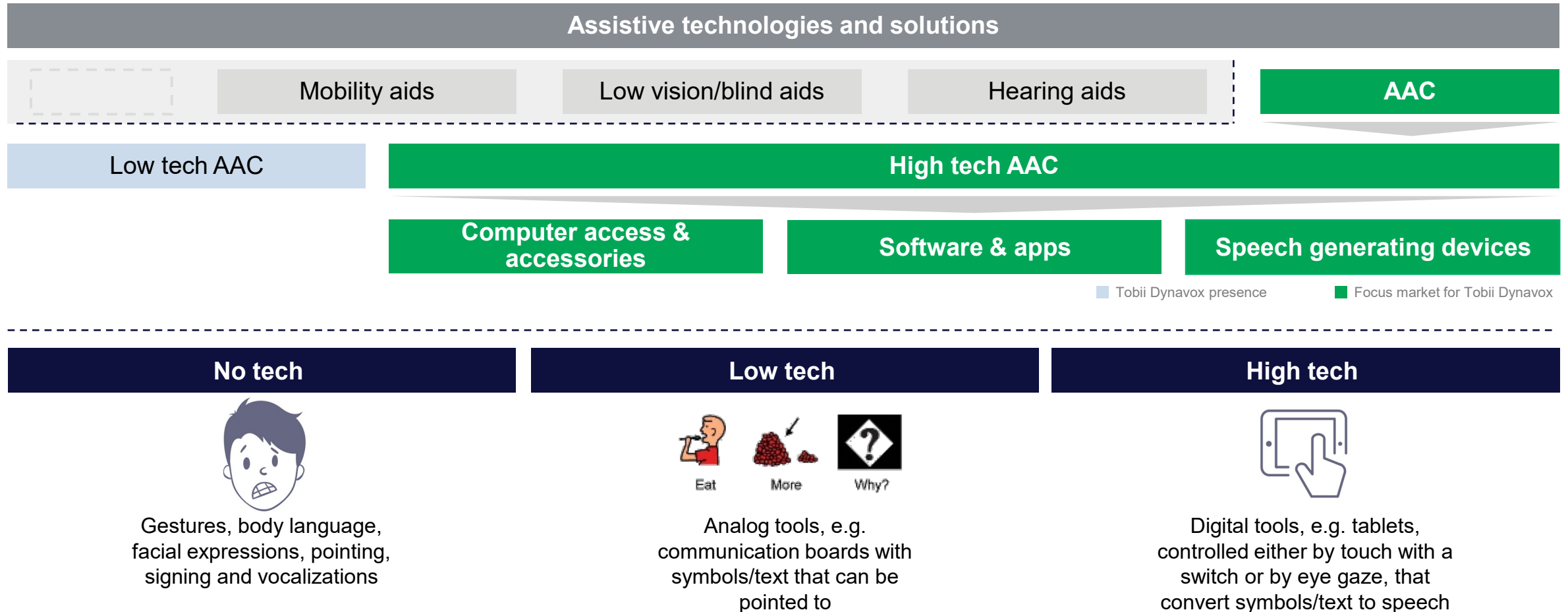
- 1  Life changing and revolutionary benefits to end users and the world around them
- 2  Global leader in a niche market underpinned by secular growth trends
- 3  Most comprehensive solution provider during each step of end users' journey
- 4  Track-record of profitable growth with further upside
- 5  Substantial value creation potential as a standalone company



Market fundamentals

Augmentative and Alternative
Communication (AAC) industry

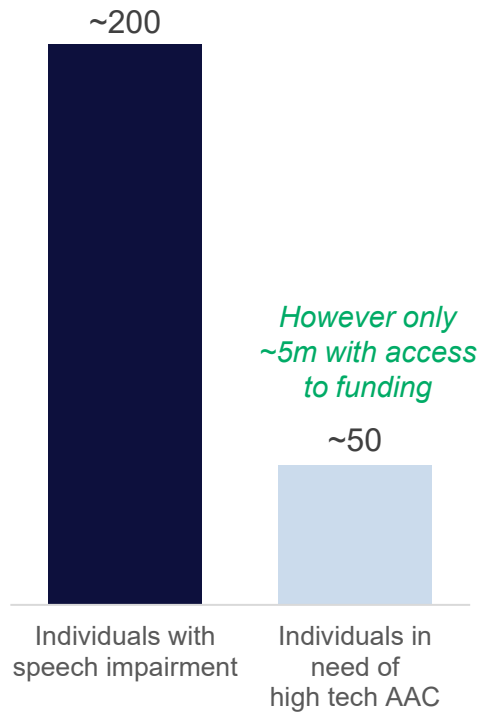
Tobii Dynavox is focusing on the high-tech aspects of the Augmentative and Alternative Communication (AAC) industry



AAC market size and key drivers¹

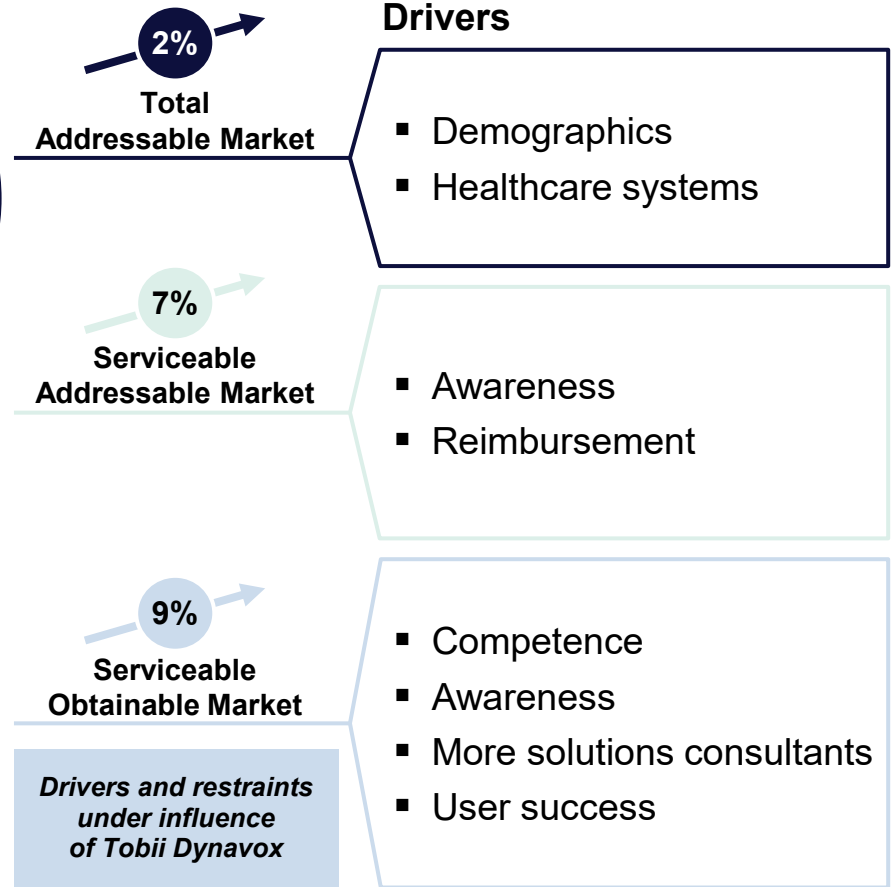
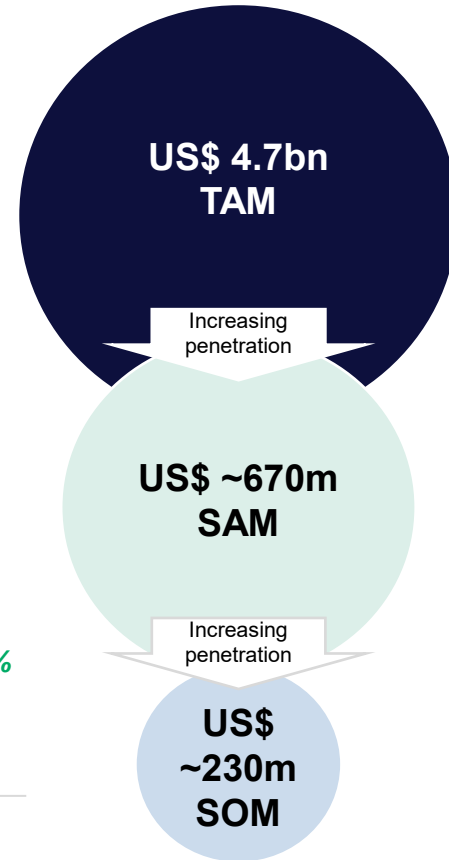
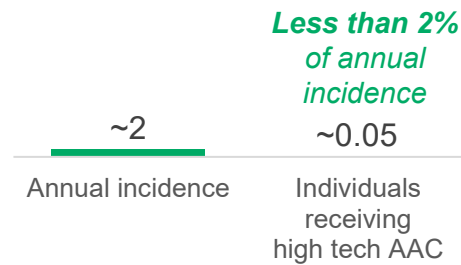
Prevalence

Million individuals globally

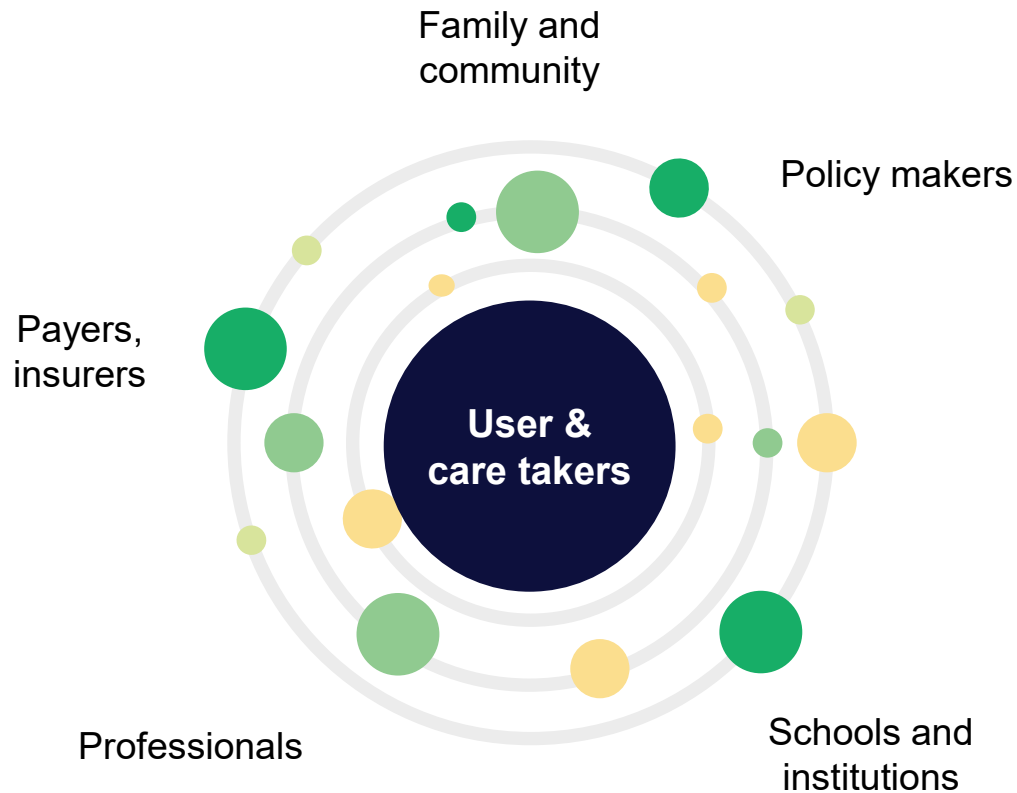


Incidence

Million individuals globally



Key for AAC success is to increase awareness...



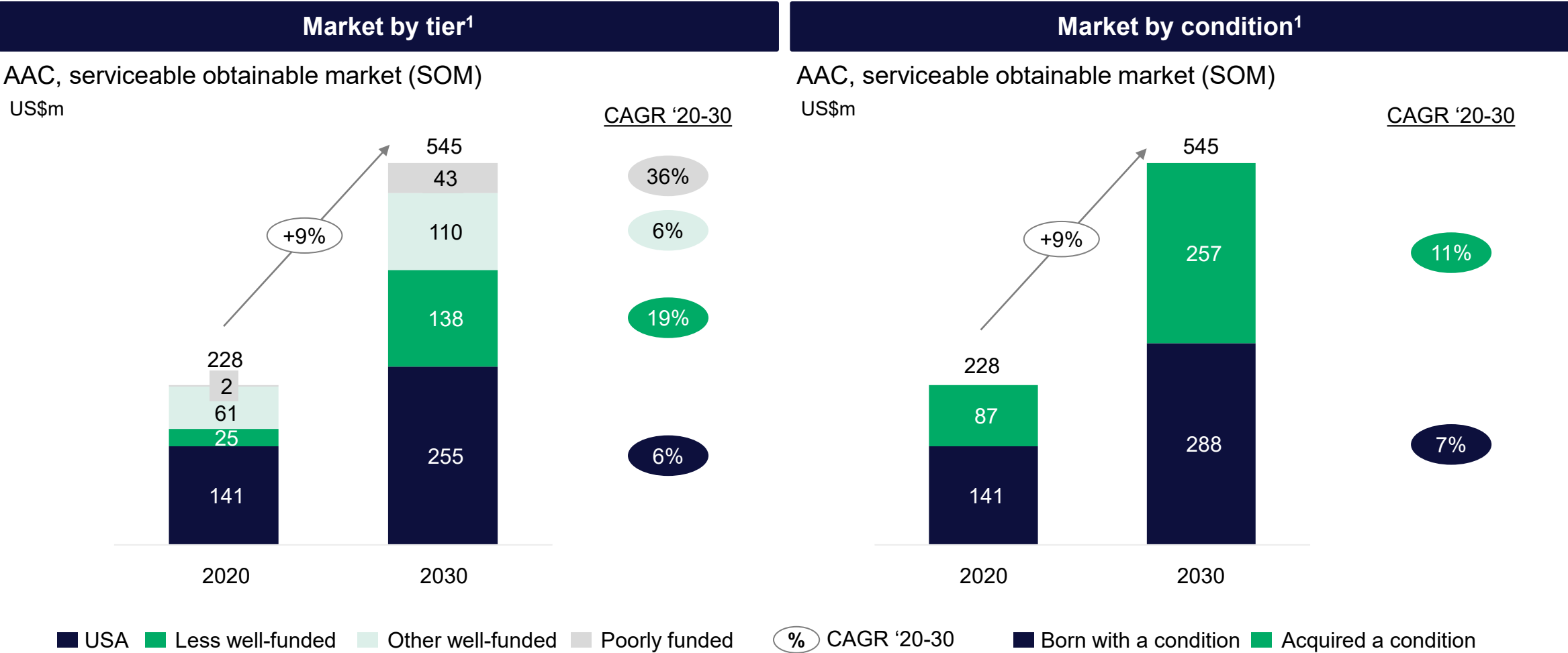
- Low awareness of the benefits of AAC solutions among professionals (e.g. SLPs) and users
- Even in developed markets the SLPs education curriculum seldom includes AAC
- Tobii Dynavox works to improve the ecosystem in several ways
 - Informing and educating policy makers
 - Facilitating the funding process
 - Educating the professionals
 - Integrating AAC in special education
 - Providing on-boarding and support to users

...and to improve AAC funding infrastructure globally

USA	 USA			
Other well-funded	 Norway	 Iceland	 Sweden	 Denmark
	 Slovenia	 Australia	 Netherlands	 Germany
	 Switzerland	 New Zealand	 Canada	
Less well-funded	 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			
Poorly funded	▪ Rest of World			

- In most of the developed countries, AAC is a legal right supported by varying degrees of funding
- In the most well-funded countries, such as Norway, all those with a condition that needs an AAC are covered by public funding
- In other countries, there is funding in place, but it may be capped or only cover a certain share of the conditions in need or requires substantial private co-payment
- In less well-funded countries, there can be a legal right to AAC and a funding policy framework, but in practice it is very difficult to claim reimbursement

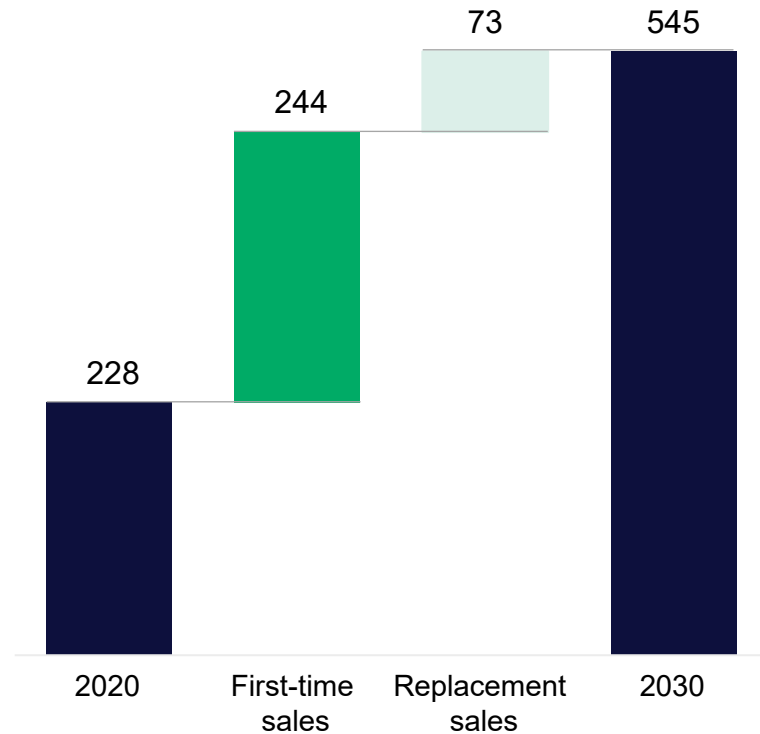
Where will the AAC market growth come from?



First time sales continue to drive market growth

AAC, serviceable obtainable market (SOM)¹

US\$m



Replacement sales to account for ~1/3 of total market growth to 2030

- Market increase over the next 10 years expected to still be predominantly driven by first-time sales as markets are still under penetrated

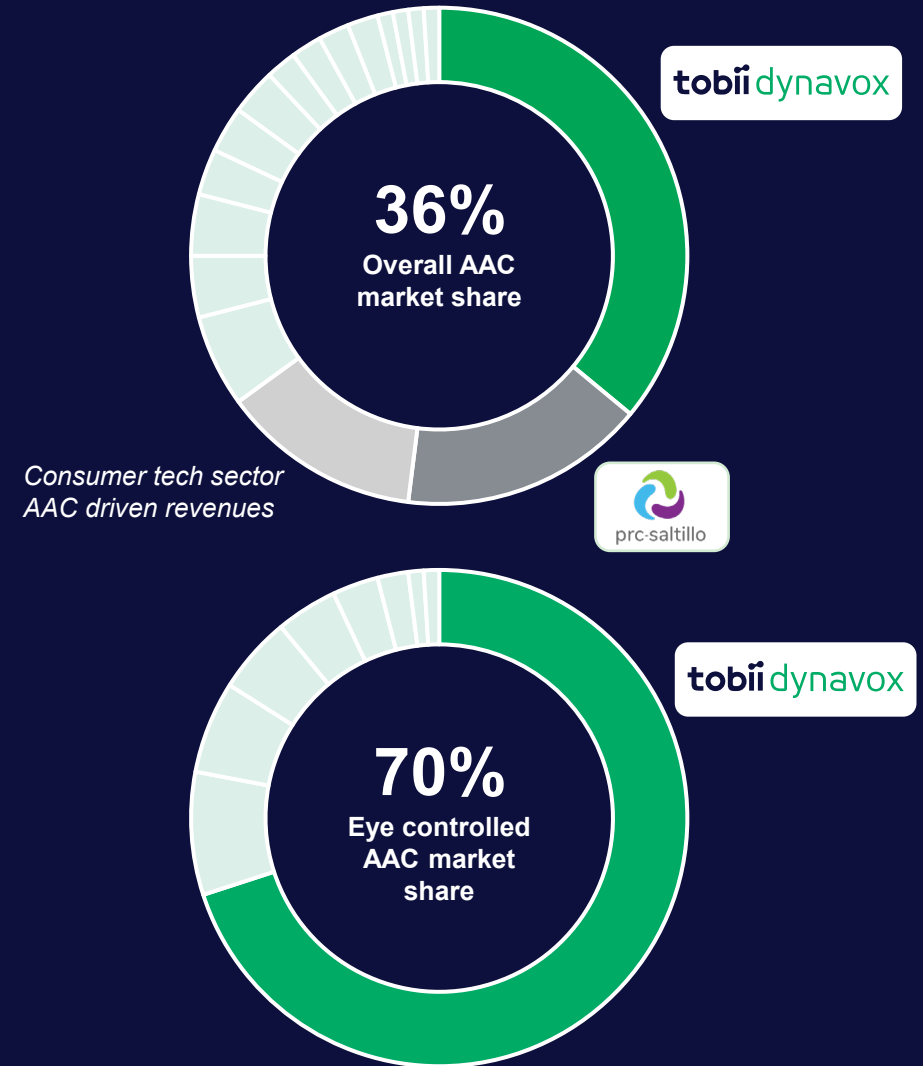
As users become accustomed to Tobii Dynavox's solutions and markets mature, replacement sales will become more prevalent

Tobii Dynavox – global AAC market leader¹

Key players in the AAC competitive landscape are headquartered in the US or in Western Europe and only a few have global presence

- Tobii Dynavox along with the second largest competitor account for more than 50% of market revenues
- Market share structure largely unchanged in the last 5 years
- Tobii Dynavox only true global player within the AAC segment
- Present in ~65 countries globally

Global leader by market share



Market fundamentals

Special education

What is Special Education?

- Special education is designed for children who require additional support and adaptive pedagogical methods
- Substantial overlap and synergies with the AAC segment



Special education varies between countries but can be divided in three categories

Inclusive education

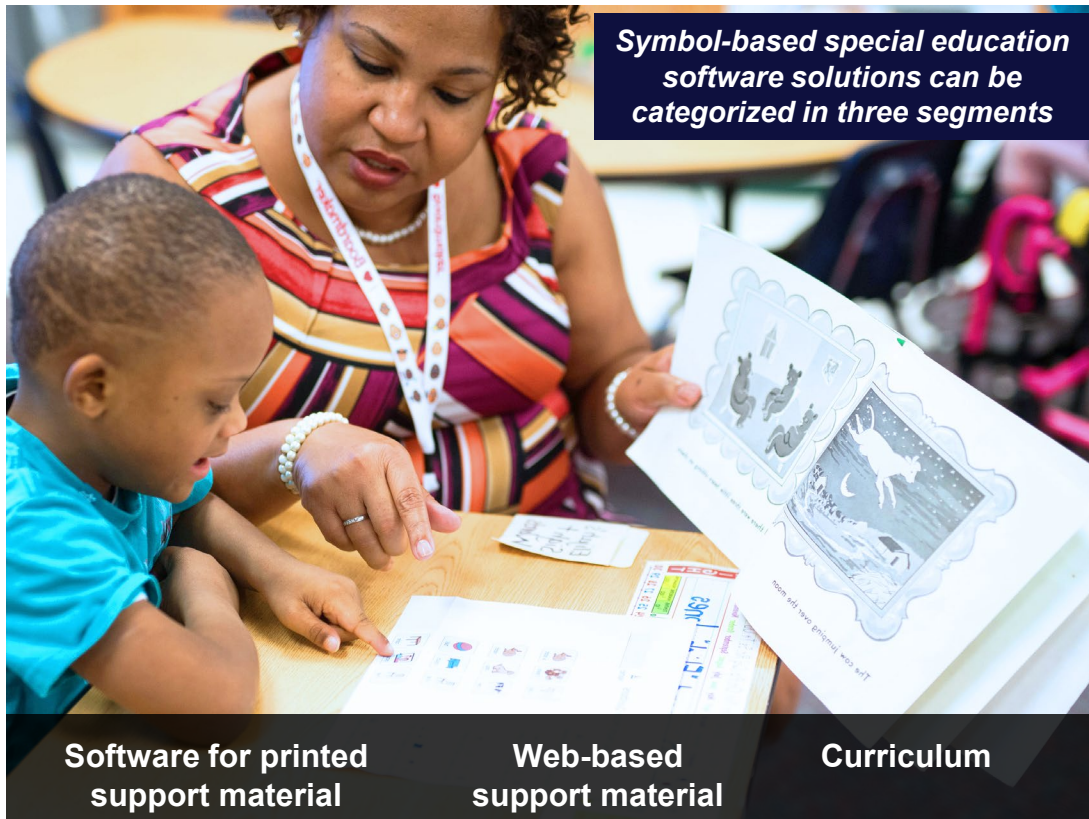
Separate education

Hybrid approach

PCS Symbols



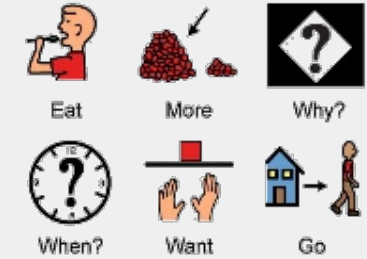
Special education market context



Special education ecosystem

Decision makers

- Parents
- Special education teachers
- SLPs
- General education teachers
- Educational assistants
- Educational administrators
- Instructional coordinators

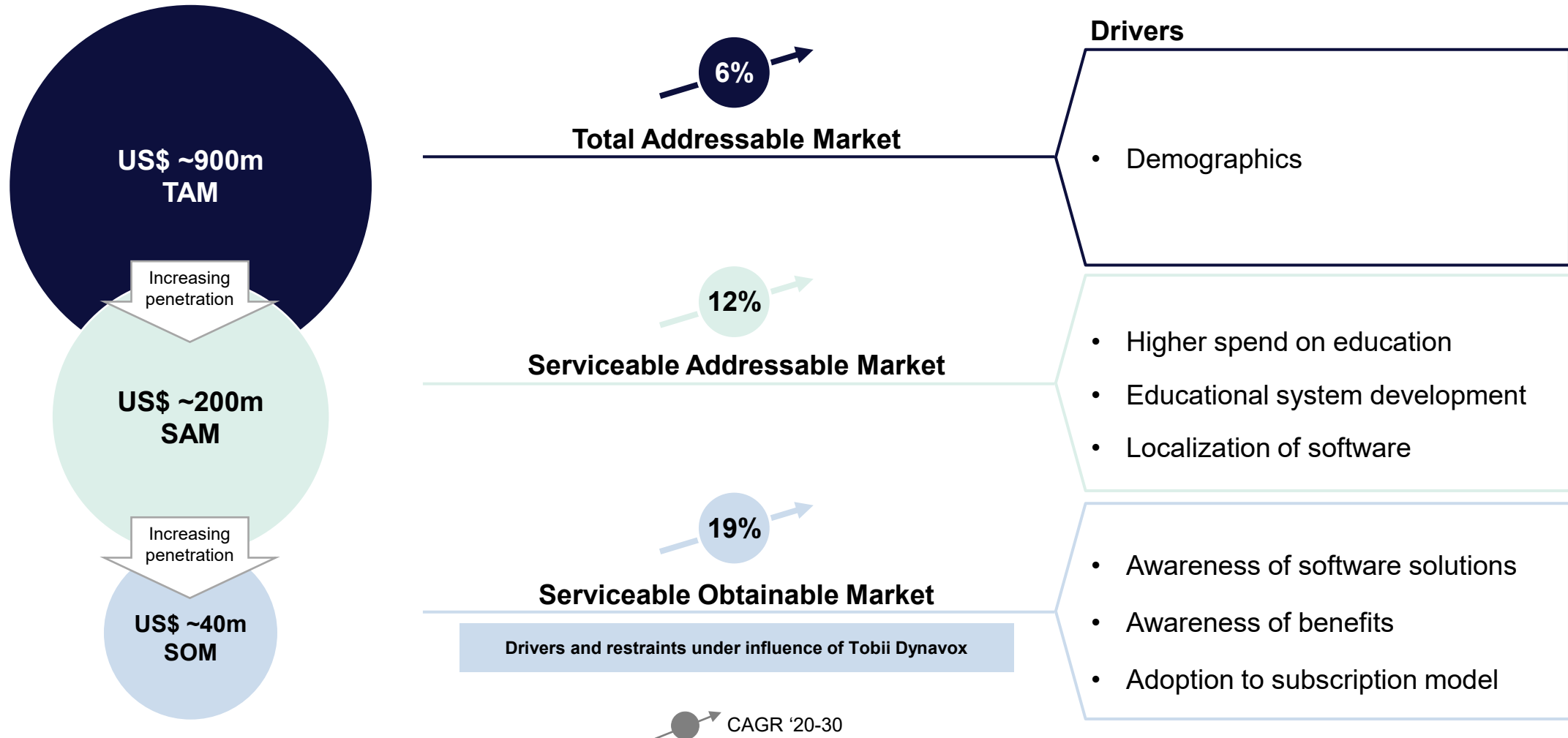


Users

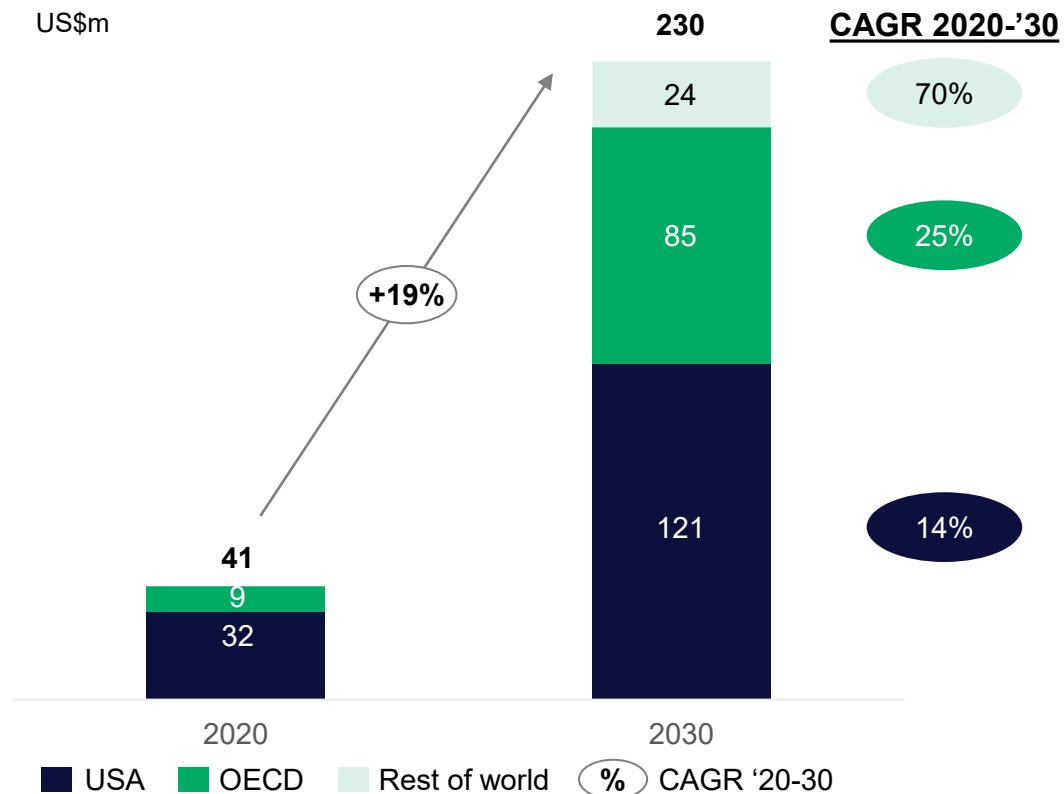
- Children with special education needs and their teachers
- Response to intervention students
- Children receiving early intervention services



Special education market size and key drivers¹



Special education market estimated to grow ~19% annually¹

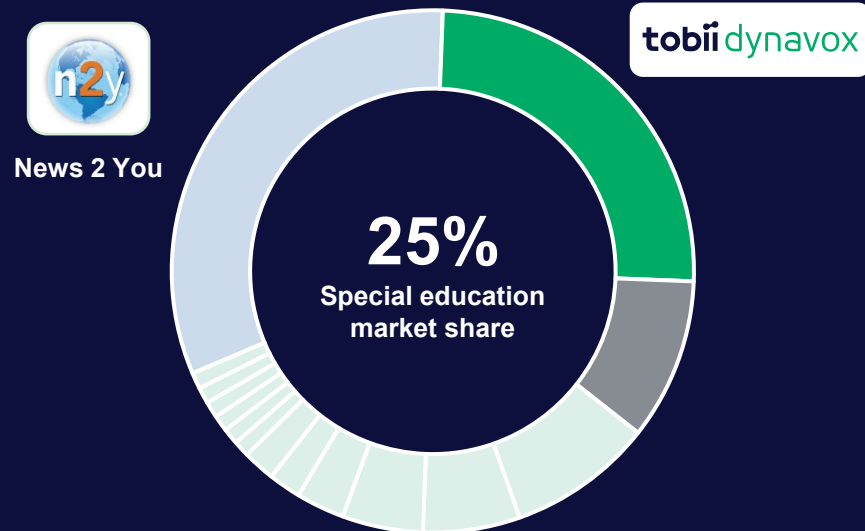


- Increasing awareness of special education benefits
- Growing knowledge of special education software solutions
- Increasing willingness to adopt to subscription model

Tobii Dynavox – Second largest player in the special education market¹

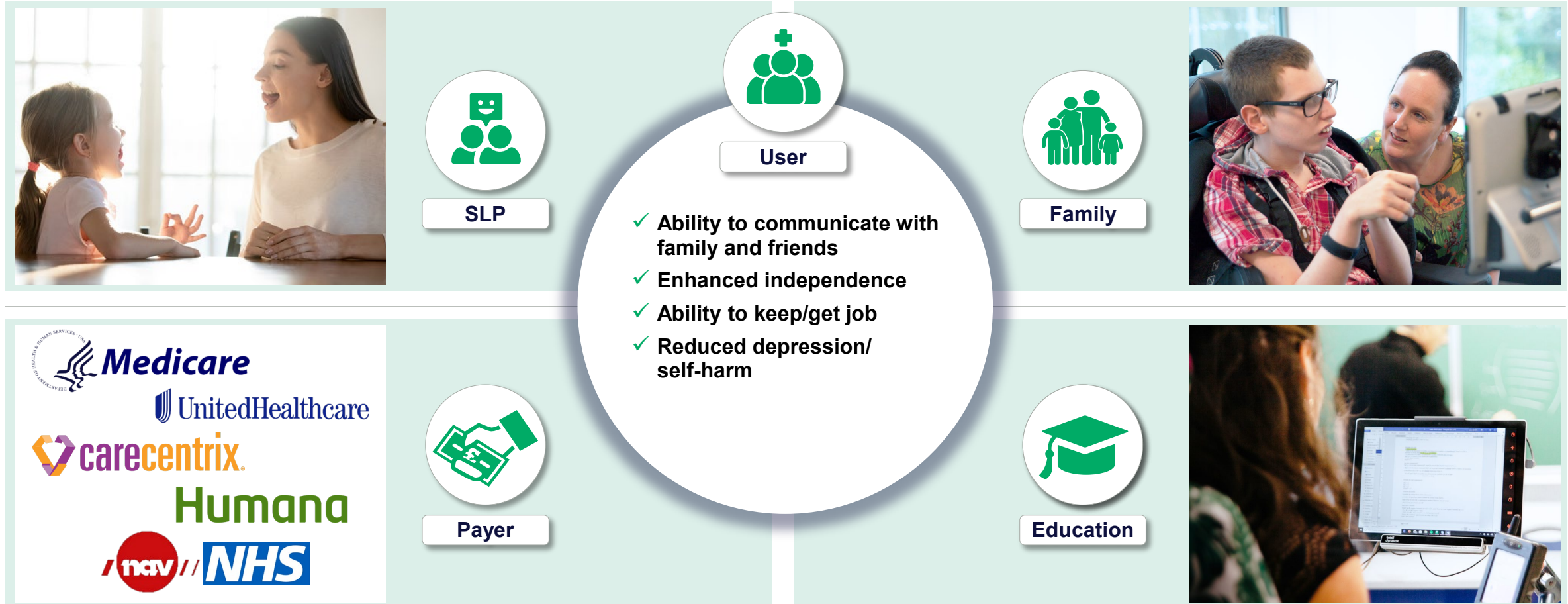
Limited number of global players as most markets demand localized solutions in terms of language and adapted features

- Symbol-based special education software differ in terms of complexity of the solution
- Many competitors with "good-enough" low-priced solutions without advanced features
- Solutions from competitors not fully comparable to Tobii Dynavox's offering

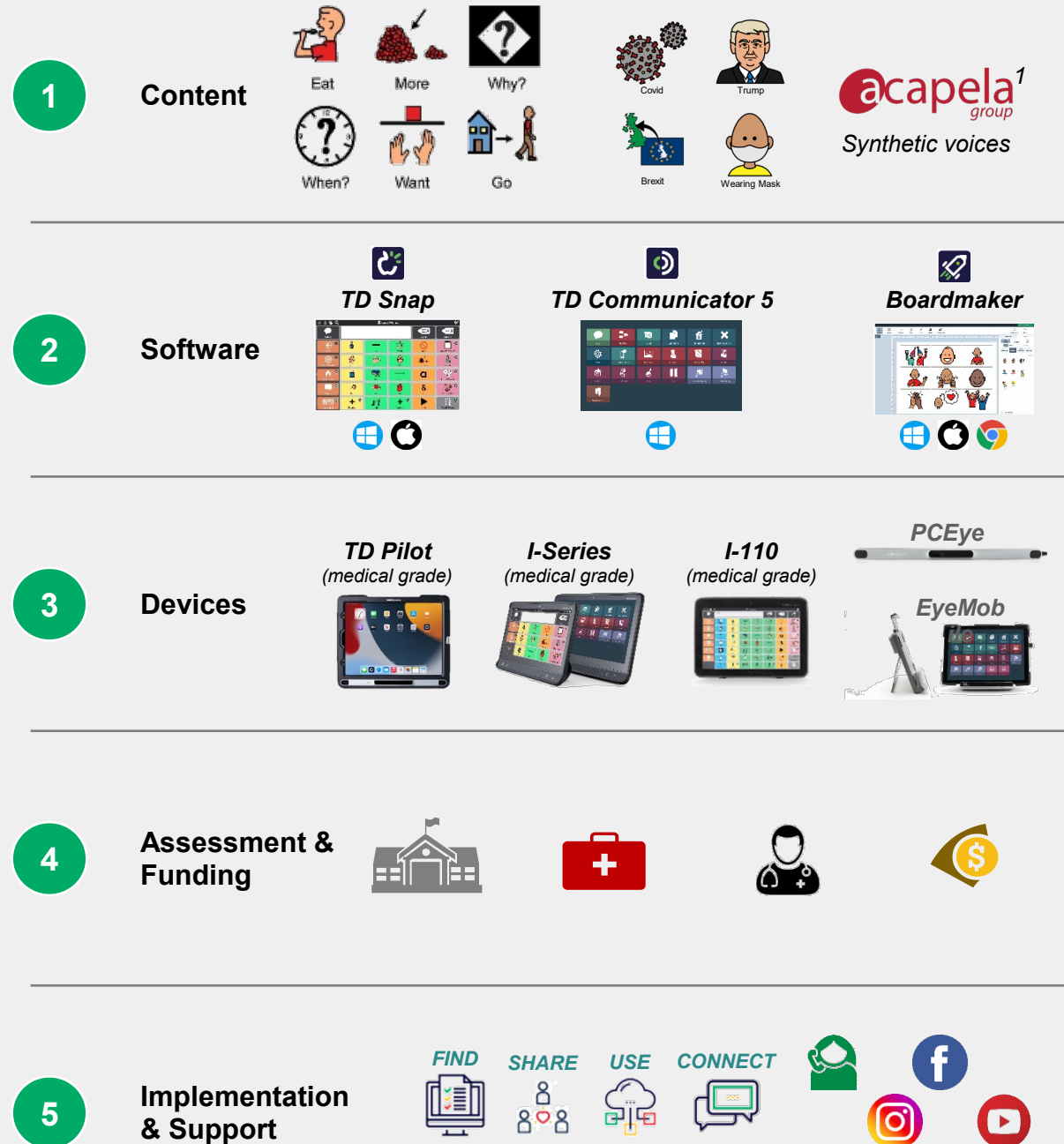
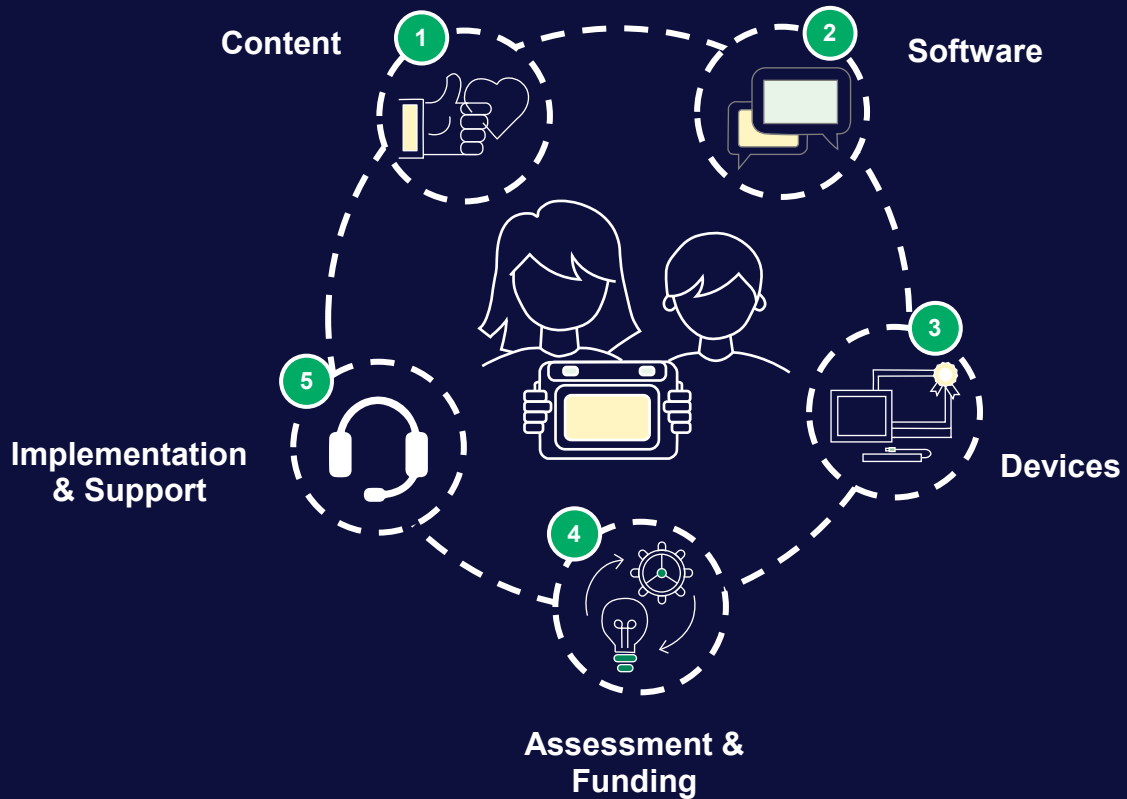


Solution offering

Complete offering serving the full stakeholder ecosystem



Fully integrated solution



Content that covers all communication needs

Symbols

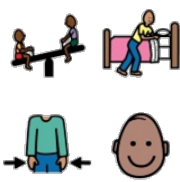
PCS – constantly created, updated and maintained proprietary symbols

- Commonly used in AAC worldwide
- PCS are easily understood and learnt
- Used and integrated into third party offerings (e.g. Google Assistant, Microsoft Immersive) resulting in licensing royalties
- Localized to 14 languages

Thinline



Classic



High Contrast



Language

Core First – comprehensive, evidence-based language system for communication

- Designed to maximize engagement, literacy and growth
- Content developed and informed by experts, evidence and patterns from current AAC users



Voice

Acapela – synthetic voice solutions made for communication aids, special education and more

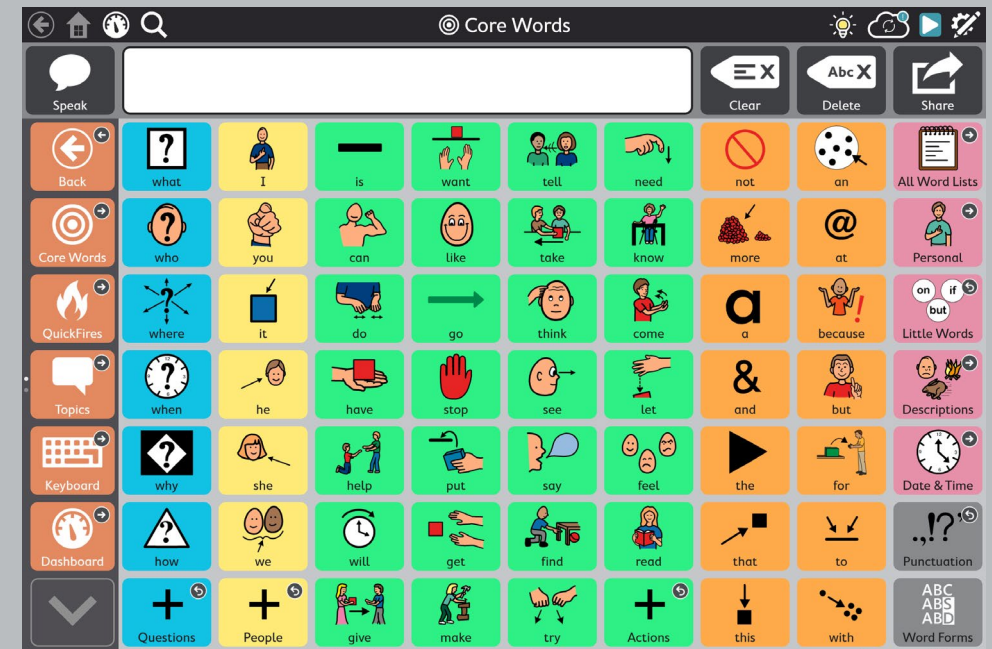
- Digital copy of your own voice using “My-own-voice”, saving a core part of your identity
- Available in ~20 languages and based on machine learning



TD Snap

Software for people born with a condition

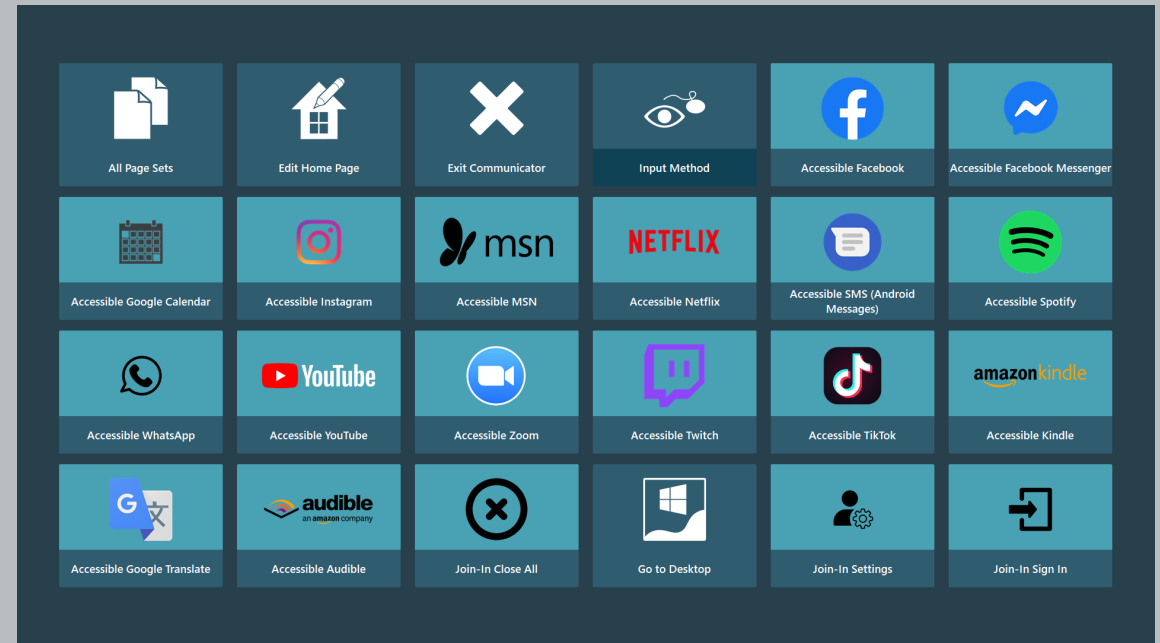
- TD Snap is a software enabling symbol-to-speech communication
- Moves seamlessly from simple single word communication to full vocabulary of tens of thousands of words and symbols
- Accessible via touch, eye gaze or switch controls



TD Communicator

Software for people who have acquired a condition

- Comprehensive text and symbol-based AAC solution offering communication for people with a wide range of language disabilities
- Converts text and symbols into clear speech with a variety of voice options for more natural communication



Boardmaker

Software as a Service (SaaS) for special education

Provides support in:

- Communication – engaging in conversation
- Behaviour – concrete tasks, complex strategies, rewards progress
- Participation – engaging those supported to become active participants

PCS® *Picture communication symbols*



Classic



Thinline



InContext



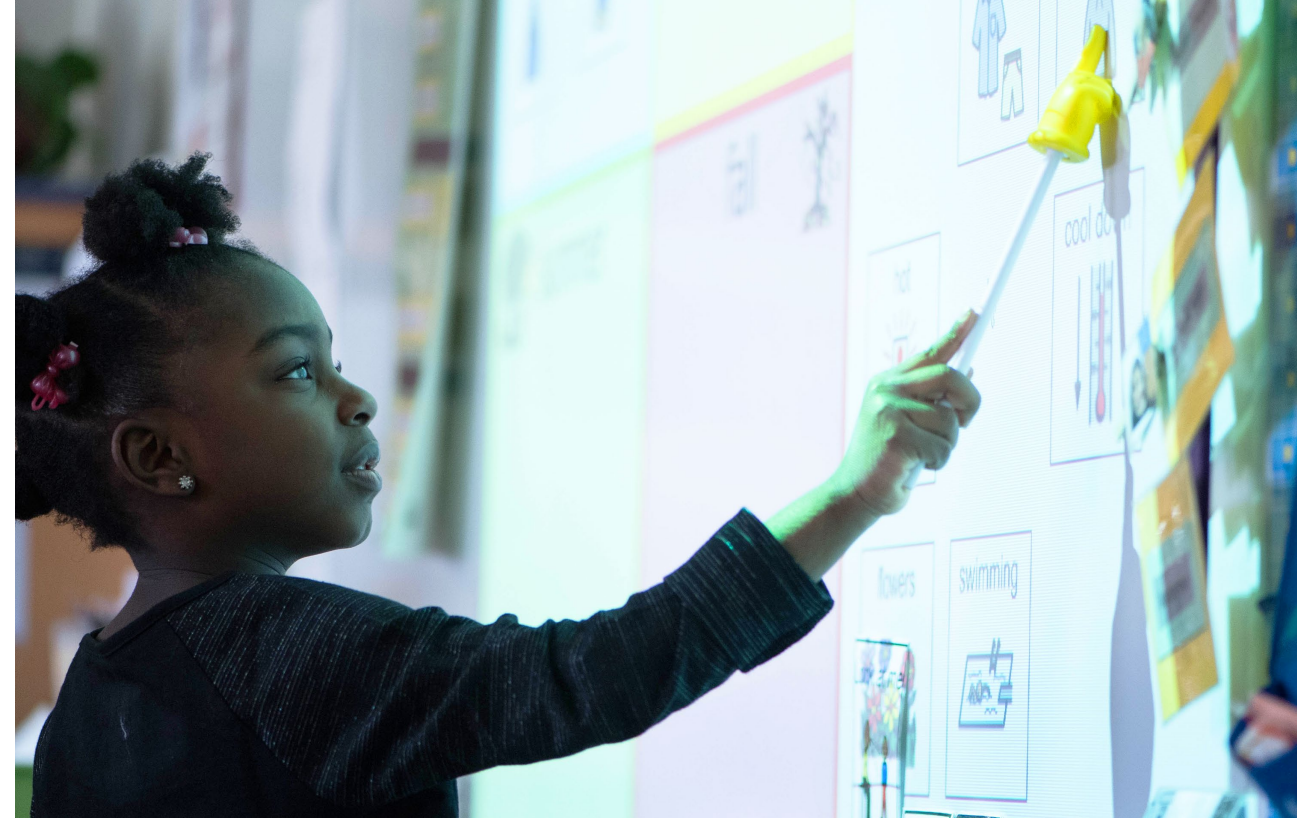
**High
Contrast**



**Biweekly
Update**



Localization



6m+

Students

100k+

Teachers

51

Countries

14

Languages

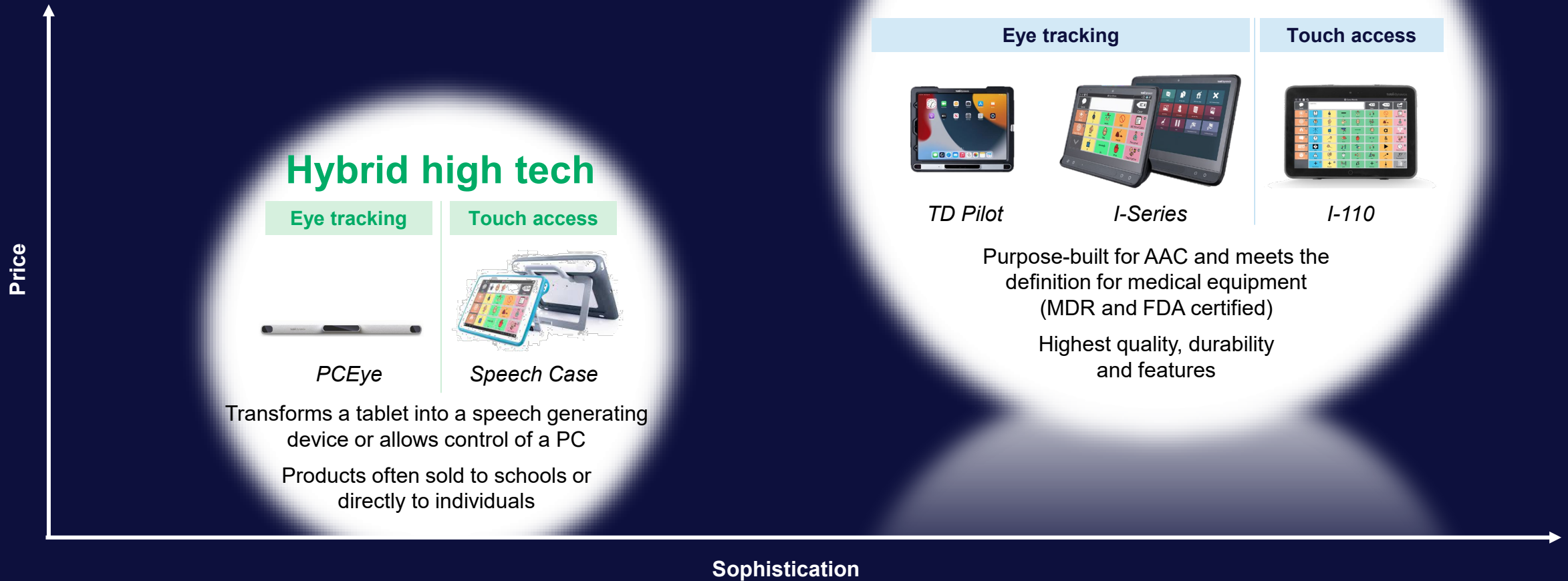
500k+

Community
members

53k+

Symbols

Tobii Dynavox's device classes



Assessment is critical as user needs differ

		Com- munication	Cognitive	Physical	Social Interaction
Born with a condition	Rett syndrome	Often	Sometimes	Often	Sometimes
	Cerebral palsy	Often	Sometimes	Often	Sometimes
	Autism	Often	Sometimes	None/Rarely	Often
	Down's syndrome	Often	Often	None/Rarely	Often
	Muscular dystrophy	Often	Sometimes	Often	None/Rarely
	Intellectual disability	Often	Often	None/Rarely	Often
	SMA	Often	Sometimes	Often	Sometimes
Acquired a condition	ALS	Often	None/Rarely	Often	None/Rarely
	Multiple sclerosis	Often	None/Rarely	Often	None/Rarely
	Parkinson's	Often	Sometimes	Often	None/Rarely
	Huntington's	Often	Sometimes	Often	None/Rarely
	SCI	Sometimes	None/Rarely	Often	None/Rarely
	Aphasia	Often	None/Rarely	Sometimes	None/Rarely

Often

Sometimes

None/Rarely

Tobii Dynavox supports the assessment process

Solutions consultants

- Spread awareness and share knowledge of Tobii Dynavox's AAC solutions to aid professionals in assessing and prescribing solutions that can improve the user situation

Training organization

- Develop and supply live trainings and on-demand learning materials
- Aimed to help parents, users, clinicians and educators learn about AAC and available solutions

Assessment tools

- Software which helps professionals assess users abilities to use eye gaze
- Wide range of learning and development tools used to assess users abilities

Funding overview

- Tobii Dynavox employs ~50 funding experts and have unmatched access to reimbursement through close contact with >400 private insurance companies and all major public funding bodies
- Funding bodies have widely different requirements for authorizing funding and the funding process can be complex and time consuming
- Tobii Dynavox supports the user/SLP every step of the way

Public funding bodies (example)



KRANKENKASSEN.
DEUTSCHLAND



Private Insurance companies

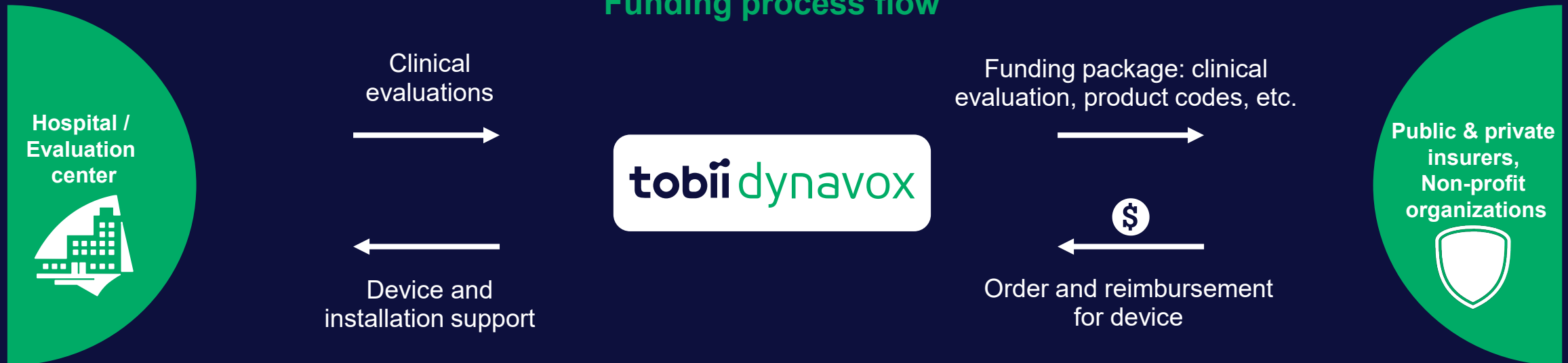


Funding process

- Funding process complexity and diverse requirements result in a highly non-standardized and manual process
 - Any missing information needs to be collected from users/SLPs
- Funding consultants ensure submissions meets all requirements and are essential in reducing processing days



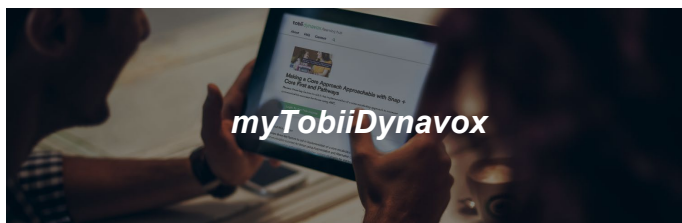
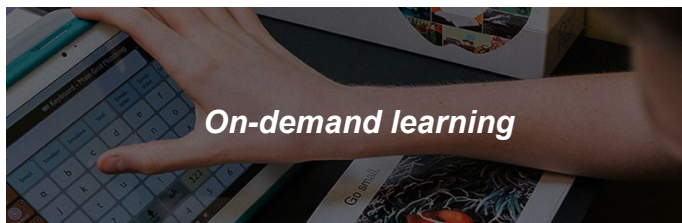
Funding process flow



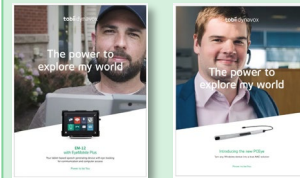
Implementation and support



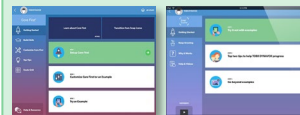
Training



Support



- Brochures, product information sheets and website



- Pathways for learning how to implement software and devices

Why do I get a white screen whenever I open a Sensory Eye-FX game?

March 08, 2021
[Read More](#)

- Community forum with vast amount of support articles

TD Care



Tobii Dynamox communication devices come with a 24-month warranty from delivery

- ✓ Unlimited protection when damaged
- ✓ Batteries and chargers are replaced free of charge
- ✓ Free loan of replacement unit during repair
- ✓ Free return shipping in connection to the repair
- ✓ Remote problem solving
- ✓ Repair guarantees

Tobii Dynavox's Community



~65,000
Followers

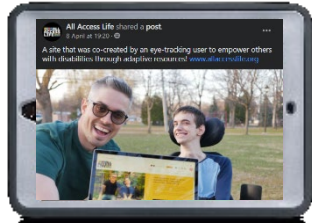
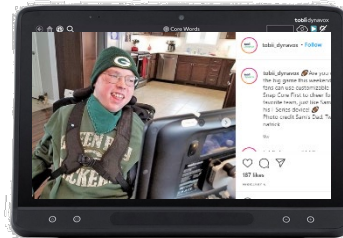
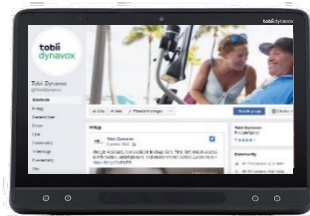


~7,400
Community members

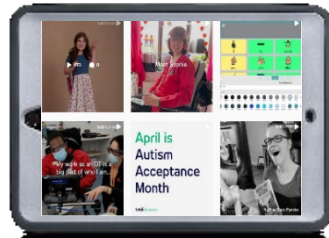


~40 avg.
Daily comments

tobii dynamox



facebook



Instagram



>100 Likes and
comments for most posts



~9,600
Followers



~570
Posts and counting

Boardmaker Community

- Search **90,000+** free, ready-made print and interactive activities
- Created and shared among **500,000** Boardmaker Community members worldwide



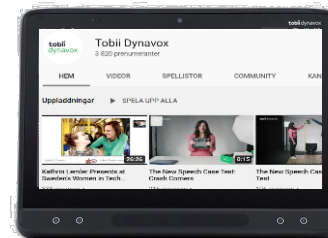
Find
Education materials and activities developed and used by parents, SLPs and educators



Connect
Ability to connect with and exchange ideas with colleagues or parents facing same challenges



Share
Participate in discussions, up- and download activities and establish public and private groups



MyTobiiDynavox

- A free, cloud-based resource for backing up and managing Tobii Dynavox apps
- Community of clinicians, technical experts, families and users to connect and share feedback, support tips and best practices



PAGESET CENTRAL
Share, upload and download created pagesets



ONLINE STORE
Purchase applications and software



SUPPORT
Access to support tools, getting-started guides, user manuals and symbol training cards



~3.4m+
Views



~4,300
Subscribers



226
Uploaded videos to date

Break and Demo



Strategy for profitable growth

Inclusion & Sustainability by design

Our solutions actively address the UN's sustainable development goals

- ✓ Positive impact on the well-being of individuals with disabilities
- ✓ Improving quality of education for student with special education needs
- ✓ Reducing social inequality



- Actively engaged to minimize climate impact – including supplier assessment/monitoring of environmental, quality and ethical principles
- Actively working for inclusion, diversity and a healthy work environment

Great place to work



Consistently ranked among the top employers in the US and Sweden

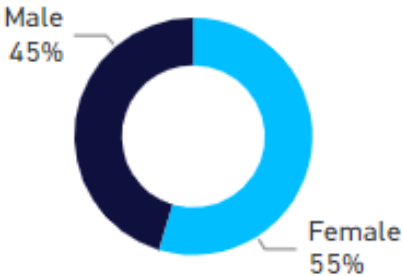
Serving a greater good



Improving the world with technology that understands human attention and intent

The Team

Gender distribution



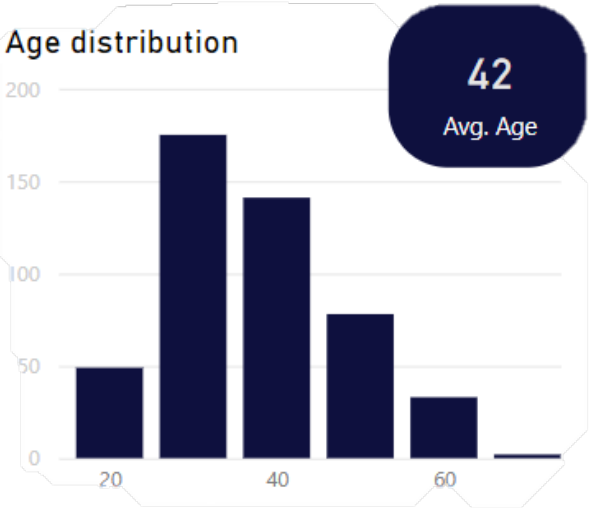
Nr. of female managers

41

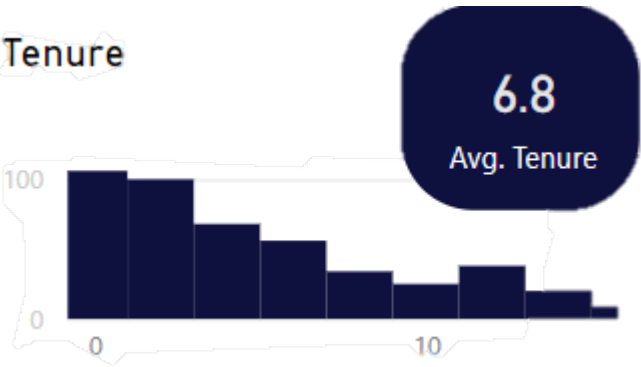
Nr. of male managers

40

Age distribution



Tenure



Key strategic pillars supporting growth ambitions

1

Increase knowledge and awareness

2

Grow and develop the sales- and training organization

3

Expand to new markets and user groups

4

Drive innovation and offer leading solutions

5

Improve the reimbursement process

6

Acquire complementary channels and products

1. Increase knowledge and awareness of the solutions

- Low percentage of people with access to AAC
- Inadequate knowledge of the potential and value that AAC creates for the individual and society
- In 2020 alone, Tobii Dynavox trained +100,000 speech therapists, prescribers and other affected parties
- Tobii Dynavox is engaged in multiple long-term initiatives to increase awareness among the general public and to influence decision-makers and legislators
- Ice bucket challenge as a successful example of increasing ALS awareness



2. Grow and develop the sales- and training organization

- Tobii Dynavox solutions often require physical testing, product installation and training
- Expanding the sales and training organization creates the conditions for significantly higher sales
- 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



SALES CASE STUDY: US TERRITORY SPLIT

Territory	Ohio	Florida NE / Gulf Coast	Maryland / DC
Number of employees (#)	Pre 1 → Post 3	Pre 2 → Post 3	Pre 1 → Post 2
Revenue growth ¹	Before → After	Before → After	Before → After

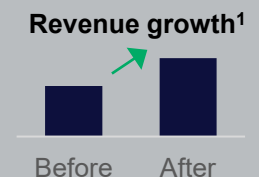


TRAINING CASE STUDY: NORWAY



The Tobii Dynavox team in Norway produces a local podcast on Spotify on best practices for AAC (ASK in Norwegian)

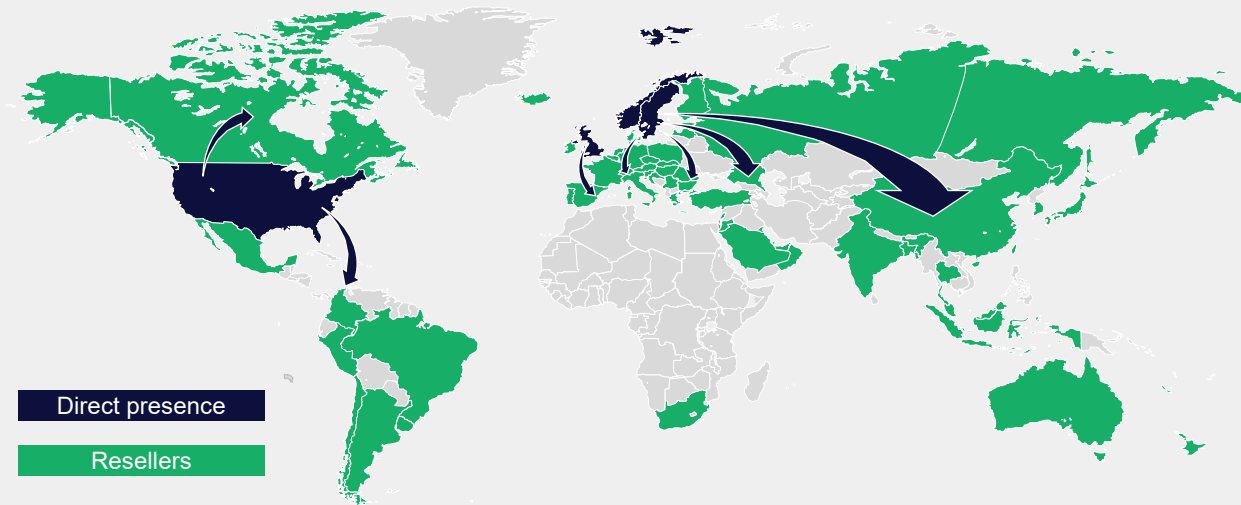
- “Training is the new selling” introduced in 2018
- Educated own solutions consultants from being product sales oriented “box pushers” to educators and advisors
- Recruited 1 full time trainer with clinical expertise with rest of staff intact



3. Expand to new markets and user groups

- New geographic markets offers substantial growth potential
- Strengthening presence in new markets as systems for prescribing and providing reimbursement for AAC are developed
- Further potential in countries with good funding structures

Expand global footprint through localized and increased direct presence in more markets



4. Drive innovation and offer leading solutions

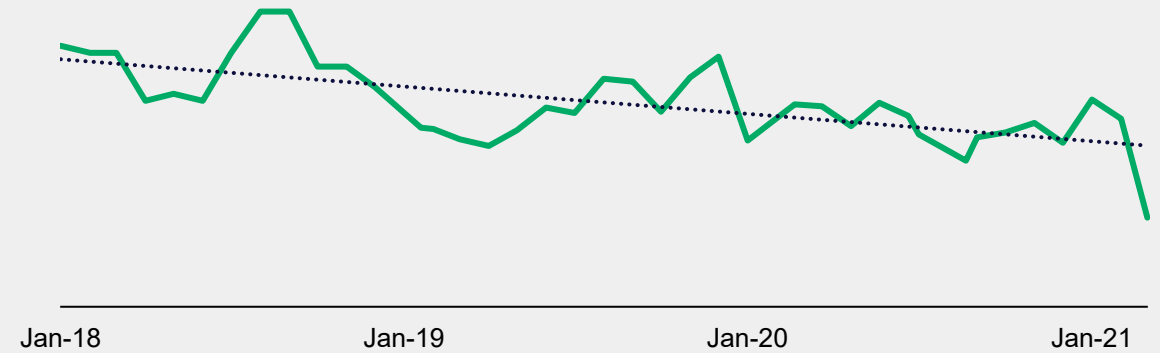
- Offers innovation-leading solutions
- Continuously advancing development with a focus on simplicity and the right functionality, while maintaining product differentiation
- In-house development of content and technology creating cost, quality advantages coupled with proximity to the market
- Tobii Dynavox has the leading and broadest product portfolio in the market



5. Improving the reimbursement process

- Manages the reimbursement process in countries with direct sales (US, UK, Norway and Sweden)
- Extensive experience in helping users through the reimbursement process
- Aims to export its knowledge and experience of in its direct markets to other countries

Average cycle time for funded orders (# days)



6. Acquire complementary channels and products

- AAC market highly fragmented with several targets to pursue
- Complement current offering (or 3rd party components that are part of our current offering)
- Acquire local presence
- Well-defined pipeline of near term targets of which several in ongoing discussions

Well-defined pipeline of near-term targets of which several in ongoing discussions

Add solutions

Complementary to our current offering (or 3rd party components that are part of our current offering)



Add presence

Partners/Resellers currently selling our solutions in the local market/geography

Financial performance and targets

All numbers can be found in released prospectus and in Tobii's earnings reports

Introduction to financials

- Track record of delivering profitable growth following complete revamp of solutions portfolio
- Recent financial performance impacted by Covid-19 and supply chain disruptions
- Strong underlying business set to grow and deliver on financial targets
- Tobii Dynavox reported as IFRS segment in Tobii AB since IPO in 2015
 - Operated as standalone legal entity since 1 January 2019
 - Separation and listing to have minimal impact on cost structure

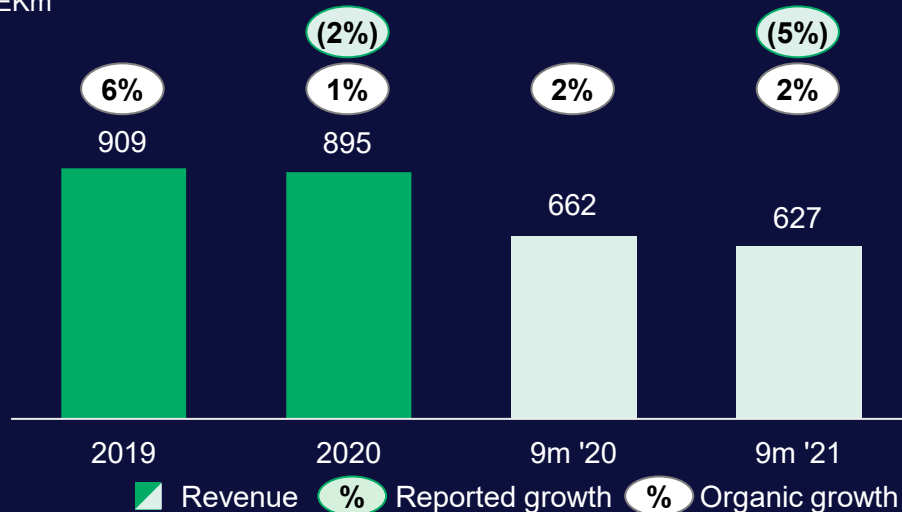


Stable top-line performance

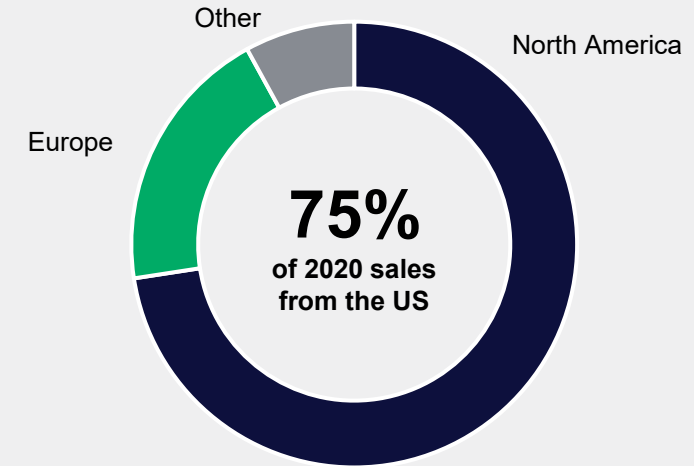
- Direct sales mainly in the US, UK, Sweden and Norway
- Strong momentum in the business, with the I-Series serving as a driver
- Delivery and logistic challenges as well as currency fluctuations impacted 9m 2021 revenue by 34 SEKm

Revenue and organic growth

SEKm



Revenue split by geography



Order split by sales channel

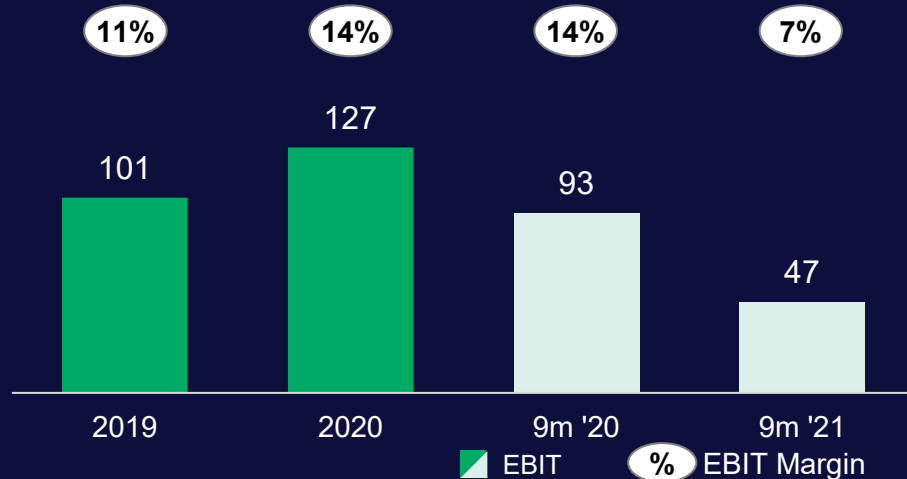


Profitability upside potential from operating leverage

- Cost base 2020 impacted by Covid-19 (work reduction, government grants and lower travel expenditures)
- Delivery and logistic challenges impacted 9m 2021 EBIT by 25 SEKm

EBIT and EBIT Margin¹

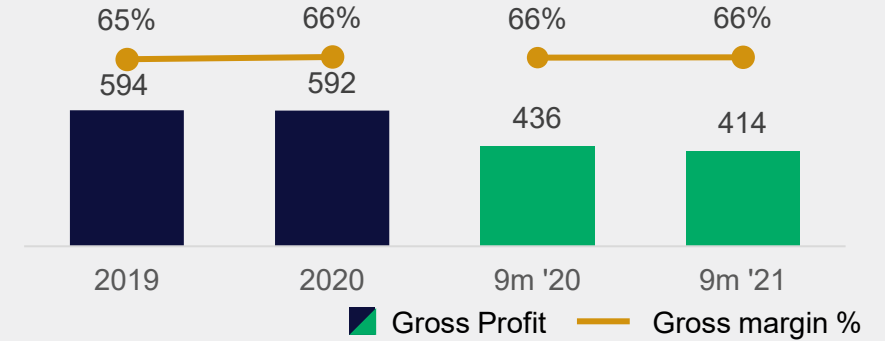
SEKm



Note.
(1) Including other costs / income

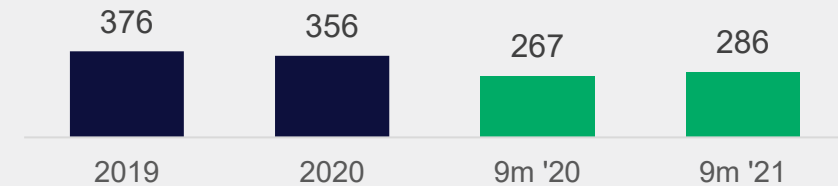
Gross profit and margin

SEKm



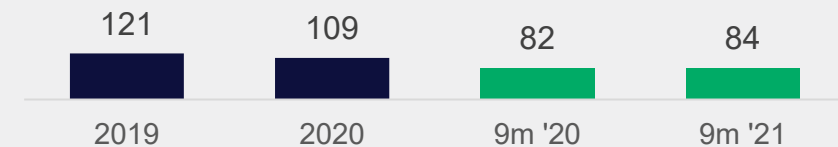
Sales and administrative costs

SEKm



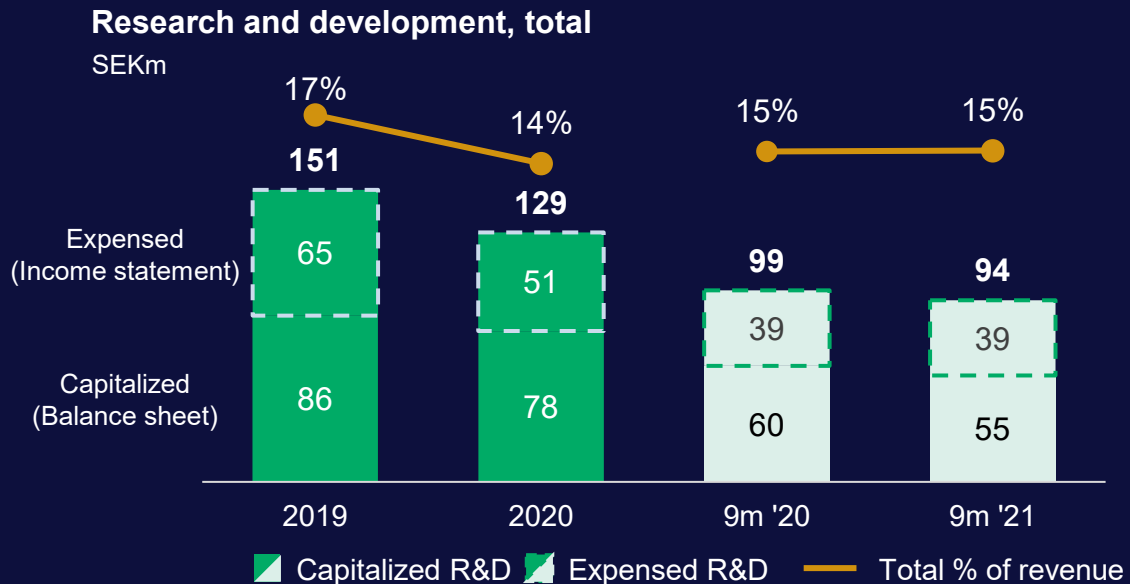
Research and development

SEKm

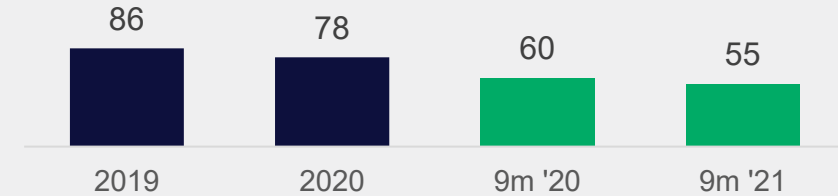


Well invested for the future

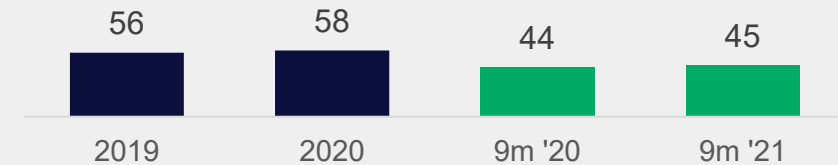
- Investments in research and development has lead to several innovations over the years, strengthening margins and increasing sales
- Capitalized research and development costs are amortized over 2-4 years, typically corresponds to ~60% of total R&D spend



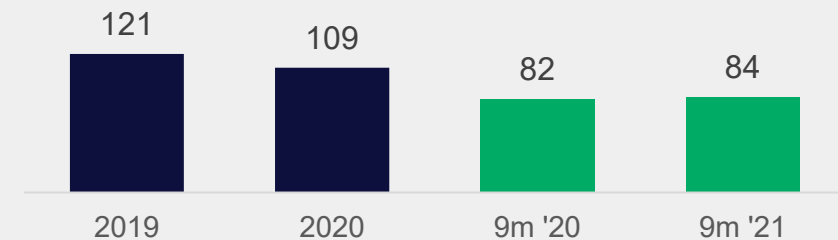
Research and development, capitalized SEKm



Amortization of capitalized research and development SEKm



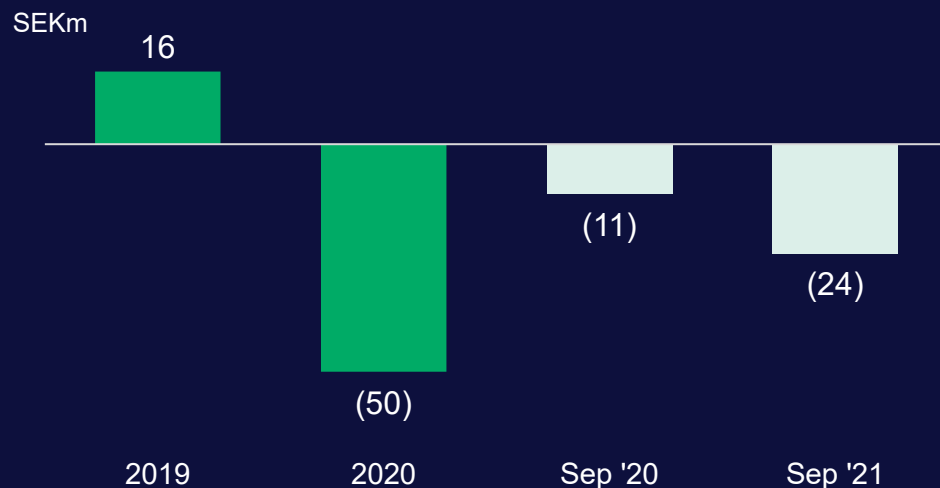
Research and development, net EBIT impact SEKm



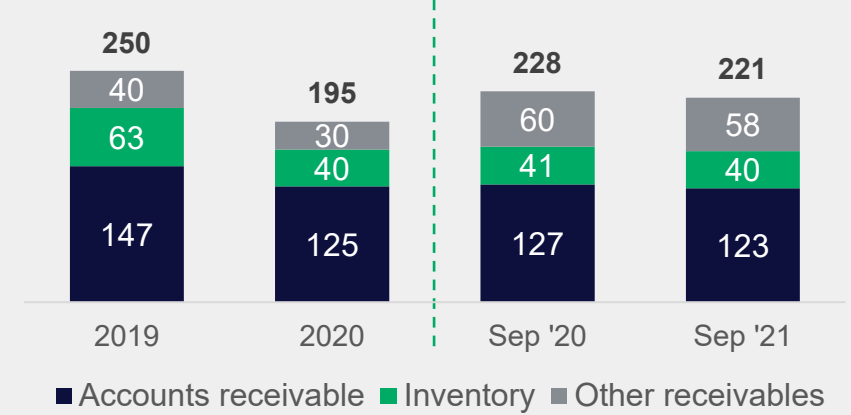
Attractive net working capital profile

- 90% of device sales recognized and 10% deferred for future support commitments
- Special education software based on subscription model, typical customer prepays 6-18 months
- Payments from reliable funding bodies

Net working capital



Operating assets



Operating liabilities



Financial position

- Events post Q3 will have an impact on net debt position
- Long-term target to maintain net debt in relation to LTM EBITDA of 2.5x +/- 0.5x

Net Debt and Net debt to EBITDA (September 2021)

SEKm	Sep-21
Cash and cash equivalents	110
Short-term interest bearing liabilities ¹	289
Long-term interest bearing liabilities ¹	42
Net Debt	221
LTM EBITDA	173
Net Debt / LTM EBITDA	1.3x

Events post Q3

- New 550 SEKm term loan
- New 150 SEKm revolving credit facility related to acquisition (undrawn)
- Repayment of debt to Tobii AB (257 SEKm)
- Acquisition of perpetual license to use the name “Tobii” in combination with “Dynavox” among other intangible assets from Tobii AB (280 SEKm)
- Unconditional shareholder contribution (cash) into Tobii Dynavox following Tobii AB directed issue (75 SEKm)
- Announced acquisition of Acapela Group (9.8 EURm, including cash of 1.9 EURm) – *pending completion*

SEKm	Debt	Cash	
As of Sept 30, 2021	331	110	
SEKm	Debt	Cash	Undrawn Facilities
Term Loan	550	550	-
RCF	-	-	150
Repayment of debt to Tobii AB	(257)	(257)	-
Acquisition of license	-	(280)	-
Unconditional shareholder contribution	-	75	-

Long-term financial targets



>10%

Growth

To increase currency-adjusted revenue by more than 10 percent on average per year



>15%

Profitability

To achieve and maintain an EBIT margin in excess of 15 percent



~2.5x

Leverage

To maintain Net debt¹ in relation to LTM EBITDA of 2.5x +/- 0.5x

Dividend Policy

To primarily reinvest the Company's profit and use it 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

Concluding remarks

tobii dynavox

”Power to be you”

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



Positioned for sustainable growth in a vital industry

- 1  Life changing and revolutionary benefits to end users and the world around them
- 2  Global leader in a niche market underpinned by secular growth trends
- 3  Most comprehensive solution provider during each step of end users' journey
- 4  Track-record of profitable growth with further upside
- 5  Substantial value creation potential as a standalone company



Q&A



Thank you!