

Press release

Stockholm, August 20, 2021

Tobii Interim Report for the Second Quarter 2021

Tobii AB (publ) today announced its results for the Second quarter 2021.

Comment by Tobii's CEO Henrik Eskilsson:

“Our result was severely affected by supply disruptions and the continuing impact of the pandemic. Business activity, however, developed favorably across all divisions, which was demonstrated by good order intake. We now look forward to a strong second half of 2021, which we kick-started with the announcement of our entry into the Automotive DMS market with several partnerships and the acquisition of Phasya. Both investments have a great strategic rationale and are fantastic complements to our current portfolio.”

Second quarter April - June 2021

- Revenue was SEK 282 million (333), corresponding to organic decline of 4%. In line with previous communication, supply disruptions in Tobii Dynavox resulted in a large deferral of revenue from the second to mainly the third quarter 2021.
- Gross margin was 66% (69%).
- The Group's operating result was SEK -99 million (-45).
- The net profit for the period amounted to SEK -114 million (-74).
- Earnings per share amounted to SEK -1.14 (-0.75).

Business development

- Order intake was strong with Tobii Pro now back at around the same level as before the pandemic and order intake for Tobii Dynavox was higher than levels seen before the pandemic.
- Tobii Tech received five design wins, including a VR headset and several medical applications.
- [Tobii partnered with Nvidia](#) to, based on Tobii's Spotlight Technology, introduce a no-code dynamic foveated rendering solution which furthers widespread adoption of eye tracking in VR.
- After the quarter, Tobii [announced its entry into the Automotive Driver Monitoring-Systems market](#).
- After the quarter, [Tobii announced that it has acquired Phasya](#). This acquisition will speed up Tobii's product roadmap within automotive as well as several other markets that Tobii addresses.
- The preparations for the listing of Tobii Dynavox and the integration of Tobii Tech and Tobii Pro are progressing according to plan.



Comments from the CEO

Our result was severely affected by supply disruptions and the continuing impact of the pandemic. Business activity, however, developed favorably across all divisions, which was demonstrated by good order intake. We now look forward to a strong second half of 2021, which we kick-started with the announcement of our entry into the Automotive DMS market with several partnerships and the acquisition of Phasya. Both investments have a great strategic rationale and are fantastic complements to our current portfolio.

Tobii Dynavox's revenue decreased by 15 percent organically. This was a result of the previously announced supply disruptions following component shortages, which led to an exceptionally large order book and sales pipeline. Deferred revenue from the first and second quarter corresponds to approximately SEK 70 million, which will materialize as additional revenue, mainly in the third quarter of 2021.

This shows a strong underlying demand and it paves the way for a return to solid growth in the second half of 2021. We have resolved the acute supply disruptions and already delivered most of the order book at the beginning of the third quarter.

Tobii Pro's revenue increased by 40 percent organically despite a temporary budget freeze for most universities in China, and a continued negative impact of the pandemic where important markets have had extended restrictions.

Nevertheless, I am very pleased with the development as order intake strengthened markedly and was 50 percent higher than in the second quarter 2020, and around the same level as in 2019, and as we saw a very good development in customer interest and activity.

Tobii Pro launched a [solution for market research with eye tracking on smartphones](#), which is an important step to grow our business in attention data analytics.

Tobii Tech's revenue decreased by 15 percent organically. The pandemic has delayed the introduction and slowed the ramp up of products for our integration customers. The situation is becoming more manageable and the outlook for our customers is becoming more favorable. Intake of new customers and leads developed well and we obtained five new design wins in the quarter - one for the next generation [VR headset with an existing customer](#), four for medical applications.

After the quarter ended, [we announced](#) our automotive driver monitoring system (DMS) initiative. Automotive DMS is a vertical that will grow rapidly over the next 5-10 years and Tobii is uniquely positioned to build a leading product and market position.

We also [acquired Phasya](#), an innovative AI software company whose technology and expertise are a great complement to Tobii's existing portfolio, primarily in automotive, but also with applications in other parts of Tobii. With Tobii's breadth we can significantly accelerate the scaling of Phasya's sales and bring its products into more verticals and application areas. We warmly welcome the Phasya team into the Tobii family.

Looking forward to a strong second half of the year

For the group, we have seen business activity pick-up which is demonstrated in sales and marketing expenses returning to more normal levels, however, profitability was impacted by the supply chain disruptions, continued pandemic effects, and some costs related to the spin-off and listing of Tobii Dynavox. Reaching profitability for the full year 2021 remains our ambition but has become more challenging due to the extending negative impacts of the pandemic.

The preparations for the spin-off and listing of Tobii Dynavox towards the end of the year are progressing according to plan. In parallel with this, we are executing on the integration of Tobii Pro and Tobii Tech, successfully fighting our way out of the pandemic, and on top driving innovation and new initiatives. This, together with the continued improving business environment in all three divisions, is setting the stage for a strong and exciting fall.

Henrik Eskilsson
CEO

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Conference call

Today at 09:00 a.m. CET, Tobii will host a conference call with web cast presentation for media, analyst and investors. Please find dial-in details on Tobii's website under [Calendar](#).

This report has not been subjected to review by the Company's auditors.

This information is information that Tobii AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out above, on August 20, 2021, at 7:30 a.m. CET.

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About Tobii

Tobii is the global leader in eye tracking. Our mission is to improve the world with technology that understands human attention and intent. Tobii operates through three business units: Tobii Dynavox makes specially designed computers that are controlled by eye movement or touch screens for use by people with special needs due to spinal cord injuries, CP, ALS or other medical conditions. Tobii Pro develops and sells eye tracking equipment and services used today by more than 3,500 companies and 2,500 research institutions, including 98 of the world's 100 highest ranked universities. Tobii Tech supplies eye tracking technology for integration into consumer electronics and other products such as personal computers, virtual reality headsets, healthcare applications, and more. Tobii is headquartered in Sweden and is listed on Nasdaq Stockholm (TOBII). The group has over 1,000 employees. For more information: www.tobii.com.

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