

Press release

Stockholm, April 29, 2021

Tobii Interim Report for the First Quarter 2021

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

Comment by Tobii's CEO Henrik Eskilsson:

“During the first quarter, business activity continued to increase in all three divisions. However, the pandemic continues to have a substantial negative impact on sales and Tobii Dynavox was also negatively affected by supply chain disruptions.

Today we are announcing plans to create two independent companies – Tobii Dynavox and Tobii. Thanks to good performance and a strong outlook, we are now ready to take this step and I am optimistic about the potential to thereby create even stronger conditions for our long-term growth and success.”

First quarter January- March 2021

- Revenue was SEK 339 million (380), corresponding to organic growth of 1%.
- Gross margin was 71% (71%).
- The Group's operating result improved to SEK -9 million (-23). Tobii Dynavox contributed SEK 27 million (36) and Tobii Pro SEK 2 million (1) to earnings, while investments in Tobii Tech had an impact of SEK -40 million (-61) on the Group's operating result.
- The operating result for the period amounted to SEK -3 million (-16).
- Earnings per share amounted to SEK -0.03 (-0.17).

Business development

- The Group achieved organic growth despite significant headwinds from the pandemic and supply chain disruptions.
- The operating result continued to improve, taking Tobii at a good pace toward achieving full-year profitability in 2021.
- Tobii Tech received six design wins in several application areas, including personal computing, eye disease treatment, radiology workstations, and ADHD screening and therapy.
- Tobii launched several new and improved products, including [Tobii Horizon for head tracking in computer games](#) and a [solution for reading research](#) in the Pro Lab analysis software.
- The Board of Directors initiated a review of the group's structure and started preparations to distribute Tobii Dynavox to Tobii's shareholders with a subsequent public listing.



Comments from the CEO

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Today we are announcing plans to create two independent companies – Tobii Dynavox and Tobii. Thanks to good performance and a strong outlook, we are now ready to take this step and I am optimistic about the potential to thereby create even stronger conditions for our long-term growth and success.

During the first quarter, our business continued to gradually recover from the effects of the pandemic, which was reflected by increased customer activity in all divisions. Both our own ability to drive sales and operations, as well as that of our customers, has however continued to be negatively affected by the constraints in society. Overall, the Group achieved 1 percent organic growth and improved the operating result by SEK 14 million to SEK -9 million.

Tobii Dynavox decreased revenue by 6 percent organically. This decline was a result of the pandemic, which did not affect revenue in the first quarter of 2020, in combination with the effects of the previously announced supply chain disruptions for our flagship product, the I-series, which we have seen since mid-March. Our sales pipeline continued to develop strongly and was unusually high at the end of the quarter. This indicates strong underlying demand and lays the foundation to make up for deferred revenue in the second half of 2021.

The positive trend in reimbursement for assistive technology for communication continues and during the quarter President Biden signed a law allowing ALS patients in the US to receive reimbursement for assistive technology for communication five months faster.

Intensive work is ongoing to resolve the supply chain disruptions, including a small product redesign. Our assessment remains that this will result in deferred revenues of SEK 40-80 million, primarily from the second to the third quarter of 2021.

Tobii Pro increased revenue by 13 percent organically. Very large geographical differences were evident, with the US lagging and a strong performance in Asia. These trends make us optimistic about the prospects for good growth once the US and Europe open up after the pandemic.

Tobii Pro launched a new language and reading module in its Pro Lab analysis software, aimed at academic research. This effort is part of a larger initiative to drive advances in applied reading research and educational psychology. Eye tracking enables better treatment and earlier detection of diagnoses such as dyslexia, as well as contributes to better reading comprehension and faster reading.

Tobii Tech's business activity continued to strengthen after a downturn during the pandemic. During the quarter, we received six new design wins, existing customer projects have made good progress and several new engagements have been added. External revenue increased by 4 percent organically, while total revenue was 1 percent lower organically, mainly due to the supply chain disruptions for Tobii Dynavox. Tobii Tech continued to improve its operating result during the quarter at a good pace to SEK -40 million, from SEK -61 in the first quarter of 2020.

Twenty years of development have built a solid foundation and world-leading positions

Since Tobii was founded 20 years ago, we have been a driving force behind the development of eye tracking technology and applications. Our vision at the start was "An eye tracker in every computer". However, neither the technology nor the world was ready for mass market adoption 20 years ago. We therefore focused on applications and markets where the technology at the time could deliver high value. In recent years, eye tracking has matured – both as a technology and how it is used in different applications. We have therefore accelerated our investment in realizing our original vision, which has evolved to include a wide range of intelligent devices.

Thanks to these investments, we have positioned Tobii as a clear world leader in the core eye tracking technology, and in the market segments in which we operate. Today, the technology enables



new innovative solutions, higher performance, transformative experiences and valuable insights across a wide range of industries and application areas. The kettle is boiling with new applications enabled by eye tracking as a core technology. Many of the verticals that were still far away just a few years ago are now much closer to large-scale commercialization.

The time is right for the next step in Tobii's development

Following the past few years solid development and a positive outlook, the time is now right to start the process of splitting Tobii into two companies – Tobii Dynavox and Tobii. This move is a natural step in Tobii's evolution and I am very optimistic about the effects of creating two stand-alone companies, each with a greater focus on its respective mission, with organizations that are even more agile and able to pursue their strategies with greater vigor. Two clean-cut, differentiated and strong investment alternatives are formed, that are easy to understand and appreciate for investors. Both companies are well positioned as world leaders in attractive markets, with good prospects to drive strong growth for a long time to come.

Over the past few years, the collaboration between Tobii Pro and Tobii Tech has gradually increased and clear benefits of the divisions working more closely together have become evident. We have therefore taken the decision that it is now appropriate to begin work on the deeper integration of these two divisions.

After 20 years of hard work laying the foundations for Tobii in its current form, we are excited to embark on the next major phase of the company's journey. I look forward to seeing Tobii Dynavox blossom as an independent publicly traded company, while Tobii continues to capture the opportunities that emerge as eye tracking gains broad traction in society.

Henrik Eskilsson
CEO

Conference call

Today at 10:30 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 is a translation of the Swedish original. In case of any inconsistency between the Swedish and English version, the Swedish version shall prevail.

This information is inside information that Tobii 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 person set out below, at 07.00 CET on Apr 29, 2021.

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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

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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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