

Press release

Stockholm, April 7, 2020

Tobii comments on covid-19 pandemic impact and the Group's actions

Tobii AB (publ) today comments on how the covid-19 pandemic affects the Group's revenues, financial targets and on the actions being taken to adapt cost levels to the new situation.

Since early on, Tobii has monitored the spread of covid-19 continuously and taken proactive measures to protect the health and safety of employees and maintain the ability to deliver its services and products to customers. To date, Tobii's organization has essentially been fully operational, although most of the staff has been instructed to work from home. The transition to work from home was prepared early on and has worked well.

As a result of measures taken, Tobii has not seen any significant disruption to the supply of products. However, Tobii has many customers in Japan and China, countries that early on enforced significant travel restrictions and closed schools, universities and office locations. Revenue from these markets has therefore decreased in the first quarter, mainly for the division Tobii Pro. All in all, Tobii expects the Group's revenue of the first quarter to be around SEK 380 million, which is about 5% higher than the revenue of the first quarter 2019.

The global effects of the pandemic are still highly uncertain and Tobii expects all three divisions to be negatively impacted in the short term, mainly due to lock-down regulations in many countries, which make it difficult for Tobii to reach and service its customers. Once these restrictions are lifted, Tobii expects revenue to re-bounce, as there is likely to be pent-up demand, and since we see long term growth potential in the markets that we serve. A large part of Tobii's business has historically also been highly resilient to negative macro-economic developments.

However, it will most likely not be possible to reach the company's financial targets in 2020, including the target to reach profitability for the Group for the full year. Tobii will review the financial targets when the situation has stabilized.

Tobii has initiated a program to adapt costs to a lower revenue level short term. The program includes activities to decrease discretionary expenses, reduce the number of consultants, a company-wide temporary work reduction program and a temporary salary reduction for the executive management team. In addition, the company will implement structural changes to accelerate the path to profitability for the division Tobii Tech, and will therefore give notice of termination to up to 50 permanent employees. All in all, the program is expected to reduce the Group's operating expenses in the second quarter 2020 by around 20% compared to 2019.

With these measures and based on its current assessment of likely market developments, Tobii expects to have a sufficiently strong financial position, in the short and in the long term. Tobii is prepared to take further measures, both in the case of a rapidly improving business climate as well as in more negative scenarios.



Interim report and conference call

Tobii's interim report for the first quarter will be announced as planned on April 29 where the program will be presented in more detail.

Today at 11:30 a.m. CET, Tobii will host a conference call and Q&A session for media, analyst and investors. Dial-in details:

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About Tobii

Tobii is the global leader in eye tracking. Our vision is a world where all technology works in harmony with natural human behavior. 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 all of the world's 50 highest ranked universities. Tobii Tech further develops Tobii's technology for new volume markets, such as computer games, personal computers, virtual reality, augmented reality and smartphones. Tobii is headquartered in Sweden and is listed on Nasdaq Stockholm (TOBII). The group has about 1,000 employees. For more information: www.tobii.com.

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