



Year-End Report Q4 and Full Year January–December 2020

"New sales record and improved earnings, despite the pandemic"

*Henrik Eskilsson
CEO*

OCTOBER–DECEMBER

- Consolidated revenue was SEK 397 million (433), corresponding to organic¹ growth of 2%.
- Gross margin was 70% (69%).
- The Group's operating result improved to SEK -8 million (-21). Tobii Dynavox contributed SEK 34 million (28) and Tobii Pro SEK 12 million (20) to earnings, while investments in Tobii Tech had an impact of SEK -55 million (-70) on the Group's operating result.
- Profit for the period was SEK 4 million (-49), including a positive tax effect of SEK 41 million from revaluation of historical loss carry-forwards.
- Earnings per share amounted to SEK 0.07 (-0.49).

SIGNIFICANT DEVELOPMENTS IN THE QUARTER

- Tobii returned to organic growth, despite the pandemic. The Group, Tobii Pro and Tobii Dynavox all achieved record-breaking currency-adjusted revenue.
- Tobii took another clear step toward profitability and is now introducing the goal of achieving a positive operating result for the Group for the full year 2021.
- Tobii Dynavox began the roll-out of a new generation of Boardmaker, the world's leading special education software.
- Tobii eye tracking was launched in three major games, causing a strong increase in sales of Eye Tracker 5.
- Tobii Tech received five design wins in several application areas.
- The divestment of Smartbox was completed.

FINANCIAL OVERVIEW

| SEK m (except for earnings per share) | Q4 2020 | Q4 2019 | Change | Organic change | Full year 2020 | Full year 2019 | Change | Organic change |
|---|--------------|--------------|-------------|-------------------|-------------------|-------------------|-------------|-------------------|
| REVENUE | | | | | | | | |
| Tobii Dynavox | 232.8 | 250.8 | -7 % | 2 % | 894.0 | 906.3 | -1 % | 1 % |
| Tobii Pro | 123.7 | 131.4 | -6 % | 2 % | 365.7 | 442.9 | -17 % | -16 % |
| Tobii Tech | 60.0 | 74.1 | -19 % | -8 % | 229.7 | 221.7 | 4 % | 7 % |
| Eliminations and other, net | -19.9 | -23.4 | - | - | -63.2 | -69.5 | - | - |
| Total | 396.7 | 432.9 | -8 % | 2 % | 1,426.3 | 1,501.3 | -5 % | -3 % |
| OPERATING PROFIT/LOSS (EBIT) | | | | | | | | |
| Tobii Dynavox | 34.4 | 27.6 | 24 % | 0 % | 125.3 | 99.5 | 26 % | 17 % |
| Tobii Pro | 11.6 | 20.2 | -43 % | -28 % | -10.2 | 53.8 | - | - |
| Tobii Tech | -54.7 | -69.5 | - | - | -221.4 | -293.8 | - | - |
| Other | 0.7 | 1.1 | - | - | 3.4 | 2.4 | - | - |
| Operating profit/loss from continuing operations | -8.0 | -20.6 | - | - | -102.9 | -138.1 | - | - |
| Profit/loss from discontinued operations | -6.1 | -8.3 | - | - | -9.8 | -11.9 | - | - |
| Net profit/loss for the period | 4.2 | -48.6 | - | - | -133.9 | -171.2 | - | - |
| Earnings per share (SEK) | 0.07 | -0.49 | | | -1.36 | -1.73 | | |

¹Tobii strives to continuously improve the dissemination of information. We have therefore shifted to the parameter organic growth. For definition see note Other Information.

Comments from the CEO

The fourth quarter showed a significant increase in business activity and we returned to organic¹ growth. We thereby achieved a new currency-adjusted sales record for the Group, along with clearly improved earnings. Despite the continued uncertainty in today's world, we introduce the firm goal of achieving a positive operating result for the Group for full-year 2021. We are seeing steadily growing interest in eye tracking and the increased level of activity during the quarter bodes well for the future.

Tobii Dynavox increased revenue by 2 percent organically for the quarter, resulting in a new record for currency-adjusted revenue in this division. The new I-Series continued to be a growth driver and in the fourth quarter it was particularly gratifying to see good organic growth in the US once again. The operating margin continued its positive trend, with an increase of 4 percentage points to 15 percent.

For full-year 2020, Dynavox achieved 1 percent organic growth and the operating margin strengthened significantly by 3 percentage points to 14 percent. In 2020, we made important hardware and software upgrades that introduced many new innovative tools for our users. We continued to reach more and more people in need of assistive technology – during the year, our solutions gave a voice to over 30,000 new users, and we trained over 100,000 people in assistive technology for communication. We believe that during the year we gained market share and we have consolidated our position as the market leader.

Tobii Pro returned to organic growth of 2 percent in the quarter, which also resulted in a new record for currency-adjusted revenue. The strong recovery that began after the summer continued and it is great to see that Tobii Pro worked its way back to organic growth in most segments and product categories, as well as in all regions except the US.

The operating margin was 9 percent, 7 percentage points higher than in the previous quarter, but 6 percentage points lower than in the same period the previous year. Adjusted for currency translation effects, the operating margin was in line with the fourth quarter of 2019, indicating that profitability has recovered. Tobii Pro thus ended the year with a clear show of strength.

For full-year 2020, sales were severely negatively impacted by the pandemic, causing a 16% lower revenue organically, with an operating loss of SEK -10 million.

During the year, Tobii Pro, forced in part by the pandemic, made great strides in digital sales and marketing, which yielded good results. We have enhanced the product offerings with stronger solutions for webcam-based studies and studies in the home, particularly through the launch of the latest version of Pro Glasses, our flagship product. The launch of Pro Glasses 3 was very successful despite an extremely challenging environment. We are proud that during the year, Tobii Pro's solutions enabled thousands of customers to achieve new advances in scientific research, improved consumer experiences and increased safety, efficiency and quality.

Tobii Tech's total revenue was 8 percent lower organically. Sequentially, we saw a clear recovery in revenue and a satisfactory development operationally. Existing customer projects have made good progress and several new engagements have been added. Tobii Tech continued to improve its operating result during the quarter at a good pace to SEK -55 million, from SEK -70 million.

During the quarter we launched integration of Tobii eye tracking in several additional computer games. The success was immediate, driven mainly by Star Citizen and December sales of Eye Tracker 5 were more than twice as high as the previous record. In addition to the game integrations, we also received five new design wins. We are seeing a wide variety and accelerating pace in the growing number of applications that use the power of eye tracking to introduce innovative products.



Henrik Eskilsson
President and CEO, Tobii

Read more:

[Tobii Dynavox Launches Boardmaker 7](#)
[Tobii Eye Tracking in the game Star Citizen](#)
[Tobii and 4tiitoo enhance efficiency and ergonomics in business applications](#)

For full-year 2020, the division improved its result by SEK 72 million to SEK -221 million. During the year, Tobii Tech and several of its customers faced circumstances that made it difficult to drive customer interactions and projects forward because of the pandemic, which affected revenues negatively. Nevertheless, we made important advances in existing and new customer engagements, which began to become apparent at the end of the year.

All in all, the Group achieved 2% organic growth in the quarter and improved the operating result to SEK -8 million, despite significant negative currency translation effects.

As we turn the page on 2020, we leave a very different and challenging year behind us. I am extremely proud of how everyone in the organization rapidly adapted and valiantly fought through the Covid-19 challenges. It has borne fruit and despite strong headwinds, we managed to close the year with a modest organic decline of 3 percent while achieving a strong improvement in our operating result. During the year we made clear progress in all divisions. We strengthened our world-leading position and with an updated product portfolio, we are very well positioned to drive strong growth and improved profitability.

Outlook for 2021

With a strong fourth quarter behind us and despite the continued uncertain environment, we are optimistic regarding the outlook for 2021. The board of directors has therefore set a goal of achieving positive operating result for full-year 2021 for the Tobii Group as a whole.

Henrik Eskilsson
CEO

The Tobii Group

Tobii is the world leader in eye tracking. Our vision is a world where all technology works in complete harmony with natural human behavior. Tobii operates in three divisions: Tobii Dynavox is the world leader in assistive technology for communication, Tobii Pro is the world leader in eye-tracking solutions used to study human behavior and Tobii Tech is the world's leading supplier in eye-tracking technology for integration customers in fields such as PC, VR and Niche Applications. The Group, which has about 1,000 employees, had sales of SEK 1,426 million for full-year 2020.

KEY RATIOS*

| SEK m | Q4 2020 | Q4 2019 | Full year 2020 | Full year 2019 |
|------------------------------|------------|------------|-------------------|-------------------|
| Revenue | 396.7 | 432.9 | 1,426.3 | 1,501.3 |
| Revenue change: | -8% | | -5% | |
| - of which organic | 2% | | -3% | |
| - of which currency | -10% | | -2% | |
| Gross margin | 70 % | 69 % | 68 % | 69 % |
| EBITDA | 51.2 | 28.2 | 116.4 | 32.3 |
| EBITDA margin | 13 % | 7 % | 8 % | 2 % |
| Operating profit/loss (EBIT) | -8.0 | -20.6 | -102.9 | -138.1 |
| EBIT change | - | | - | |
| EBIT margin | -2 % | -5 % | -7 % | -9 % |

* Continuing operations, not including Smartbox

OCTOBER–DECEMBER

Revenue

Consolidated revenue was SEK 397 million (433), corresponding to organic growth of 2%. The business thus continued to recover from Covid-19, although the pandemic continued to have a dampening effect.

The North American market accounted for 54% (56%) of consolidated revenue, the European market 24% (24%), and the rest of the world 22% (20%).

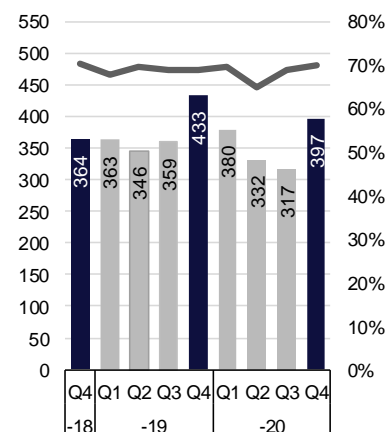
Performance

The Group's gross margin was 70% (69%). The operating result for the Group improved to SEK -8 million (-21) and the operating margin was -2% (-5%). The cost reduction measures announced in April, as well as SEK 4 million in government support related to Covid-19 had a positive impact on earnings. The operating result was negatively impacted by SEK -22 million in currency translation effects. These translation effects are mainly attributable to balance sheet items. Without these currency effects, the operating result would have been positive for the quarter. Operating expenses were 12% lower organically compared with the same period the previous year.

Capitalization of R&D for the quarter was lower than in the comparison quarter, while R&D amortization and depreciation increased. The difference in relation to the comparison quarter provided a larger negative impact on earnings of SEK 16 million.

Pretax loss was SEK -33 million (-36). Net financial items amounted to SEK -25 million (-16) and mainly include SEK 17 million in negative currency translation effects related to balance sheet items, as well as interest expenses attributable to bond loans and finance leases in accordance with IFRS 16 of SEK -9 million (-6). Profit/loss from discontinued operations was SEK -6 million (-8). The result for the period was SEK 4 million (-49) and earnings per share reached SEK 0.07 (-0.49). The result was positively impacted by historical loss carry-forwards of SEK 41 million, which were recognized as deferred tax assets.

REVENUE, SEK M AND GROSS MARGIN, %

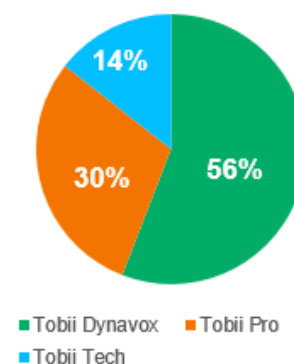


RESEARCH AND DEVELOPMENT, Q4

| SEK m | 2020 | 2019 |
|--------------------------------------|------|------|
| Total R&D expenditures | -96 | -135 |
| Capitalization | 40 | 47 |
| Amortization | -46 | -36 |
| R&D expenses in the income statement | -101 | -124 |

The information is pertaining to Continuing operations only.

PERCENTAGE OF GROSS REVENUE PER DIVISION Q4



Cash flow, liquidity and financial position

Cash flow from operating activities before changes in working capital amounted to SEK 40 million (21). The change in working capital had a positive impact on cash flow of SEK 32 million (11).

Continuous investments amounted to SEK 47 million (72), of which SEK 40 million (47) related to capitalization of R&D. Cash flow after continuous investments was SEK 25 million (-40). Investments were positively affected by a cash payment of SEK 105 million (-) for the divestment of Smartbox.

At the close of the period, the Group had SEK 410 million (185) in cash. Consolidated net debt totaled SEK 142 million (204), of which SEK 88 million (95) was IFRS 16 finance leases.

JANUARY–DECEMBER**Revenue**

Consolidated revenue was SEK 1,426 million (1,501), corresponding to an organic decrease of 3%. The Covid-19 pandemic had a strong negative impact during the year, but this was largely offset by positive momentum in large parts of the business.

During the period, the North American market accounted for 58% (59%) of the Group's sales, the European market for 21% (21%), and the rest of the world for 21% (20%).

Performance

The Group's gross margin was 68% (69%). The operating result for the Group was SEK -103 million (-138) and the operating margin was -7% (-9%). The cost reduction measures announced in April, as well as SEK 30 million in government relief measures related to Covid-19 had a positive impact on earnings for the year. Operating expenses were reduced by 14% organically compared with 2019.

Capitalization of R&D for the period was lower than in the comparison period, while R&D amortization and depreciation increased. The difference in relation to the comparison period provided a larger negative impact on earnings of SEK 80 million. The result was also negatively impacted by currency translation effects of SEK -22 million.

Pretax loss was SEK -162 million (-150). Net financial items amounted to SEK -59 million (-12) and mainly include interest expenses attributable to bond loans and finance leases in accordance with IFRS 16 of SEK -34 million (-21), as well as negative currency translation effects related to balance sheet items of SEK -27 million (10).

Net loss for the period was SEK -134 million (-171) and earnings per share was SEK -1.36 (-1.73).

Cash flow, liquidity and financial position

Cash flow from operating activities before changes in working capital was SEK 76 million (18), while the change in working capital contributed SEK 113 million (-31). Deferred payment of taxes and fees in Sweden, part of the government support measures for Covid-19, accounted for SEK 55 million of the positive effect. Continuous investments amounted to SEK 199 million (249), of which SEK 165 million (204) related to capitalization of R&D. Cash flow after continuous investments was SEK -10 million (-262). Investments were positively affected by a cash payment of SEK 105 million (-) for the divestment of Smartbox.

The issuance of bonds by the Company had a positive impact of SEK 153 million (293) on cash flow from financing activities in the first quarter.

Organization

The number of employees recalculated to full-time equivalents at the close of the period was 963 (1,016).

EVENTS AFTER THE END OF THE PERIOD

Magdalena Rodell Andersson assumed the position of CFO in late January 2021.

Tobii Dynavox

Tobii Dynavox is the world's leading supplier of assistive technology for individuals with reduced ability to communicate due to conditions such as cerebral palsy, ALS, aphasia, spinal cord injuries or autism. The products include eye-controlled and touchscreen-based assistive technology for communication, as well as a variety of software.

KEY RATIOS*

| SEK m | Q4 2020 | Q4 2019 | Full year 2020 | Full year 2019 |
|------------------------------|------------|------------|-------------------|-------------------|
| Revenue | 232.8 | 250.8 | 894.0 | 906.3 |
| Revenue change: | -7% | | -1% | |
| - of which organic | 2% | | 1% | |
| - of which currency | -10% | | -3% | |
| Gross margin | 67 % | 64 % | 66 % | 66 % |
| EBITDA | 53.8 | 46.2 | 202.7 | 169.6 |
| EBITDA margin | 23 % | 18 % | 23 % | 19 % |
| Operating profit/loss (EBIT) | 34.4 | 27.6 | 125.3 | 99.5 |
| EBIT change | 24 % | | 26 % | |
| EBIT margin | 15 % | 11 % | 14 % | 11 % |

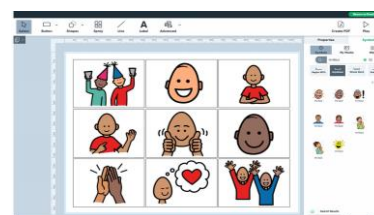
* Continuing operations, not including Smartbox

- During the quarter, Tobii Dynavox began the roll-out of [a new generation of Boardmaker](#), the world's leading tool for creating special education teaching materials, sold primarily on a subscription basis.
- To increase the penetration of assistive technology for communication, reach more users and strengthen its market position, Tobii Dynavox strives to continuously improve its products to become increasingly accessible and user-friendly. As part of this strategy, two new products were launched in the quarter. One is [the new Speech Case](#), which is a sturdy silicone case for Apple's 10.2" iPad with integrated speakers, built-in stands and handles, made specifically for people with speech and language difficulties. The other new product is the [PODD language system](#), which organizes a word and symbol vocabulary to enable a more intuitive experience and express messages in different environments.
- The global penetration of assistive technology for communication remains low. A central aspect of Tobii Dynavox's strategy is therefore to increase awareness and knowledge of assistive technology for communication through a large-scale education initiative. During the year, Tobii Dynavox trained over 100,000 people in assistive technology for communication, an increase of 40,000 from 2019.
- An important factor for the growth of Tobii Dynavox's underlying markets is the development of reimbursement systems for assistive technology for communication. During the year, significant progress has been made especially in Eastern Europe, where several countries have implemented strengthened reimbursement. A positive trend is also evident in the rest of the world where, for example, countries in Central Europe and South America have now allowed for reimbursement of eye-controlled assistive technology for individuals with ALS.

OCTOBER–DECEMBER

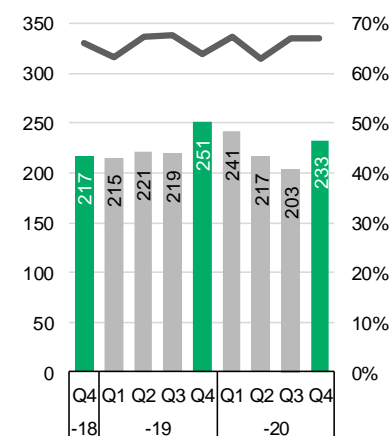
Revenue was SEK 233 million (251), corresponding to organic growth of 2%. Sales of the new I-Series continued to develop strongly, and the US returned to organic growth. However, the strong underlying momentum in this division continued to be clearly counteracted by pandemic-related restrictions on institutions such as schools and healthcare facilities.

Gross margin was 67% (64%). The increase in gross margin is attributable to positive geographical mix effects, reduced discounts, lower shipping costs and lower cost of obsolescence.



During the quarter, Tobii Dynavox began the roll-out of a new generation of Boardmaker, the world's leading special education software.

REVENUE, SEK M AND GROSS MARGIN, %



RESEARCH AND DEVELOPMENT, Q4

| SEK m | 2020 | 2019 |
|--------------------------------------|------|------|
| Total R&D expenditures | -29 | -38 |
| Capitalization | 18 | 20 |
| Amortization | -15 | -14 |
| R&D expenses in the income statement | -26 | -32 |

The information is pertaining to Continuing operations only.

The operating profit was SEK 34 million (28) and the operating margin strengthened by 4 percentage points to 15% (11%). The increase in operating margin is attributable to a higher gross margin, good cost control and government support of SEK 4 million and was achieved even though operating expenses were negatively impacted by currency translation effects of SEK 10 million.

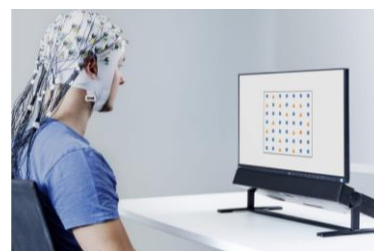
JANUARY–DECEMBER

Revenue for the full year was SEK 894 million (906), corresponding to organic growth of 1%. The new I-Series has been a strong engine for sales throughout the year, but shutdowns and restrictions affecting institutions such as schools, universities and care facilities had a substantial negative impact on the division.

Gross margin was 66% (66%). Operating profit rose 25% to SEK 125 million (100) and the operating margin increased by 3 percentage points to 14% (11%). The improved operating margin is attributable to the strong performance of the new I-Series, good cost control and government support of SEK 13 million. Currency translation effects totaling SEK 10 million had a negative impact on the operating margin during the period.

Tobii Pro

Tobii Pro is the world's leading provider of eye-tracking solutions for studying human behavior. Over 3,500 companies and 2,500 research institutions are Tobii Pro customers, including several leading corporations such as Procter & Gamble, Facebook, Ipsos and Toyota, as well as 98 of the world's 100 top-ranked universities.



Tobii Pro has partnered with leading players regarding EEG and other biometric measurement modalities, thereby facilitating greater understanding of human behavior.

KEY RATIOS

| SEK m | Q4 2020 | Q4 2019 | Full year 2020 | Full year 2019 |
|------------------------------|------------|------------|-------------------|-------------------|
| Revenue | 123.7 | 131.4 | 365.7 | 442.9 |
| Revenue change: | -6% | | -17% | |
| - of which organic | 2% | | -16% | |
| - of which currency | -8% | | -1% | |
| Gross margin | 73 % | 76 % | 73 % | 75 % |
| EBITDA | 29.1 | 32.8 | 48.1 | 91.2 |
| EBITDA margin | 24 % | 25 % | 13 % | 21 % |
| Operating profit/loss (EBIT) | 11.6 | 20.2 | -10.2 | 53.8 |
| EBIT change | -43 % | | - | |
| EBIT margin | 9 % | 15 % | -3 % | 12 % |

- The launch of the new generation of Pro Glasses in June was very well received by the market and drove an increase in sales. Pro Glasses 3 is the flagship product of the division and is expected to drive good sales growth over several years.
- One of Tobii's key strategies is to expand the value proposition based on the success of eye tracking in a specific vertical. The [partnerships that Tobii Pro has entered into with leading players regarding EEG and other biometric modalities](#) are clear examples of this approach. Synchronizing data from eye tracking with other biometric data simplifies work for the customer, while providing a deeper understanding of humans and their behavior.

OCTOBER–DECEMBER

Revenue was SEK 124 million (131), corresponding to organic growth of 2%. The business improved gradually during the quarter and all regions showed growth except for the US, which is lagging in the recovery. Covid-19 continued to have a negative impact on Tobii Pro's sales trend during the quarter, as customers dealt with shutdowns or strong reductions in the ability to pursue research, studies and education.

Gross margin was 73% (76%). The decrease in gross margin was mainly attributable to currency translation effects of SEK 4 million, related to intra-group transactions.

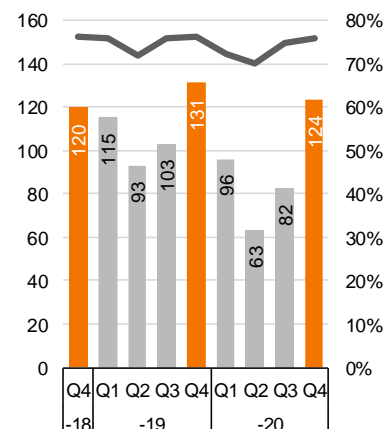
The operating profit was SEK 12 million (20) and the operating margin was 9% (15%). The lower operating margin is attributable to negative currency translation effects totaling SEK 8 million and SEK 4 million in higher amortization and depreciation. Adjusted for currency translation effects, profitability was back on par with the fourth quarter of 2019.

JANUARY–DECEMBER

Revenue was SEK 366 million (443), corresponding to an organic decrease of 16%. The Covid-19 pandemic has clearly limited opportunities for customers to pursue research, studies and education. The situation has negatively impacted revenue in academic research, as well as among enterprise customers.

Gross margin was 73% (75%). The decline mainly related to negative scale effects from the lower revenue. The operating result was SEK -10 million (54) and the operating margin was -3% (12%). The decrease in the operating margin was mainly attributable to lower revenue, a lower gross margin, negative currency translation effects and higher amortization and depreciation.

REVENUE, SEK M AND GROSS MARGIN, %



RESEARCH AND DEVELOPMENT, Q4

| SEK m | 2020 | 2019 |
|--------------------------------------|------|------|
| Total R&D expenditures | -20 | -25 |
| Capitalization | 14 | 16 |
| Amortization | -16 | -12 |
| R&D expenses in the income statement | -21 | -21 |

Tobii Tech

Tobii Tech is the world's leading provider of eye-tracking technology for integration into consumer electronics and other products. Customers can be found primarily in the PC, VR and Niche Applications segments. Tobii Tech's overarching objective is to maintain its world-leading position and in the long-term to achieve revenue in the billions of SEK with good profitability. This development requires major investments in technology and marketing.

KEY RATIOS

| SEK m | Q4 2020 | Q4 2019 | Full year 2020 | Full year 2019 |
|------------------------------|---------|---------|----------------|----------------|
| Revenue | 60.0 | 74.1 | 229.7 | 221.7 |
| Revenue change: | -19% | | 4% | |
| - of which organic | -8% | | 7% | |
| - of which currency | -11% | | -3% | |
| Gross margin | 52 % | 51 % | 51 % | 47 % |
| EBITDA | -39.9 | -59.4 | -168.0 | -260.2 |
| EBITDA margin | -66 % | -80 % | -73 % | -117 % |
| Operating profit/loss (EBIT) | -54.7 | -69.5 | -221.4 | -293.8 |
| EBIT change | - | | - | |
| EBIT margin | -91 % | -94 % | -96 % | -133 % |

- Tobii Tech's ambition is to maintain and strengthen its position as the world's leading supplier of eye-tracking technology that is integrated into a wide range of products and applications. During the quarter, Tobii Tech received five new design wins in a variety of product categories and application areas such as computer integration, reading assessments, evaluation of brain injuries, assistive technology for communication and improved user interfaces when using business applications.
- One of Tobii Tech's focus areas is the PC segment, where Tobii offers the Eye Tracker 5 gaming peripheral, which makes eye tracking possible on any PC. This product is important for promoting the use of eye tracking and represents a significant business opportunity. Eye Tracker 5 sales are driven by the availability of relevant gaming applications, including computer games that offer more immersive gaming experiences with eye tracking, and in game streaming and software for e-sports training. During the quarter, eye tracking integration was launched in three major games - Assassin's Creed Valhalla, Watch Dogs Legion and [Star Citizen](#). As a result, sales of Eye Tracker 5 surged, and December sales were more than twice as high as the previous record.

OCTOBER–DECEMBER

Total revenue was SEK 60 million (74), corresponding to an organic decrease of 8%. During the year, the pandemic has had a negative impact on sales since it has been more difficult to pursue business development, some customers have postponed projects and several established customers have had lower sales volumes. The rising level of activity in the fourth quarter contributed to a sequential 37% increase in revenue from Q3 2020.

The gross margin rose slightly to 52% (51%).

Operating profit amounted to SEK -55 million (-70), an improvement attributable to the slightly lower investment rate implemented in the second quarter as a result of the expected impact of the Covid-19 pandemic.

JANUARY–DECEMBER

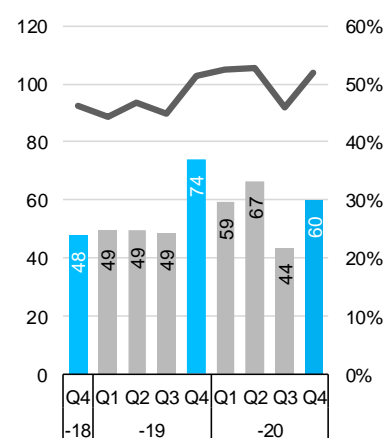
Revenue totaled SEK 230 million (222), corresponding to an organic increase of 7%.

Gross margin was 51% (47%). The operating result improved to SEK -221 million (-294), driven by increased sales, a higher gross margin and lower costs.



Tobii and Cloud Imperium Games announced a new partnership to enhance the gaming experience with Tobii Eye Tracking in Star Citizen, a popular space simulator game.

REVENUE, SEK M AND GROSS MARGIN, %



RESEARCH AND DEVELOPMENT, Q4

| SEK m | 2020 | 2019 |
|--------------------------------------|------|------|
| Total R&D expenditures | -46 | -72 |
| Capitalization | 8 | 12 |
| Amortization | -15 | -10 |
| R&D expenses in the income statement | -52 | -70 |

Group

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| SEK m | Q4 2020 | Q4 2019 | Full year 2020 | Full year 2019 |
|---|--------------|--------------|-------------------|-------------------|
| Continuing operations | | | | |
| Revenue | 396.7 | 432.9 | 1,426.3 | 1,501.3 |
| Cost of goods and services sold | -119.3 | -135.0 | -450.9 | -469.6 |
| Gross profit | 277.3 | 298.0 | 975.3 | 1,031.7 |
| Selling expenses | -131.6 | -156.0 | -530.4 | -596.7 |
| Research and development expenses | -100.6 | -123.0 | -399.9 | -438.3 |
| Administrative expenses | -40.9 | -34.8 | -141.2 | -146.4 |
| Other operating income and operating expenses ¹ | -12.3 | -4.8 | -6.7 | 11.6 |
| Operating profit/loss | -8.0 | -20.6 | -102.9 | -138.1 |
| Net financial items ² | -24.5 | -15.7 | -59.2 | -12.2 |
| Profit/loss before tax | -32.5 | -36.3 | -162.1 | -150.3 |
| Tax | 42.7 | -3.9 | 37.9 | -9.0 |
| Net profit/loss for the period from continuing operations | 10.3 | -40.3 | -124.1 | -159.4 |
| Discontinued operations | | | | |
| Net profit/loss for the period from discontinued operations | -6.1 | -8.3 | -9.8 | -11.9 |
| Net profit/loss for the period | 4.2 | -48.6 | -133.9 | -171.2 |
| Other comprehensive income | | | | |
| Items that may subsequently be reclassified to profit or loss for the period: | | | | |
| Translation differences | 10.5 | 11.5 | 4.9 | 3.5 |
| Other comprehensive income for the period, net after tax | 10.5 | 11.5 | 4.9 | 3.5 |
| Total comprehensive income for the period | 14.7 | -37.2 | -129.0 | -167.8 |
| Of which depreciation and amortization, continuing operations | -58.7 | -48.8 | -212.8 | -170.4 |
| Of which write-down of non-current assets, continuing operations ³ | -0.5 | - | -6.5 | 0.0 |
| Earnings per share, SEK | 0.07 | -0.49 | -1.36 | -1.73 |
| Earnings per share, diluted, SEK | 0.07 | -0.49 | -1.36 | -1.73 |
| Net profit/loss for the period attributable to: | | | | |
| Parent company shareholders | 6.6 | -48.4 | -134.2 | -171.4 |
| Non-controlling interests | -2.5 | -0.3 | 0.3 | 0.2 |
| Net profit/loss for the period | 4.2 | -48.6 | -133.9 | -171.2 |
| Total comprehensive income for the period attributable to: | | | | |
| Parent company shareholders | 17.1 | -36.9 | -129.4 | -168.0 |
| Non-controlling interests | -2.5 | -0.3 | 0.3 | 0.2 |
| Total comprehensive income for the period | 14.7 | -37.2 | -129.0 | -167.8 |

1) For the fourth quarter, the item consists mainly of negative currency translation differences on receivables denominated primarily in USD and EUR. The comparison quarter mainly included currency translation differences. For full-year 2020, the largest sub-items consist of government support received without any direct connection to cost items of SEK 8 million, the reversal of contingent considerations of SEK 3 million and currency translation differences of SEK -22 million. For full-year 2019, this item primarily related to currency translation differences, as well as SEK 3 million related to the reversal of contingent considerations.

2) Financial items for the fourth quarter include interest expenses related to bond loans and finance leases in accordance with IFRS 16 of SEK -9 million (-6). For full-year 2020 the corresponding interest expenses amounted to SEK -34 million (-21). The item otherwise mainly consists of negative currency translation differences on receivables, primarily in USD.

3) The non-recurring impairment charges during the period relate to certain patents held by the Group's parent company Tobii AB. The same applies to full-year 2020.

CONDENSED CONSOLIDATED BALANCE SHEET

| SEK m | Dec 31 2020 | Dec 31 2019 |
|--|----------------|----------------|
| NON-CURRENT ASSETS | | |
| Intangible assets | 604.5 | 611.4 |
| Tangible fixed assets | 46.3 | 48.6 |
| Right-of-use assets | 87.7 | 97.0 |
| Financial and other non-current assets | 122.0 | 86.0 |
| Total non-current assets | 860.5 | 843.0 |
| CURRENT ASSETS | | |
| Accounts receivable | 199.0 | 242.2 |
| Inventories | 88.0 | 97.1 |
| Other current receivables | 97.5 | 68.0 |
| Cash and cash equivalents | 409.6 | 185.2 |
| Assets held for sale | - | 194.4 |
| Total current assets | 794.1 | 786.9 |
| Total assets | 1,654.6 | 1,629.9 |
| SHAREHOLDERS' EQUITY | | |
| Shareholders' equity, Parent Company shareholders | 555.2 | 675.1 |
| Non-controlling interests | 1.2 | 0.9 |
| Total shareholders' equity | 556.4 | 676.1 |
| LIABILITIES | | |
| NON-CURRENT LIABILITIES | | |
| Interest-bearing loans | 463.8 | 294.0 |
| Leasing liabilities | 62.7 | 66.6 |
| Other non-current liabilities | 96.7 | 116.4 |
| Total non-current liabilities | 623.3 | 477.0 |
| CURRENT LIABILITIES | | |
| Leasing liabilities | 25.7 | 28.7 |
| Other current liabilities | 449.2 | 413.4 |
| Liabilities directly related to assets held for sale | - | 34.6 |
| Total current liabilities | 474.9 | 476.8 |
| Total liabilities | 1,098.2 | 953.8 |
| Total equity and liabilities | 1,654.6 | 1,629.9 |

CONDENSED CONSOLIDATED STATEMENT of CHANGES IN EQUITY

| SEK m | Attributable to Parent Company shareholders | | | | | | Non-controlling interests | Total equity |
|--|---|---------------------------|-------------|-------------------|--------------|------------|---------------------------|--------------|
| | Share capital | Other contributed capital | Reserves | Retained earnings | Total | | | |
| Opening balance, Jan 1, 2019 | 0.7 | 1,629.3 | -5.3 | -790.6 | 834.2 | 0.8 | 835.0 | |
| Comprehensive income for the period | | | 3.5 | -171.4 | -168.0 | 0.2 | -167.8 | |
| Sale of warrants, incentive programs | | 6.6 | | | 6.6 | | 6.6 | |
| Share based payments settled using equity instruments | | | | 2.2 | 2.2 | | 2.2 | |
| Closing balance, December 31, 2019 | 0.7 | 1,635.9 | -1.8 | -959.8 | 675.1 | 0.9 | 676.1 | |
| Opening balance, Jan 1, 2020 | 0.7 | 1,635.9 | -1.8 | -959.8 | 675.1 | 0.9 | 676.1 | |
| Comprehensive income for the period | | | 4.9 | -134.2 | -129.3 | 0.3 | -129.0 | |
| New share issue, exercise of warrants incentive programs | 0.0 | | | | 0.0 | | 0.0 | |
| Sale of warrants, incentive programs | | 3.5 | | | 3.5 | | 3.5 | |
| Share based payments settled using equity instruments | | | | 5.9 | 5.9 | | 5.9 | |
| Closing balance, December 31, 2020 | 0.7 | 1,639.4 | 3.1 | -1,088.1 | 555.2 | 1.2 | 556.4 | |

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

| SEK m | Q4 2020 | Q4 2019 | Full year 2020 | Full year 2019 |
|---|--------------|--------------|-------------------|-------------------|
| Cash flow from operating activities | | | | |
| Profit/loss after financial items, continuing operations | -32.5 | -36.3 | -162.1 | -150.3 |
| Profit/loss discontinued operations | -3.9 | -7.9 | -4.1 | -11.5 |
| Adjustment for items not included in the cash flow | 76.1 | 64.9 | 249.2 | 180.4 |
| Taxes paid | -0.1 | 0.4 | -7.1 | -0.7 |
| Cash flow from operating activities before change in working capital | 39.6 | 21.0 | 75.9 | 17.9 |
| Cash flow from change in working capital | 32.0 | 11.1 | 113.1 | -31.3 |
| Cash flow from operating activities | 71.6 | 32.1 | 189.0 | -13.4 |
| Investments | | | | |
| Continuous investments | | | | |
| Investments in intangible, tangible and financial fixed assets | -46.9 | -72.1 | -199.1 | -248.8 |
| Cash flow after continuous investments | 24.7 | -40.0 | -10.1 | -262.2 |
| Business combinations | 105.0 | -0.0 | 105.0 | -1.5 |
| Cash flow after investments | 129.7 | -40.0 | 94.9 | -263.7 |
| Interest-bearing debt, including Bond issue | 0.4 | 0.0 | 171.2 | 293.2 |
| Sale/exercise of warrants, incentive program | - | 1.0 | 3.5 | 6.6 |
| Instalments of leasing liability IFRS 16 | -6.5 | -6.2 | -26.4 | -24.7 |
| Cash flow from financing activities | -6.2 | -5.2 | 148.3 | 275.1 |
| Cash flow for the period | 123.5 | -45.2 | 243.2 | 11.4 |
| Foreign currency translation, cash and cash equivalents | -11.6 | -3.5 | -15.9 | 4.8 |
| Cash and cash equivalents at the beginning of the period | 297.7 | 233.7 | 185.2 | 192.3 |
| Change in Cash and cash equivalents classified as Assets held for sale | - | - | -2.8 | - |
| Cash and cash equivalents reclassified as Assets held for sale | - | - | - | -23.3 |
| Cash and cash equivalents at the end of the period | 409.6 | 185.2 | 409.6 | 185.2 |

BREAKDOWN OF REVENUE

| SEK m | Q4 2020 | Q4 2019 | Full year 2020 | Full year 2019 |
|-------------------------------------|--------------------|--------------------|---------------------------|---------------------------|
| REVENUE BY PRODUCT CATEGORY | | | | |
| Goods | 346.9 | 375.7 | 1,221.8 | 1,317.0 |
| Services | 46.4 | 52.5 | 188.7 | 167.2 |
| Royalties | 3.4 | 4.7 | 15.8 | 17.0 |
| Total revenues | 396.7 | 432.9 | 1,426.3 | 1,501.3 |
| REVENUE BY TIMING CATEGORY | | | | |
| At a point in time | 375.4 | 409.9 | 1,340.3 | 1,418.0 |
| Over time | 21.3 | 23.0 | 86.0 | 83.4 |
| Total revenues | 396.7 | 432.9 | 1,426.3 | 1,501.3 |
| REVENUE BY GEOGRAPHIC MARKET | | | | |
| Europe | 95.4 | 105.4 | 294.7 | 311.1 |
| North America | 215.7 | 241.4 | 826.0 | 886.7 |
| Other countries | 85.5 | 86.2 | 305.6 | 303.5 |
| Total revenues | 396.7 | 432.9 | 1,426.3 | 1,501.3 |

CONSOLIDATED KEY RATIOS

| | Q4 2020 | Q4 2019 | Full year 2020 | Full year 2019 |
|---|------------|------------|-------------------|-------------------|
| Earnings per share, SEK | 0.07 | -0.49 | -1.36 | -1.73 |
| Earnings per share, diluted ^{*)} , SEK | 0.07 | -0.49 | -1.36 | -1.73 |
| Equity per share, SEK | 5.6 | 6.8 | 5.6 | 6.8 |
| EBITDA, continuing operations, SEK m | 51.2 | 28.2 | 116.4 | 32.3 |
| EBITDA continuing operations; IFRS 16 Leasing excluded | 44.3 | 21.1 | 88.2 | 4.4 |
| EBIT, continuing operations, SEK m | -8.0 | -20.6 | -102.9 | -138.1 |
| Cash flow from operating activities, SEK m | 71.6 | 32.1 | 189.0 | -14.0 |
| Cash flow after continuous investments, SEK m | 24.7 | -40.0 | -10.1 | -262.5 |
| Working capital, SEK m ¹⁾ | -64.7 | -6.1 | -64.7 | -6.1 |
| Total assets, SEK m | 1,654.6 | 1,629.9 | 1,654.6 | 1,629.9 |
| Net cash(+)/net debt (-), SEK m ¹⁾ | -142.6 | -204.2 | -142.6 | -204.2 |
| Net cash(+)/net debt (-); IFRS 16 Leasing excluded, SEK m ¹⁾ | -54.2 | -108.9 | -54.2 | -108.9 |
| Equity, SEK m | 556.4 | 676.1 | 556.4 | 676.1 |
| Average equity, SEK m | 531.5 | 685.8 | 584.3 | 751.9 |
| Equity/assets ratio, % | 33.6 | 41.5 | 33.6 | 41.5 |
| Equity/assets ratio; IFRS 16 Leasing excluded, % | 35.5 | 44.1 | 35.5 | 44.1 |
| Debt/equity, % | 99.3 | 57.6 | 99.3 | 57.6 |
| Debt/equity; IFRS 16 Leasing excluded, % | 83.4 | 43.5 | 83.4 | 43.5 |
| Gross margin, continuing operations, % | 69.9 | 68.8 | 68.4 | 68.7 |
| EBITDA margin, continuing operations, % | 12.9 | 6.5 | 8.2 | 2.2 |
| EBITDA margin continuing operations; IFRS 16 Leasing excluded, % | 11.2 | 4.9 | 6.2 | 0.3 |
| Operating margin, continuing operations, % | -2.0 | -4.8 | -7.2 | -9.2 |
| Return on total equity, % | 0.8 | -7.1 | -22.9 | -22.8 |
| Average number of outstanding shares after dilution, million | 99 | 99 | 99 | 99 |
| Average number of outstanding shares, million | 102 | 100 | 100 | 99 |
| Number of outstanding shares at period end, million | 99 | 99 | 99 | 99 |
| Number of outstanding shares after dilution at period end, million | 102 | 100 | 102 | 100 |
| Average number of employees | 962 | 1,002 | 993 | 986 |

¹⁾ Excluding assets held for sale and related liabilities

*) The 2020 Annual General Meeting resolved to introduce a new long-term incentive program, LTI 2020, and to allocate a maximum of 736,000 stock units, of which up to 368,000 are contingent synthetic restricted stock units that are issued to cover costs for taxes for participants. On December 31, 2020 a total of 3.5 million warrants and stock units were outstanding, which is a reduction of 0.4 million since the end of 2019 because of the redemption of 136,000 warrants within the framework of the 2015 warrant program – 2015/2020:1 and allotment of 367,940 stock units under LTI 2020, at the same time that, 725 options under LTI 2020, 603 200 options under LTI 2016, as well as 7,000 options within the framework of 2018/2028:1 matured. The dilution effect of warrants in all of the Company's incentive programs and maximum issuance under LTI 2020 corresponds to a maximum of approximately 3.5%.

QUARTERLY DATA PER DIVISION AND FOR THE GROUP

DATA RELATE TO REMAINING OPERATIONS UNLESS OTHERWISE SPECIFIED

| REVENUE, SEK m | 2018 | | | | 2019 | | | | 2020 | | | |
|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 |
| Tobii Dynavox | 175.1 | 198.9 | 206.6 | 217.0 | 215.1 | 221.2 | 219.1 | 250.8 | 241.2 | 216.5 | 203.5 | 232.8 |
| Tobii Pro | 97.5 | 91.8 | 87.9 | 119.5 | 115.1 | 93.1 | 103.3 | 131.4 | 96.1 | 63.4 | 82.4 | 123.7 |
| Tobii Tech* | 36.5 | 31.6 | 33.9 | 47.8 | 49.5 | 49.4 | 48.6 | 74.1 | 59.2 | 66.6 | 43.9 | 60.0 |
| Eliminations and other | -15.2 | -15.7 | -15.4 | -19.9 | -17.1 | -17.6 | -11.5 | -23.4 | -16.9 | -14.1 | -12.3 | -19.9 |
| The Group | 293.9 | 306.5 | 312.9 | 364.5 | 362.7 | 346.2 | 359.5 | 432.9 | 379.6 | 332.5 | 317.5 | 396.7 |
| *) Of which revenue from sales to Tobii Dynavox och Tobii Pro | 15.2 | 15.7 | 15.4 | 19.9 | 17.1 | 17.6 | 11.5 | 23.4 | 16.9 | 14.1 | 12.3 | 19.9 |
| GROSS MARGIN, % | | | | | | | | | | | | |
| Tobii Dynavox | 67.9 | 66.8 | 67.6 | 66.0 | 63.4 | 67.3 | 67.6 | 63.9 | 67.5 | 62.9 | 67.2 | 66.9 |
| Tobii Pro | 74.4 | 72.5 | 75.8 | 76.4 | 76.0 | 71.8 | 75.8 | 76.3 | 72.4 | 69.9 | 74.7 | 72.9 |
| Tobii Tech | 41.7 | 50.0 | 50.3 | 46.4 | 44.3 | 46.9 | 44.9 | 51.4 | 52.5 | 52.8 | 46.0 | 52.0 |
| The Group | 70.3 | 70.2 | 71.4 | 70.5 | 67.8 | 69.5 | 68.8 | 68.8 | 69.4 | 64.9 | 68.8 | 69.9 |
| EBITDA, SEK | | | | | | | | | | | | |
| Tobii Dynavox | 31.1 | 38.9 | 34.8 | 33.1 | 35.4 | 42.1 | 45.8 | 46.2 | 57.3 | 47.6 | 43.9 | 53.8 |
| Tobii Pro ² | 38.7 | 14.3 | 15.7 | 32.2 | 30.0 | 6.3 | 22.1 | 32.8 | 13.2 | -11.7 | 17.4 | 29.1 |
| Tobii Tech | -57.4 | -73.0 | -72.5 | -64.3 | -70.0 | -65.5 | -65.3 | -59.4 | -50.4 | -35.2 | -42.5 | -39.9 |
| Eliminations and other ¹ | 0.0 | 0.0 | 0.1 | 0.1 | 8.3 | 9.2 | 5.8 | 8.5 | 8.3 | 8.0 | 9.3 | 8.1 |
| The Group ¹ | 12.5 | -19.8 | -22.0 | 1.1 | 3.6 | -7.9 | 8.4 | 28.2 | 28.4 | 8.7 | 28.1 | 51.2 |
| EBIT, SEK m | | | | | | | | | | | | |
| Tobii Dynavox | 14.2 | 21.6 | 18.0 | 17.1 | 17.2 | 24.9 | 29.8 | 27.6 | 36.4 | 28.1 | 26.5 | 34.4 |
| Tobii Pro | 15.3 | 1.4 | 4.2 | 24.0 | 23.0 | -2.5 | 13.1 | 20.2 | 1.2 | -24.4 | 1.4 | 11.6 |
| Tobii Tech | -66.5 | -82.5 | -81.9 | -73.8 | -79.6 | -71.6 | -73.0 | -69.5 | -60.8 | -49.5 | -56.5 | -54.7 |
| Eliminations and other ¹ | 0.0 | 0.0 | 0.0 | 0.0 | 1.0 | 1.8 | -1.5 | 1.1 | 0.7 | 0.4 | 1.7 | 0.7 |
| The Group ¹ | -37.0 | -59.5 | -59.6 | -32.7 | -38.3 | -47.5 | -31.6 | -20.6 | -22.6 | -45.4 | -26.9 | -8.0 |
| OPERATING MARGIN, % | | | | | | | | | | | | |
| Tobii Dynavox | 8.1 | 10.8 | 8.7 | 7.9 | 8.0 | 11.3 | 13.6 | 11.0 | 15.1 | 13.0 | 13.0 | 14.8 |
| Tobii Pro | 15.7 | 1.6 | 4.8 | 20.1 | 20.0 | -2.7 | 12.7 | 15.4 | 1.2 | -38.5 | 1.7 | 9.4 |
| Tobii Tech | - | - | - | - | - | - | - | - | - | - | - | - |
| The Group | -12.6 | -19.4 | -19.1 | -9.0 | -10.6 | -13.7 | -8.8 | -4.8 | -5.9 | -13.7 | -8.5 | -2.0 |
| PROFIT/LOSS BEFORE TAX, SEK m | | | | | | | | | | | | |
| The Group | -30.4 | -40.9 | -63.6 | -29.1 | -31.5 | -55.9 | -26.6 | -36.3 | -15.4 | -70.7 | -43.6 | -32.5 |
| PROFIT/LOSS FOR THE PERIOD, INCLUDING DISCONTINUED OPERATIONS, SEK m | | | | | | | | | | | | |
| The Group | -31.6 | -40.7 | -68.2 | -33.8 | -32.6 | -58.6 | -31.5 | -48.6 | -15.9 | -73.5 | -48.6 | 4.2 |

1) IFRS 16 Leasing is applied from 2019. The effect is reported on Consolidated Group level only and not allocated on Divisions.

The Parent Company

The Group's Parent Company, Tobii AB (publ), has primarily focused on Group-wide services such as overarching management, business and funding, legal affairs and IT since January 1, 2019. The number of employees in the Parent Company is approximately 100.

On February 14, 2019, Tobii announced the issuance of three-year senior covered bonds of SEK 300 million within a loan facility of SEK 600 million with maturity in February 2022. The Company's bonds are listed on Nasdaq Stockholm. The Parent Company Tobii AB is the issuer of the bond loan. The interest rate for the bond loan was set at 3 months STIBOR + 575 basis points. On February 10, 2020, Tobii announced that additional bonds of SEK 150 million had been issued under the same loan framework. The issue was oversubscribed and the bond price was set at 103.75, which corresponds to an interest rate of 3 months STIBOR + 384 basis points for the period to maturity.

The remaining bond liquidity will be used to finance future acquisitions and for general business purposes. The bonds issued in accordance with the Bond Loan are secured by collateral in shares in current and future material subsidiaries and certain intra-Group loans.

In January 2020, Tobii entered into a loan agreement for SEK 50 million, intended to cover the Group's working capital needs. The loan facility matures on June 30, 2021.

On October 6, 2020, during the fourth quarter of 2020, Tobii sold certain subsidiaries, collectively referred to as Smartbox, to an external buyer. The transaction entailed selling all shares in two foreign subsidiaries, which were owned by the Parent Company Tobii AB as of September 30, 2020. Capital gains from the divestment had a positive impact on net financial income for the fourth quarter and for the year of SEK 10 million.

The Parent Company's revenue during the fourth quarter totaled SEK 41 million (63) and the operating result was SEK -4 million (1). For the full-year, revenue was SEK 134 million (147) and the operating result was SEK -15 million (-3). At the end of the period, the Parent Company had SEK 72 million (57) in cash and cash equivalents.

CONDENSED PARENT COMPANY INCOME STATEMENT

| SEK m | Q4 2020 | Q4 2019 | Full year 2020 | Full year 2019 |
|---|--------------|-------------|-------------------|-------------------|
| Revenue | 40.9 | 62.9 | 133.8 | 147.0 |
| Cost of goods and services sold | -10.2 | -26.4 | -37.3 | -43.8 |
| Gross profit | 30.8 | 36.5 | 96.5 | 103.2 |
| Selling expenses | -0.4 | -0.0 | -0.3 | 0.7 |
| Research and development expenses | -2.2 | -1.0 | -13.7 | -2.1 |
| Administrative expenses | -29.1 | -34.1 | -95.6 | -105.0 |
| Other operating income and operating expenses | -3.0 | -0.8 | -2.0 | 0.6 |
| Operating profit/loss | -4.0 | 0.8 | -15.0 | -2.7 |
| Financial items | 46.5 | -4.8 | 26.2 | -16.3 |
| Group Contributions | 61.1 | 88.1 | 61.1 | 88.1 |
| Profit/loss before tax | 103.6 | 84.1 | 72.3 | 69.2 |
| Tax | 4.4 | 0.0 | -0.1 | -0.1 |
| Profit/loss after tax | 108.0 | 84.2 | 72.2 | 69.1 |
| Depreciation, amortization and write-downs, total | -2.6 | -1.1 | -12.8 | -4.2 |

CONDENSED PARENT COMPANY BALANCE SHEET

| SEK m | Dec 31 2020 | Dec 31 2019 |
|--------------------------------------|----------------|----------------|
| NON-CURRENT ASSETS | | |
| Intangible assets | 36.4 | 40.2 |
| Tangible fixed assets | 7.0 | 8.7 |
| Financial assets | 1,649.7 | 1,399.7 |
| Total non-current assets | 1,693.1 | 1,448.6 |
| CURRENT ASSETS | | |
| Accounts receivable | 26.8 | 19.7 |
| Inventories | 0.2 | 0.1 |
| Other current receivables | 187.5 | 154.7 |
| Cash and bank balances | 71.6 | 56.9 |
| Total current assets | 286.0 | 231.3 |
| Total assets | 1,979.0 | 1,680.0 |
| SHAREHOLDERS' EQUITY | | |
| NON-CURRENT LIABILITIES | | |
| Interest-bearing liabilities | 448.0 | 329.9 |
| Other non-current liabilities | 0.1 | 9.9 |
| Total non-current liabilities | 448.1 | 339.7 |
| CURRENT LIABILITIES | | |
| Other current liabilities | 221.4 | 112.4 |
| Total current liabilities | 221.4 | 112.4 |
| Total liabilities | 669.5 | 452.1 |
| Total equity and liabilities | 1,979.0 | 1,680.0 |

Notes

Note 1. Accounting policies

The Interim Report complies with the provisions of IAS 34, and the report for the Parent Company has been prepared pursuant to the provisions of the Swedish Annual Accounts Act and RFR 2. In addition to the financial statements, disclosures under 34.16A also appear in other parts of the interim report. The accounting policies of the Parent Company and the Group, and the calculation principles used in the report, are unchanged from those used in the most recently published Annual Report, with the exception of the application of new standards and the application of IAS 20 for Government Grants, as described below.

The IASB has published amendments to standards effective from January 1, 2020 or later. These amendments have not had a material impact on the financial statements.

GOVERNMENT GRANTS

Certain divisions within Tobii received government support related to Covid-19 during the reporting period, including for short-term layoffs in Sweden. Under IAS 20, government grants are recognized in the income statement when there is reasonable assurance that the company will comply with any conditions attached to the grants and that the grants will be received. For grants linked to costs, Tobii has chosen to recognize these grants as a reduction of costs for the items to which the grants relate. Grants without a direct link to cost items are recognized as other operating income.

Note 2. Business combinations

No business combinations occurred during the quarter, nor during the same period last year.

During the second quarter of 2019, in conjunction with the opening of a new office in Santiago, Chile, Tobii acquired certain assets from the previous reseller Eye on Media, whose staff joined Tobii as employees. The total consideration amounted to SEK 2.8 million, consisting of SEK 0.8 million in cash payment, forgiveness of certain receivables and a contingent consideration.

Note 3. Financial instruments

| SEK m | Dec 31 2020 | | Dec 31 2019 | |
|--|-----------------|------------|-----------------|------------|
| | Carrying amount | Fair value | Carrying amount | Fair value |
| Financial liabilities measured at amortized cost for which fair value is disclosed for information purposes | | | | |
| Bond issue | 448.0 | 450.0 | 294.1 | 300.0 |
| Financial assets measured at fair value | | | | |
| Contingent considerations | 36.6 | 36.6 | - | - |
| Financial liabilities measured at fair value | | | | |
| Contingent considerations | 0.8 | 0.8 | 13.6 | 13.6 |

Fair value for interest-bearing loans is calculated for disclosure purposes by discounting future cash flows at the current interest rate for the remaining maturity.

The Group classifies financial assets and liabilities measured at fair value in a fair value hierarchy based on the information used in the valuation of each asset or liability. For financial instruments in level 3, information that is material to the fair value of the asset or liability is not observable and the Group's own assessments are applied. Both interest-bearing loans and contingent considerations are classified under level 3.

All operations related to Smartbox, which was acquired in 2018, were divested during the fourth quarter of 2020. Receivables relating to contingent considerations at the end of the year are attributable in full to Smartbox. The liability for the contingent consideration related to Smartbox, linked to the acquisition in 2018, amounted to SEK 9.2 million at the start of the year. The amount has been reversed to capital gains/loss associated with the divestment of shares in Smartbox in the fourth quarter of 2020.

Change in contingent consideration

| SEK m | |
|--|------|
| Assets | |
| Opening balance January 1, 2020 | - |
| Divestments during the year | 38.0 |
| Translation differences | -1.4 |
| Closing balance December 31, 2020 | 36.6 |
| Liabilities | |
| Opening balance January 1, 2020 | 13.6 |
| Change in fair value reported as other operational income/loss | -2.8 |
| Reversal to capital gain/loss on divestment | -9.2 |
| Translation differences | -0.7 |
| Closing balance December 31, 2020 | 0.8 |

Other than contingent considerations, Tobii has no financial instruments that are measured at fair value in the income statement.

IMPAIRMENT OF GOODWILL

Impairment testing for goodwill was carried out at the end of the 2020 financial year, without any need for impairment being identified.

Note 4. Pledged assets and contingent liabilities

On February 10, 2020, Tobii announced a subsequent issuance of senior covered bonds of SEK 150 million under its SEK 600 million loan facility, with maturity in February 2022. On February 14, 2019, Tobii announced the first issuance of SEK 300 million within the same loan framework. The total amount of outstanding bonds is thus SEK 450 million. The Parent Company Tobii AB is the issuer of the bond loan. The bonds issued in accordance with the Bond Loan are

secured by collateral in shares in Tobii Dynavox AB, Tobii Pro AB and Tobii Tech AB.

Other information

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 greater detail on page 41 in the Directors' Report and in note 3 in Tobii's 2019 Annual Report. Tobii is of the opinion that this risk description remains correct. There is a description of the special risk situation that has arisen as a result of the Covid-19 pandemic on page 2 of the 2019 Annual Report.

TRANSACTIONS WITH RELATED PARTIES

No transactions have occurred between Tobii and related parties that have materially affected the Company's position and earnings.

DEFINITIONS OF ALTERNATIVE PERFORMANCE MEASURES (APM) NOT DEFINED BY IFRS

Alternative Performance Measures, (APMs), are financial measures of financial performance, financial position, or cash flows, other than those defined in the applicable financial reporting framework (IFRS). These are considered to be important supplemental measures of the company's performance. These measures may not be comparable to measures used by other companies, since not all companies calculate financial measures in the same way. The key ratios and alternative performance measures that Tobii uses are defined on page 112 of the 2019 annual report.

Tobii has during 2020 implemented a new growth performance measure, organic growth, defined as revenue adjusted for structural changes and currency. On a group level, structural changes are defined as acquisitions or disposals of businesses, and on division level it may also include changes to the structure between the segments. For the reporting period, no structural changes have been reported, as Smartbox has been reported as discontinued operations according to IFRS 5, in the current reporting periods as well as in the comparison periods.

RECONCILIATION OF ALTERNATIVE PERFORMANCE MEASURES

This section presents only the reconciliation of alternative performance measures that cannot be calculated from information in financial reports in this interim report.

Operating profit/loss before depreciation, amortization and impairment, EBITDA

| SEK m | Q4 2020 | Q4 2019 | Full year 2020 | Full year 2019 |
|--|-------------|--------------|----------------------|----------------------|
| Operating profit/loss before depreciation, amortization and impairment, (EBITDA) | 51.2 | 28.2 | 116.4 | 32.3 |
| Amortization and impairment | -45.8 | -36.3 | -164.7 | -123.6 |
| Depreciation | -13.4 | -12.5 | -54.6 | -46.8 |
| <i>of which Right-of-use assets (IFRS 16 Leasing)</i> | -6.8 | -7.0 | -28.2 | -28.0 |
| Operating profit/loss (EBIT) | -8.0 | -20.6 | -102.9 | -138.1 |

Danderyd, February 4, 2021

Kent Sander
Chairman of the Board

Heli Arantola
Board member

Nils Bernhard
Board member

Mårten Skogö
Board member

Charlotta Falvin
Board member

Åsa Hedin
Board member

Jan Wäreby
Board member

Jörgen Lantto
Board member

Henrik Eskilsson
President & CEO

This report has not been reviewed 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 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, on February 4, 2021 at 7:30 a.m. CET.

Contact person: Henrik Mawby, Head of Investor Relations, Tobii AB, e-mail: Henrik.mawby@tobii.com, tel. +46 (0) 72 219 82 15

Information to shareholders

WEB PRESENTATION

A conference call and online presentation will be held in English today at 2:00 p.m. (CET). See tobii.com for more information about the conference. The slides from the presentation will be available for download from the website afterwards.

CONTACT DETAILS

Henrik Mawby, Head of Investor Relations, Tobii AB,
Henrik Eskilsson, President & CEO, phone: +46 (0)8-663 69 90
Magdalena Rodell Andersson, CFO, phone +46 (0)8-663 69 90

Tobii AB (publ) • Corporate ID number: 556613–9654
Mailing address: Box 743 18217 Danderyd, Sweden
Tel. +46 (0)8-663 69 90
www.tobii.com

FINANCIAL CALENDAR

| | |
|-----------------------------|------------------|
| Year-End report 2020 | February 4, 2021 |
| Interim report Q1 2021 | April 29, 2021 |
| 2021 Annual General Meeting | May 18, 2021 |
| Interim report Q2 2021 | August 20, 2021 |
| Interim report Q3 2021 | October 28, 2021 |
| Year-End report 2021 | February 8, 2022 |