Tobii is the #1 in eye tracking

- World leader in eye tracking
- Headquartered in Sweden, with offices across Europe, North America and Asia
- 1,000 employees
- 17 years of consecutive growth
- Founded in 2001

Net sales (SEK million)


218 315 333 369 412 621 967 1053 1084 1219
Our vision is a world where all technology works in complete harmony with natural human behavior.
Eye tracking provides benefits in many fields

- Research
- Assistive Tech
- PC Gaming
- Mainstream PCs
- Virtual Reality
- Augmented Reality
- Smartphones
- Niche Applications
- Automotive
Three business units – each one undisputed global leader

- Global leader in assistive technology for communication
  - tobii dynavox
  - ~60% of Tobii Group’s sales

- Global leader in eye-tracking solutions for research
  - tobii pro
  - ~30% of Tobii Group’s sales

- Global leader in eye-tracking technology for integration into consumer devices and other volume products
  - tobii tech
  - ~10% of Tobii Group’s sales
Tobii Dynavox

- Global leader in assistive technology for communication
- Market share of 50%
- Provides products that enable tens of thousands of users with special needs to speak and communicate effectively
- We empower people with disabilities to do what they once did, or never thought possible

Share of the Group’s sales (Q2)

59%
Significant unmet need

• 0.5-1% of the world’s population (50 million people) need assistive technology to communicate

• 95% of current sales concentrated to 10 western countries, with large variation of penetration in different regions and across user conditions

• Low penetration levels provide foundation for long-term market growth
Provides our users with the profound benefit of speech and communication
Leading product portfolio

<table>
<thead>
<tr>
<th>Medical grade &amp; funded products</th>
<th>Eye-controlled speech devices</th>
<th>Touch-based speech devices</th>
<th>Eye-controlled devices for computer control</th>
<th>Example products</th>
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<td>I-Series+</td>
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<td>I-110</td>
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<td>PCEye Plus</td>
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<tr>
<td>Mid-range products</td>
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<td>EyeMobile Plus</td>
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<td>Speech Case</td>
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<td>PCEye Mini</td>
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<tr>
<td>Communication Software &amp; Apps</td>
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<td>Snap+Core First</td>
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<td>Pathways for Core First</td>
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<td>Communicator</td>
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<td>Snap Scene</td>
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<tr>
<td>Other Software &amp; Apps</td>
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<td>Boardmaker Online</td>
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<td>ALL</td>
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<td></td>
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<td>Windows Control</td>
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Growth strategy

- Growing our market share in the touch segment
- Large-scale trainings to drive awareness and understanding
- Geographic expansion
- New user segments and channels
- M&A
Strategic acquisition of UK-based Smartbox Assistive Technology

• Complements our industry-leading touch and eye-tracking solutions for assistive communication with the market-leading communication software Grid

• Strengthens our sales presence in key geographic markets

• Synergies in R&D, sales and operations

• Increases the size of Tobii Dynavox’ business by ~15%

• Closing date was Oct. 1, 2018

• Integration pending approval from CMA
Tobii Dynavox Q3 financials

- Q3 2018
  - Revenue grew 21% adjusted for currency and 32% non-adjusted
  - Gross margin was 68% (71%)
  - EBIT margin was 9% (6%)

- First nine months 2018
  - Revenue grew 9% adjusted for currency, 12% non-adjusted
  - EBIT margin was 9% (8%)
Tobii Dynavox’s long-term financial target is to increase revenue on average by **10% per year** with an **EBIT margin of 15-20%**.
Tobii Pro

- World leader in eye-tracking solutions for understanding human behavior
- Market share over 60%
- Provides eye tracker hardware and analysis software, plus market research consulting
- 2,000 academic and 3,000 commercial customers

Share of the Group’s sales (Q2)

30%
Growth is driven by steadily increasing demand for powerful insights, in several big segments.
Leading product portfolio

Example products

- Pro Spectrum
- Tobii Pro X3-120
- Glasses 2
- Pro VR Integration

Eye tracking hardware

Analytics software

Services

Tobii Pro Lab
- Tobii Pro VR Analytics
- Tobii Pro Sprint

Tobii Pro Insight
Research services
Training services
Growth Drivers & Strategy

• Growing demand for eye tracking insights from established segments

• Rapid growth in new segments, such as professional performance

• Growing the global sales organization

• Improved and broader product portfolio to address many more customer groups
  • Broader portfolio of hardware and software tailored to specific use-cases
  • Easy-to-use SaaS-based solutions
  • New and improved hardware
  • In-home panels

• Growing our research service business
2018 highlights

- Tobii Pro acquired UK reseller Acuity ETS and research agency Acuity Intelligence (Feb. 2018)
- Launched analytics software for 3D VR environments based on tool from the Acuity acquisition (May 2018)
- Extended flagship software Tobii Pro Lab to include data from VR environments (Aug. 2018)
- Launched Tobii Pro Sprint – eye-tracking analytics in UX and agile development (Sep. 2018)
Tobii Pro Q3 financials

- Q3 2018
  - Revenue increased 1% adjusted for currency, 10% non-adjusted
  - Gross margin at 76% (76%)
  - EBIT margin at 5% (11%)

- First nine months 2018
  - Revenue increased 31% adjusted for currency, 34% non-adjusted
  - EBIT margin was 8% (3%)
Tobii Pro’s long-term financial target is to increase revenue on average by **15-20% per year**, and to reach an EBIT margin of **15% by 2020.**
Tobii Tech

- World’s leading supplier of eye tracking technology to integration customers
- Targets high volume markets such as PC gaming, mainstream computers, virtual reality, augmented reality, smartphones, and numerous niche markets

Share of the Group’s sales (Q2)

11%
Tobii Tech targets multiple very large opportunities

**GAMING COMPUTERS**
20M high-performance gaming PCs per year

**MAINSTREAM COMPUTERS**
260M PCs and 180M tablets per year

**SMARTPHONES**
1.4 bn smartphones per year

**VIRTUAL REALITY**
30M VR headsets per year by 2022

**AUGMENTED REALITY**
20M AR headsets per year by 2022

**NICHE MARKETS**
Range of applications with volumes from hundreds to hundreds of thousands
Tobii Tech provides eye tracking technology for integration

<table>
<thead>
<tr>
<th>PLATFORMS</th>
<th>COMPONENTS</th>
<th>LICENSES</th>
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</thead>
<tbody>
<tr>
<td>• Tobii IS5 (integration in laptops and monitors of smaller form factor)</td>
<td>• Tobii EyeChip (custom-designed ASIC with Tobii’s algorithms)</td>
<td>• Tobii EyeCore (Tobii’s eye tracking algorithms, when not embedded in chip)</td>
</tr>
<tr>
<td>• Tobii IS4-B (for integration in laptops)</td>
<td>• Tobii EyeCamera (custom-designed camera module)</td>
<td>• Eye tracking system designs for PC, VR and smartphone integrations</td>
</tr>
<tr>
<td>• Tobii IS4-L (for integration in monitors and peripherals)</td>
<td>• Tobii EyeSensor (custom-designed image sensor)</td>
<td>• Application software</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Patent licenses</td>
</tr>
</tbody>
</table>
Use cases and user benefits in PC gaming

- IMMERSIVE GAMING
- ESPORTS TRAINING
- STREAMING & BROADCASTING
- FOVEATED RENDERING
Continued work in tight partnership with lead PC customers

• Large addressable market
  • 20 M gaming PCs per year
  • Long term: 400M PCs and Tablets per year

• Eye tracking integrated in gaming laptops and monitors with leading gaming PC vendors such as Dell and Acer

• Growing no. of available games, >130 titles

• Eye tracking shown to millions of viewers in broadcasted esports tournaments by ELEAGUE and ESL and in game streaming on Twitch and YouTube

• Awarded “best new tech in e-sports”

• Developing new tools for e-sports training with eye tracking

• Integrations in new gaming PC devices of the new Tobii IS5 platform on-going
Enhanced immersion in >130 PC games with eye tracking

- ASSASSINS CREED ODYSSEY
- SHADOW OF THE TOMB RAIDER
- F1 2018
- FARMING SIMULATOR 2019
- DYING LIGHT BAD BLOOD
- FARCRY 5
- KINGDOM COME
- WARHAMMER VERMINTIDE 2
- FINAL FANTASY XV
Esports broadcasting
Strong use cases and value in VR & AR

• Better devices
• Better experiences
• Actionable insights
Tobii expects a majority of VR & AR headsets to have integrated eye tracking by 2022

<table>
<thead>
<tr>
<th>Product Category</th>
<th>Segment Group</th>
<th>2018 Shipments (millions)</th>
<th>2022 Shipments (millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Virtual Reality</td>
<td>Commercial</td>
<td>1,3</td>
<td>16,0</td>
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<tr>
<td></td>
<td>Consumer</td>
<td>2,8</td>
<td>15,5</td>
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<tr>
<td>Augmented Reality</td>
<td>Commercial</td>
<td>0,2</td>
<td>18,8</td>
</tr>
<tr>
<td></td>
<td>Consumer</td>
<td>0,0</td>
<td>2,8</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>4,3</td>
<td>53,1</td>
</tr>
</tbody>
</table>

Source: IDC Worldwide Quarterly AR and VR Headset Tracker, Sep 20, 2018
Excluding headsets without screens
Intense work with multiple partners to implement eye tracking in VR

- Deep Qualcomm collaboration and reference design
- StarVR One (by Acer) announced (Aug. 2018)
- Announced agreement with unnamed leading VR manufacturer (Oct. 2018)
- Engagements with a large share of players in VR
- Mostly target products in market 2019 and 2020
- Large effort now to realize the full eco-system (content devs, game engines, GPUs etc)
High margin integration customers in niche applications

HEALTH TESTING

ASSISTIVE TECHNOLOGY

ROBOTIC SURGERY

PSYCHOLOGY / REHABILITATION

LIE DETECTION

CASINO MACHINES
It is easy to develop an eye tracking system that works on 80% of the human population and situations.

It is extremely challenging to develop an eye tracking system that works for everyone, in all conditions.

This is what Tobii does better than anyone else.

In consumer deployments of eye tracking, this is an absolute necessity.

Several large tech companies have tried to build eye tracking themselves, failed and then come to us.

Tobii masters the core challenge in eye tracking:
- Wearing glasses
- Contact lenses
- Droopy eyelids
- Various eye conditions
- Pupil contractions
- Eyelashes/mascara
- Dirt & smudges
- Headset slippage
- Large gaze angles

Tobii is the clear technical leader – eye tracking that works for everyone, in all conditions.
Tobii has a leading portfolio of patents related to eye tracking

- >430 granted and applied patents, across >120 distinct inventions
- Portfolio covers many aspects of eye tracking, ranging from hardware and algorithms to many forms of eye gaze interaction

Number of patent and patent applications, Tobii

1) Source: ClearViewIP Ltd
2) Source: Tobii’s internal estimate
Tobii Tech Q3 financials

• Q3 2018
  • Revenue increased 21% adjusted for currency, 35% non-adjusted
  • Gross margin was 50% (46%)
  • Operating loss amounted to -82 MSEK (-67)

• First nine months 2018
  • Revenue increased 22% adjusted for currency and non-adjusted
  • EBIT was SEK -231 million (-231)
In the long term, Tobii Tech’s goal is to achieve sales of several billion SEK with good profitability.

In the medium term, Tobii Tech’s financial target is to reach profitability in 2021.
Tobii Group financials – Q3 2018

• **Q3 2018**
  - Revenue increased 14% adjusted for currency, 25% non-adjusted
  - Gross margin was 71% (73%)
  - EBIT was -60 MSEK (-49)

• **First nine months 2018**
  - Revenue increased 16% adjusted for currency, 18% non-adjusted
  - EBIT was SEK -156 million (-179)
The long-term financial target for the Group is to reach profitability in 2020.

Tobii has an active acquisition strategy in all three business units, and potential acquisitions may require separate financing.
THE WORLD LEADER IN EYE TRACKING

- Proven technology with strong unique benefits in large markets
- Global technology and market leadership

**tobii dynavox**
- Profitable
- Clear no. 1 position
- Market with significant unmet needs support long-term growth opportunity

**tobii pro**
- Profitable
- Clear no. 1 position
- Long-term growth opportunity by driving use beyond early adopters

**tobii tech**
- Clear no. 1 position
- Leading IP portfolio
- Multiple very large mass-market opportunities
Thank you!