Welcome to our presentation of the Q4 2018 report

Henrik Eskilsson, CEO

Johan Wilsby, CFO
High-level summary, fourth quarter

• Highest sales ever in all three Business Units
• Group’s net sales grew 18% adjusted for currency effects
• Continued positive sales and profitability development in Tobii Pro
• Strong sales development for new products in Tobii Dynavox
• VR-order with HTC and launch of IS5 important milestones for Tobii Tech
Tobii Dynavox

• Global leader in assistive technology for communication
• Market share over 40%
• We empower people with disabilities to do what they once did, or never thought possible.
• We provide products that enable users with disabilities to speak and communicate effectively

Share of the Group’s sales

63%
Trend of increasing inclusion drives Tobii Dynavox’ market

• Society continues to increasingly emphasize inclusion and accessibility
• Global AAC market is deeply under-penetrated

In 2018, we saw…

• continued gradual adoption in established markets
• large growth (from low-levels) in several emerging markets, largely driven by improvements in reimbursement systems in past years (eg France and eastern Europe)
• Steve Gleason Act made permanent in the US
All-time high sales in Tobii Dynavox

• Revenue up 28%, or 9% adjusted for both acquisition and currency effects
• New users up 45%
• New portfolio of Touch products is a major driver
• New strategy with leading products from low-cost apps, to consumer-priced products, to high-end medical-grade solutions
• Trained over 30,000 professionals in 2018
• Smartbox acquisition adds to revenue, but integration is pending outcome of CMA review
Tobii Dynavox Q4 financials

- Revenue increased 9% year-over-year, adjusted for currency and the recent acquisition, 28% non-adjusted

- Gross margin was 64% (66%)
  - Different product mix and non-recurring items affect Q4

- EBIT margin was 6% (16%)
  - Non recurring costs of 10 MSEK included in Q4
Tobii Dynavox full year financials

- Revenue increased 9% year-over-year, adjusted for currency and the recent acquisition, 16% non-adjusted

- Gross margin was 66% (69%)
  - Effects from new revenue recognition standard (IFRS15)
  - Different product mix and non-recurring items affect Q4

- EBIT margin was 8% (10%)
  - Non-recurring costs of 10 MSEK included in Q4
Tobii Pro

- World leader in eye-tracking solutions for understanding human behavior
- Market share of 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

30%
Tobii Pro’s market is driven by a strong increase in demand for objective methods to understand human behavior

• Eye tracking is rapidly transitioning from "science fiction" to "mainstream"

• Rapid expansion of use cases and industries where eye tracking is being applied
  • Automotive and process industries
  • Simulators
  • Sports
  • Law enforcement

Historical market size for eye-tracking solutions for research*

*Source: Company Market Study performed by Arthur D. Little, 2019.
Tobii Pro delivered all-time high sales

- 15% currency-adjusted revenue growth in Q4
- 26% currency-adjusted revenue growth in full year 2018
- Large investments in broadening and refining the product portfolio
- Launch of Tobii Pro Nano – world’s smallest eye tracker for research purposes
- Significant growth of the global sales and service organization
Tobii Pro Q4 financials

- Revenue increased 15% year-over-year adjusted for currency, 23% non-adjusted
- Gross margin at 76% (73%)
- EBIT margin at 20% (19%)
Tobii Pro full year financials

• Revenue increased 26% year-over-year adjusted for currency, 30% non-adjusted
• Gross margin at 75% (74%)
• EBIT margin at 11% (8%)
Tobii Tech

- World’s leading supplier of eye tracking technology and solutions 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

6%
Trends in Tobii Tech’s market

- Smart sensors are rapidly being adopted across many types of devices
  - Smartphones with advanced Face & Iris ID
  - Intelligent assistants
  - Major PC roadmaps emphasize smart sensors

- PC Gaming and E-sports are rapidly growing phenomena
  - 1.8 bn gamers in the world – 2/3 of them game on a PC
  - Gaming laptops 20% CAGR
  - 400M people watch e-sports (20% CAGR). Half of them also practise e-sports

- VR is coming out on the positive side of the "hype cycle"
  - Viveport sales & available content tripled in past year
  - Steam users with a VR headset connected doubled in past year
  - Solid ground for enterprise VR applications
  - IDC estimates that VR & AR will grow from 4M units in 2018 to 50M units in 2022

- Eye tracking is widely considered a must-have technology in VR
Several milestone projects awarded to Tobii Tech

• **VR - HTC**
  - Leading VR manufacturer HTC launched new headset with Tobii eye tracking as main feature
  - Sets the standard for the industry moving forward
  - Good progress in additional integration projects

• **PC – Dell Alienware**
  - Dell launched new flagship gaming notebook Alienware Arena 51-m
  - First product with the new Tobii IS-5 platform
  - Tobii and Alienware launched Alienware Academy for esports training
Tobii Tech Q4 financials

- Revenue increased 20% year-over-year, adjusted for currency, 29% non-adjusted
- Gross margin was 46% (43%)
- Operating loss amounted to -74 MSEK (-61)
  - Material non-recurring items contributing negatively in the year-on-year comparison
Tobii Tech full year financials

• Revenue increased 21% year-over-year, adjusted for currency, 24% non-adjusted
• Gross margin was 47% (43%)
• Operating loss amounted to -305 MSEK (-291)
Tobii Group Q4 financials

- Revenue increased 18% year-over-year adjusted for currency, 27% non-adjusted
- Gross margin was 69% (69%)
- Group EBIT was -35 MSEK (-13)
  - Non-recurring items explain more than 15 MSEK of variance
Tobii Group full year financials

- Revenue increased 17% year-over-year adjusted for currency, 21% non-adjusted
- Gross margin was 70% (71%)
- Group EBIT was -191 MSEK (-191)
Balance sheet and cash flow 2018

- Cash flow from operations improved in 2018
- Cash position at 192 MSEK
- Debt financing arranged for the Smartbox acquisition, in total facilities of 250 MSEK were available but not utilized

### Group balance and cash flow summary

<table>
<thead>
<tr>
<th>Tobii Group (MSEK)</th>
<th>Q4 2018</th>
<th>Q4 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Assets</td>
<td>1325</td>
<td>1343</td>
</tr>
<tr>
<td>Equity</td>
<td>835</td>
<td>979</td>
</tr>
<tr>
<td>Equity Ratio</td>
<td>63</td>
<td>73</td>
</tr>
<tr>
<td>Net Cash (+)/Net Debt(-)</td>
<td>192</td>
<td>537</td>
</tr>
<tr>
<td>Cash flow after continuous investments</td>
<td>-37</td>
<td>-44</td>
</tr>
</tbody>
</table>

### Group cash flow after continuous investments (MSEK)

|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
Financial preparedness for potential future acquisitions

• Acquisitions are an integral part of Tobii’s strategic agenda. As previously communicated, Tobii will to the extent possible seek separate external financing solution for acquisitions.

• To put in place a flexible financing solution for completed and potential future acquisitions, Tobii has mandated Carnegie to explore the possibilities for the Company to issue a three-year bond loan in the approximate amount of SEK 300 million that will replace the current debt financing.

• The Company plans to meet selected bond investors in a Nordic roadshow Feb 11-13.
Summary

• Sales record for all Business Units

• 2018 achievements:
  • Strengthened our market leading position
  • Launched new innovative products
  • Developed and adjusted organization and structure

• We have at large reached the organizational size we need to deliver on our plan

• Looking ahead, we proceed with increased focus on profitability