Important information (1/2)

IMPORTANT INFORMATION

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**Important information (2/2)**

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**Target market:** Solely for the purposes of the manufacturer’s (as used herein, “Manufacturer” refers to the Bookrunner) product approval process, the target market assessment in respect of the Bonds has led to the conclusion that: (i) the target market for the Bonds is eligible counterparties, professional clients and retail clients, each as defined in Directive 2014/65/EU (as amended, “MiFID II”); and (ii) all channels for distribution of the Bonds to eligible counterparties, professional clients and retail clients are appropriate. Any person subsequently offering, selling or recommending the Bonds (a “Distributor”) should take into consideration the Manufacturer’s target market assessment; however, a Distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the Manufacturer’s target market assessment) and determining appropriate distribution channels.

**PRIIPs regulation:** As the Bonds are not deemed to fall within the scope of Regulation (EU) No 1286/2014 (as amended, the “PRIIPs Regulation”), no PRIIPs key information document (KID) has been prepared. For the avoidance of doubt, the target market assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Bonds.

**Placement fee:** The Bookrunner will be paid a fee by the Issuer in respect of the placement of the transaction.
Background and transaction overview

Transaction overview

- Tobii AB (publ) (“Tobii”, the “Company” or the “Issuer”, together with its subsidiaries, the “Group”) is considering the issuance of subsequent bonds in the approximate amount of SEK 150m (the “Subsequent Bonds”) under its existing 2019/2022 senior secured bond loan with a framework amount of SEK 600m (ISIN SE0012230076) (the “Bond Loan”)
- The net issue proceeds from the Subsequent Bonds will be used for acquisitions and general corporate purposes
- The Bond Loan is secured through pledges over shares in Tobii Dynavox AB, Tobii Pro AB and Tobii Tech AB
- For the duration of the Bond Loan the Issuer will be part of the “Restricted Group”. The Restricted Group is comprised of the Issuer and all the Subsidiaries from time to time but not including the Tobii Tech Group (the “Unrestricted Group”) and the Restricted Group is subject to distribution restrictions vis-à-vis the Unrestricted Group

Tobii credit snap-shot post transaction

<table>
<thead>
<tr>
<th>KEY CREDIT METRICS – FY 2019 FINANCIALS</th>
<th>Restricted Group</th>
<th>Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>SEK 1,349m</td>
<td>SEK 1,501m</td>
</tr>
<tr>
<td>EBITDA</td>
<td>261m&lt;sup&gt;1)&lt;/sup&gt;</td>
<td>SEK 4m&lt;sup&gt;2)&lt;/sup&gt;</td>
</tr>
<tr>
<td>GIBD / EBITDA</td>
<td>1.7x&lt;sup&gt;1)&lt;/sup&gt;</td>
<td>n.m.</td>
</tr>
<tr>
<td>NIBD / EBITDA</td>
<td>1.0x&lt;sup&gt;1)&lt;/sup&gt;</td>
<td>n.m.</td>
</tr>
<tr>
<td>GIBD / (EBITDA – Capex)</td>
<td>3.8x&lt;sup&gt;1)&lt;/sup&gt;</td>
<td>n.a.</td>
</tr>
<tr>
<td>NIBD / (EBITDA – Capex)</td>
<td>2.2x&lt;sup&gt;1)&lt;/sup&gt;</td>
<td>n.a.</td>
</tr>
<tr>
<td>LTV</td>
<td>5.9%&lt;sup&gt;1)&lt;/sup&gt;</td>
<td></td>
</tr>
</tbody>
</table>

<sup>1) Excluding IFRS 16 leasing. 2) Excluding IFRS 16 leasing. Including IFRS 16 leasing the EBITDA is SEK 32m.</sup>

Group and financing structure post transaction

Sources and Uses

<table>
<thead>
<tr>
<th>SOURCES</th>
<th>SEKm</th>
<th>USES</th>
<th>SEKm</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior secured bonds</td>
<td>150</td>
<td>Acquisitions and general corporate purposes</td>
<td>146.5</td>
</tr>
<tr>
<td>Indicative transaction fees and expenses</td>
<td>3.5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total sources</td>
<td>150</td>
<td>Total uses</td>
<td>150</td>
</tr>
</tbody>
</table>
## Key indicative bond terms

<table>
<thead>
<tr>
<th><strong>Issuer</strong></th>
<th>Tobii AB (publ)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Subsequent issue volume</strong></td>
<td>SEK 150,000,000 under the 2019/2022 Bond Loan (currently SEK 300,000,000 outstanding, total framework amount of SEK 600,000,000)</td>
</tr>
<tr>
<td><strong>Nominal amount</strong></td>
<td>SEK 1,250,000</td>
</tr>
<tr>
<td><strong>Remaining tenor</strong></td>
<td>~2 years</td>
</tr>
<tr>
<td><strong>Interest rate</strong></td>
<td>Stibor 3m + 575bps, with quarterly payments in arrears (no Stibor floor)</td>
</tr>
<tr>
<td><strong>Issue price</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Status</strong></td>
<td>Senior secured</td>
</tr>
<tr>
<td><strong>Security</strong></td>
<td>Pledges over shares in current and future material subsidiaries and intercompany loans</td>
</tr>
<tr>
<td><strong>Use of proceeds</strong></td>
<td>Acquisitions and general corporate purposes</td>
</tr>
</tbody>
</table>

### Financial undertakings

Debt restrictions:
- Additional debt incurrence test (additional debt must be pari passu, or subordinated to, and have maturity after the Bonds): Restricted Group NIBD / EBITDA < 2.0x or Group NIBD/EBITDA < 2.0x
- Carve-out for permitted debt at all times: SEK 50,000,000 for working capital facility and SEK 25,000,000 general basket with no restrictions on providing security with exception of security in relation to the Bonds

Undertakings in relations to available cash, flow of cash and distributions:
- Limitations on distributions / loans from Restricted Group companies to Unrestricted Group companies: Permitted, subject to Restricted Group NIBD / EBITDA < 2.0x Pro forma
- Limitations on distributions to shareholders of the Issuer: Permitted up to 50% of previous year’s net profit, subject to Group NIBD / EBITDA < 2.0x
- Minimum available liquidity at all times, subject to 10 BD grace period, to be held in Restricted Group: SEK 50,000,000

### Other undertakings

Customary undertakings and terms in relation to Nature of business, Negative pledge, Cross acceleration and Financial information

### Call option (American)

Non-call 18 months, callable at 102.875% / 101.725% / 100.575% of the nominal amount after 18 / 24 / 30 months from first issue date (together with accrued but unpaid interest)

### Special redemtions in full

- **Special voluntary redemption upon a Change of Control Event prior to First Call Date**: In the event that a Change of Control Event occurs prior to the First Call Date, the Issuer has a right to redeem all Bonds in full at 104.313% (together with accrued but unpaid interest)
- **Special mandatory redemption upon divestment of Tobii Dynavox or Tobii Pro Material Assets**: In the event of a divestment of Tobii Dynavox or Tobii Pro Material Assets to a third party, the Issuer shall apply the net proceeds from such disposal for early redemption of the Bonds in full at the applicable Call Option Price, or if prior to the First Call Date, at 104.313% (together with accrued but unpaid interest)
- **Re-investment requirement or special voluntary redemption upon divestment of Other Material Assets**: In the event of a divestment of Other Material Assets to a third party, the Issuer shall apply the net proceeds from such disposal to a pledged account and either (i) re-invest the net proceeds or (ii) apply the net proceeds from such disposal for early redemption of the Bonds in full at the applicable Call Option Price, or if prior to the First Call Date, at 104.313% (together with accrued but unpaid interest)

### Put option

Investor put a 101% if (i) any new person(s) acquires / controls more than 50% of the shares / voting rights, (ii) de-listing of the Issuer or (iii) listing failure for the Bonds

### Jurisdiction / Listing

Swedish law / Nasdaq Stockholm within 15 days from the issue date of the subsequent bonds

### Agent

Intertrust

### Sole bookrunner

Carnegie Investment Bank
### Agenda

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<th>Section</th>
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<td>2. Introduction to Tobii</td>
<td>7-17</td>
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<td>3. Key credit highlights</td>
<td>19-32</td>
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<td>4. Group financials</td>
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<td>5. Risk factors</td>
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<td>6. Appendix</td>
<td>51-55</td>
</tr>
</tbody>
</table>

#### Background:

**HENRIK ESKILSSON**  
*CEO*

- Co-founder of Tobii AB and Founder of Trampolinspecialisten i Stockholm AB

**JOHAN WILSBY**  
*CFO*

- Formerly Finance Director at Hewlett-Packard in the Nordic and Baltic countries and Western Europe at Microsoft as well as CFO at Fingerprint Cards and Transmode
Introduction to Tobii

The global leader in eye-tracking and assistive technology for communication

Tobii – the global leader in eye-tracking

- Tobii is the world leading company in eye-tracking, founded in Stockholm 2001, with headquarters in Sweden and 17 offices across Europe, North America and Asia
- Tobii Dynavox has grown to become the #1 global leader also in assistive technology for communication
- The Group has a track record of organic growth every year since its inception
- Organic growth has been combined with several strategic add-ons with complementary offerings to the core business, such as Dynavox Systems, Sticky, Acuity and Smartbox – a strategy that is planned to continue following the Bond Issue
- Tobii has sales in more than 90 countries in 2019, approximately 1,000 employees and around 400 engineers in R&D

Tobii’s geographical presence

Source: Company Information.
Note: 1) Excluding IFRS 16 adjustments.
The history of Tobii and current financial snap-shot

Source: Company Information. Note: 1) Refers to the Group’s total revenue, taking into account for “Eliminations and other”. During 2019 “Eliminations and other” amounted to SEK (69.5m).
Introduction to eye-tracking

Eye-tracking technology enables a device to know where a person is looking. An eye-tracker can detect the presence, attention and focus of the user, allowing for unique insights into human behavior.

The technology also paves the way for more natural user interfaces in various types of devices. For instance, the ability to control a computer using the eyes is vital for people who are unable to speak or use their hands.

Eye-tracking is a combination of advanced custom designed optical hardware and sophisticated machine vision algorithms.

Eye-tracking has also recently been introduced in the PC and Virtual Reality markets for mainstream consumers, to create more intuitive user interfaces and improve device performance.

Eye-tracking solutions are a combination of products and services

1. Eye-tracking systems
2. Device hardware
3. Application software
4. Services

Source: Company Information.
Eye-tracking provides key benefits and opportunities in many fields targeted by Tobii.

**Core markets where eye tracking adds significant value**

- Research
- Assistive Tech
- PC Gaming
- Mainstream PCs
- Virtual Reality
- Augmented Reality
- Smartphones
- Healthcare
- Automotive

**Trends that drive growth of eye-tracking**

- Artificial Intelligence Everywhere
- Natural Interaction with Technology
- Battle for Our Attention
- Mix of Virtual and Real
- Inclusion of All People

Source: Company Information.
Introduction to Tobii

One market-leading group with three companies, each a global leader within their field

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

**Tobii Dynavox**
- Global leader in assistive technology for communication
- Share of Group gross revenue: 58%

Tobii Dynavox offers a wide variety of assistive technology for communication, enabling people with disabilities to communicate, interact, go to school and work.

- Eye-controlled communication devices
- Touch-based communication devices
- Communication software & apps
- Special education software

**Tobii Pro**
- Global leader in eye-tracking solutions for behavior research
- Share of Group gross revenue: 28%

Tobii Pro offers eye-tracking solutions that enable its customers to understand human behavior and optimize everything from product design to marketing and work processes.

- Eye-tracking research hardware
- Analytics software
- Research services

**Tobii Tech**
- Global leader in eye-tracking systems to integration customers
- Share of Group gross revenue: 14%

Tobii Tech delivers eye-tracking technology for integration into consumer electronics and other volume products.

- PC gaming
- Virtual reality
- Augmented Reality
- Niche Applications
- Mainstream PCs

Source: Company Information.
Introduction to Tobii

Each Division is a strong, autonomous member of the Group

Tobii Dynavox

FREDRIK RUBEN
Division CEO of Tobii Dynavox

• R&D
• Marketing
• Supply chain
• Reimbursement services
• Sales

Generated revenue
SEK 906m

# of FTEs
~420

Tobii Pro

TOM ENGLUND
Division CEO of Tobii Pro

• R&D
• Marketing
• Research services
• Sales
• Support

Generated revenue
SEK 443m

# of FTEs
~245

Tobii Tech

ANAND SRIVATSA
Division CEO of Tobii Tech

• R&D
• Marketing
• Sales

Generated revenue
SEK 222m

# of FTEs
~245

Three autonomous companies that stem from a joint leadership in eye-tracking technology

Source: Company Information. Note: 1) Refers to revenue generated 2019. 2) Group functions consists of an additional ~100 FTEs, as at December 2019 years end.
Introduction to Tobii

Each Division carries the full cost of its R&D and need for eye tracking technology

---

**R&D spend in Tobii Dynavox’ PnL:**
- Development of AAC devices (of which some integrate eye tracker platforms)
- Development of AAC Software, Special Education Software and AAC Language Systems
- Adaptation of Tobii’s eye tracking technology to Tobii Dynavox’ needs

**R&D spend in Tobii Pro’s PnL:**
- Development of Tobii Pro Glasses (both entire core eye tracking technology and the full system)
- Development and adaptation of Tobii’s eye tracking technology to Tobii Pro specific products and needs
- Development of research analytics software and Saas solutions

**R&D spend in Tobii Tech’s PnL:**
- Standard eye tracker platforms, components, algorithms and system designs, such as Tobii IS-5, Tobii VR4 and Tobii EyeChip
- Customizations and adaptations to specific needs of its OEM integration customers

---

**Internal revenue from Tobii Dynavox and Tobii Pro to Tobii Tech: In total SEK 70m 2019**

- Each business unit accounts for its own R&D costs
- Tobii Pro and Tobii Dynavox purchase some of their standard eye tracker platforms from Tobii Tech, at arms length distance and price points comparable to external customers of similar volume
- In addition, Tobii Pro and Tobii Dynavox directly carry the R&D costs of specific customizations to Tobii’s eye tracking technology, on their respective PnL

The amount that Tobii Dynavox and Tobii Pro spend on eye tracking technology (internal revenue from Tobii Dynavox and Tobii Pro to Tobii Tech, plus the R&D costs taken directly today by Tobii Pro and Tobii Dynavox), would be sufficient to maintain a strong and robust eye tracking technology development for Tobii Pro’s and Tobii Dynavox’ needs, even if all other activities of Tobii Tech were discontinued

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Source: Company Information.
Good development in 2019

**tobii dynavox**
- 14% revenue growth, 6% adj for currencies
- EBITDA margin improved to 19% (17)
- In Q4 launched the new I-series, the division’s flagship product, replacing old I-series that made up half of the division’s sales
- Numerous other product improvements
- Trained 60,000 professionals in assistive technology for communication world-wide, to drive long-term growth

**tobii pro**
- 12% revenue growth, 5% adj for currencies
- High stable EBITDA margin of 21% (25)
- In Q4 launched the new Pro Fusion, an important addition to the division’s portfolio of research-grade eye trackers
- Numerous other product improvements
- Established direct sales offices in Latin America (Chile) and South-East Asia (Singapore)

**tobii tech**
- 82% external revenue growth, 69% adj for currencies
- 48% total revenue growth, 36% adj for currencies
- EBITDA improved to -260 (-267)
- Dell launched three new gaming laptops with Tobii eye tracking, and now have eye tracking integrated across their entire range of Alienware laptops
- Lenovo was Tobii’s first customer to integrated the new Tobii Aware solution in a PC
- HTC launched the world’s first major VR headset with built-in eye tracking, the Vive Pro Eye
- Pico (China’s leading VR headset maker) launched the Neo 2 Eye, the world’s first standalone VR headset with built-in eye tracking (Jan 2020)
- Numerous design wins with innovative customers in healthcare and other niche applications

**Tobii Group**
- 17% revenue growth, 9% adj for currencies
- EBITDA improved from SEK -28m in 2018 to SEK 4m (SEK 32m incl. IFRS 16 effect) in 2019
- Restricted group EBITDA improved from 239 to 261 MSEK
- Tobii rated Sweden’s 5th best employer
- Eye tracking gaining ground broadly across VR, AR, PC, Automotive, Healthcare, Assistive Technology, Behavior Research and other areas, and Tobii maintains it’s position as the global leader in eye tracking
Long-term financial targets

Tobii Dynavox
- Average yearly growth of 10%

Tobii Pro
- Average yearly growth of 15-20%

Tobii Tech
- Long-term, Tobii Tech's goal is to reach several billion SEK in revenue

Group
- 

Source: Company information.

GROWTH
- Revenue

REVENUE

PROFITABILITY
- %

EBIT margin of 15-20%

EBIT margin of 15% in 2020

Profitable in 2021

Profitable in 2020
# Introduction to Tobii

Experienced group management team and board of directors with skin in the game

<table>
<thead>
<tr>
<th>BOARD OF DIRECTORS</th>
<th>MANAGEMENT TEAM</th>
</tr>
</thead>
<tbody>
<tr>
<td>KENT SANDER(1)</td>
<td>HENRIK ESKILSSON(3)</td>
</tr>
<tr>
<td>• Chairman of the Board</td>
<td></td>
</tr>
<tr>
<td>• Chairman of the Board of Semke Group AB, Mr Green &amp; Co AB and OnePhone Holding AB. Former CEO of TruePosition and Executive VP Sales for Ericsson US</td>
<td></td>
</tr>
<tr>
<td>HELI ARANTOLA</td>
<td>TOM ENGLUND(2)</td>
</tr>
<tr>
<td>• Board Member</td>
<td></td>
</tr>
<tr>
<td>• Executive Vice President Categories Concepts of HK Scan. BoD of S-bank, and member of the Innovation Committee of the Confederation of Finnish Industries. Previous executive positions in the Fazer Group</td>
<td></td>
</tr>
<tr>
<td>NILS BERNHARD(2)</td>
<td>CECILIA ERIKSSON(3)</td>
</tr>
<tr>
<td>• Board Member</td>
<td></td>
</tr>
<tr>
<td>• Chairman of the Board of Pajek Kwarts AB and Ortivus AB. BoD of Alfa Invest AB. Founder of Precise Biometrics AB and Dannemora Mineral AB among other</td>
<td></td>
</tr>
<tr>
<td>CHARLOTTA FALVIN</td>
<td>FREDRIK RUBEN(5)</td>
</tr>
<tr>
<td>• Board Member</td>
<td></td>
</tr>
<tr>
<td>• Chairman of the Board of Malmö Startups. BoD at Boule Diagnostics AB and Net Insight. Former BoD at Bure Equity, Axis Communication, Doro AB and Invisio Communications</td>
<td></td>
</tr>
<tr>
<td>ÅSA HEDIN(3)</td>
<td>ANAND SRIVATSA(1)</td>
</tr>
<tr>
<td>• Board Member</td>
<td></td>
</tr>
<tr>
<td>• Industrial Advisor at the Department of Microtechnology and Nanoscience at Chalmers AB. BoD of C-rad AB, Nolato AB, Cellavision AB, E Öhman J/or Fonder AB and Immunovia. Formerly CEO of Elekta Instrument AB</td>
<td></td>
</tr>
<tr>
<td>JÖRGEN LANTTO(4)</td>
<td>JOHAN WILSBY(12)</td>
</tr>
<tr>
<td>• Board Member</td>
<td></td>
</tr>
<tr>
<td>• Chairman of the Board of Zwipe. BoD at Direct Research and Wirepas. Former Chairman of the Board at myFC AB. Former BoD at Actiwave, Symbian and Hotisp AB</td>
<td></td>
</tr>
<tr>
<td>MÅRTEN SKOGÖ(5)</td>
<td></td>
</tr>
<tr>
<td>• Board member and Co-founder of Tobii AB</td>
<td></td>
</tr>
<tr>
<td>• BoD of The Incredible Machine of Sweden AB and Vinnova. Formerly board member of Timpen Capital AB, HolidayPhone AB, and Moor&amp;Moor AB</td>
<td></td>
</tr>
<tr>
<td>JAN WÄREBY(8)</td>
<td></td>
</tr>
<tr>
<td>• Board Member</td>
<td></td>
</tr>
<tr>
<td>• Chairman of the Board of RISE AB and Obelius AB. BoD of GapWaves AB and Incell International AB. Former BoD at Fingerprint Cards AB and Executive Vice President and Head of Sales and Marketing at Sony Ericsson</td>
<td></td>
</tr>
</tbody>
</table>

Note: As at 31-12-2019. 1) 42,000 shares and 80,000 warrants. 2) 2,205,000 shares and 28,000 warrants. 3) 7,000 shares and 28,000 warrants. 4) 45,000 shares. 5) 2,604,930 shares and 67,993 warrants. 6) 30,800 shares. 7) 4,526,117 shares and 403,000 warrants. Excluding 2,835 shares held by Henrik Eskilsson AB, a company wholly owned by Henrik Eskilsson, and excluding 1,565,511 shares held by Eskilsson Consulting AB, a company in which Henrik Eskilsson is a minority shareholder with 22.5%. 8) 54,120 shares and 318,011 warrants. 9) 58,757 warrants. 10) 59,950 shares and 269,209 warrants. 11) 27,245 shares. 12) 10,253 shares and 144,000 warrants.
Introduction to Tobii

Tobii’s ownership and share price development

Comments

- The Tobii Group share was listed on Nasdaq Stockholm in April 2015 and as at 7 February 2020 had a market cap of SEK 4,155m
- The Company was founded in 2001 by Henrik Eskilsson, John Elvesjö and Mårten Skogö. Henrik Eskilsson is still operating in the business and Mårten Skogö is part of the board, both with large ownership in Tobii
- Handelsbanken, Sixth AP Fund and Amadues Capital Partners have held positions in the Tobii share since pre IPO
- Board and management members together hold ~10% of Tobii shares
- Since the IPO, the Company has also conducted one rights issue of SEK 450m\(^2\) for the purpose of financing enhanced market opportunities within Tobii Tech, including a large investment in the virtual reality segment

Share price development since IPO in April 2015

Largest owner as at 31 December 2019

<table>
<thead>
<tr>
<th>Owner</th>
<th>Type of investor</th>
<th>Number of shares</th>
<th>% of cap</th>
</tr>
</thead>
<tbody>
<tr>
<td>Swedbank Robur Funds</td>
<td>Swedish Institution</td>
<td>9,214,769</td>
<td>9.3%</td>
</tr>
<tr>
<td>Handelsbanken Funds</td>
<td>Swedish Institution</td>
<td>7,975,000</td>
<td>8.1%</td>
</tr>
<tr>
<td>Henrik Eskilsson and family(^1)</td>
<td>Tobii Management</td>
<td>6,094,463</td>
<td>6.2%</td>
</tr>
<tr>
<td>Sixth Swedish National Pension Fund</td>
<td>Swedish Institution</td>
<td>4,000,630</td>
<td>4.0%</td>
</tr>
<tr>
<td>Deka Investments</td>
<td>Investment Manager</td>
<td>3,050,000</td>
<td>3.1%</td>
</tr>
<tr>
<td>Invesco</td>
<td>Investment Manager</td>
<td>3,000,000</td>
<td>3.0%</td>
</tr>
<tr>
<td>John Elvesjö</td>
<td>Co-Founder</td>
<td>2,874,572</td>
<td>2.9%</td>
</tr>
<tr>
<td>Mårten Skogö</td>
<td>Tobii Board Member</td>
<td>2,604,930</td>
<td>2.6%</td>
</tr>
<tr>
<td>Catella Funds</td>
<td>Asset Manager</td>
<td>2,516,589</td>
<td>2.5%</td>
</tr>
<tr>
<td>Avanza Pension</td>
<td>Pension Fund</td>
<td>2,469,703</td>
<td>2.5%</td>
</tr>
<tr>
<td>Other shareholders</td>
<td>n.a.</td>
<td>55,124,447</td>
<td>55.7%</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>98,925,103</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Source: Shareholder data from Euroclear, Morningstar, Monitor and FactSet. Note: 1) Including 2,835 shares held by Henrik Eskilsson AB, a company wholly owned by Henrik Eskilsson, and including 1,566,511 shares held by Eskilsson Consulting AB, a company in which Henrik Eskilsson is a minority shareholder with 22.5%. 2) Before transaction-related costs.
<table>
<thead>
<tr>
<th>Section</th>
<th>Pages</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Transaction overview</td>
<td>2-5</td>
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<td>2. Introduction to Tobii</td>
<td>7-17</td>
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<tr>
<td><strong>3. Key credit highlights</strong></td>
<td><strong>19-32</strong></td>
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<td>4. Group financials</td>
<td>34-37</td>
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<tr>
<td>5. Risk factors</td>
<td>39-49</td>
</tr>
<tr>
<td>6. Appendix</td>
<td>51-55</td>
</tr>
</tbody>
</table>
Summary of key credit highlights

1. Tobii Dynavox: #1 position in assistive technology for communication
2. Tobii Pro: #1 position in eye-tracking solutions for behavior research
3. Tobii Tech: #1 position in eye-tracking systems for integration into consumer devices and other volume products
4. Leading patent portfolio with strong technology advantage
5. Track record and continued opportunities for acquisitive growth
6. Proven historical track record of growth and high EBITDA margins

Source: Company Information.
Key credit highlights

#1 position in assistive technology for communication

Close to 40% market share and strong advantages in a market with high specialization

The world's leading provider of assistive technology for people with reduced ability to communicate

- Strongest presence and distribution in the industry - established relationships with over ten thousand prescribing therapists, through 120 sales employees in five core markets, plus 120 companies as resellers and partners covering 65 countries
- Most comprehensive offering of leading products - spanning eye tracking & touch, and ranging from low-cost apps to high-end medical grade devices and comprehensive communication software and language systems
- Unmatched access to reimbursement – contracts with over 400 local insurance companies, and with 40 internal funding consultants
- Leading clinical expertise and training organization – trained over 50,000 professionals in assistive technology in 2019 alone
- Strong eye tracking technology advantage

Global market share in overall assistive technology communication market: 40%

Global market share in eye controlled assistive technology: 70%

Diversified base of solid customers

- Very robust customer base: 80% of revenue is generated by public funding bodies and private insurance companies

Tobii Dynavox’s split of revenue by customer category

Public funding 70%  Private clients 15%  Private insurance 5%  

Market characterized by high specialization

- AAC solutions are complex and comprehensive combinations of device hardware, application software, language systems and extensive service and support offerings
- Contracts with insurance companies and public funding bodies are very time-consuming to obtain, and are key to large majority of revenue
- Established "language systems", which end-users and professionals have spent significant time and effort to learn and master, incur high switching costs
- High sales volumes provide large economy of scale advantages, not the least in device manufacturing costs
- Tens of thousands of prescribing therapists are key to the purchase process and selection of suitable devices – established recognition and trust from these are key

Top 10 customers

Medicaid  UK NHS  Medicare  Tricare
Kaiser Permanente  German Krankenkassen  United Healthcare
Humana  Norwegian Labour and Welfare Administration  Carecentrix

Source: Company Information. Note: 1) Company Market Study performed by Arthur D. Little. 2) Market share numbers exclude Smartbox
### Overview

- The market for AAC solutions is showing stable growth stemming from clear underlying drivers.
- Out of the global population, around 50 million need assistive technology to communicate effectively. Current penetration is extremely low – globally ~2%\(^2\).
- A global trend where society continues to increasingly emphasize inclusion and accessibility.
- Continuous growth in most established AAC markets, and rapid growth in several emerging AAC markets (for instance in France and Eastern Europe).
- Slight drop in 2012 and 2013 was driven by end-users with more basic need for AAC able to shift to newly available alternatives, whilst customers with more complex needs continues to demand specialized and advanced products and services.

### Growth opportunities

- A globally under-penetrated market combined with a positive forecast for improved reimbursement creates a foundation for long-term market growth.
- A critical factor for driving penetration levels short-term is to raise knowledge among professionals and awareness among end-users, their families and interest groups.
- Significant geographic expansion opportunities.
- Opportunities to address large additional groups of users, by developing improved and tailored solutions and services for important needs and conditions.

### Historical market size for AAC and Access\(^1\)

<table>
<thead>
<tr>
<th>Year</th>
<th>USD million</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>83</td>
</tr>
<tr>
<td>2005</td>
<td>103</td>
</tr>
<tr>
<td>2006</td>
<td>114</td>
</tr>
<tr>
<td>2007</td>
<td>125</td>
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<td>2008</td>
<td>135</td>
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<td>2009</td>
<td>194</td>
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<td>2010</td>
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<td>2011</td>
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<td>2012</td>
<td>234</td>
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<td>2013</td>
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<td>2014</td>
<td>200</td>
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<td>2015</td>
<td>215</td>
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<tr>
<td>2016</td>
<td>229</td>
</tr>
<tr>
<td>2017</td>
<td>235</td>
</tr>
<tr>
<td>2018</td>
<td>253</td>
</tr>
</tbody>
</table>

\(\Delta -20\%\)

Apple released the first iPad which, together with applications, could fulfill the needs of a portion of the end-users, but far from all.

### Continued potential also in developed markets\(^1\)

<table>
<thead>
<tr>
<th>Country</th>
<th>US cent/capita</th>
</tr>
</thead>
<tbody>
<tr>
<td>US</td>
<td>175</td>
</tr>
<tr>
<td>Germany</td>
<td>64</td>
</tr>
<tr>
<td>France</td>
<td>47</td>
</tr>
<tr>
<td>Japan</td>
<td>37</td>
</tr>
<tr>
<td>China</td>
<td>30</td>
</tr>
<tr>
<td>India</td>
<td>28</td>
</tr>
<tr>
<td>Brazil</td>
<td>22</td>
</tr>
<tr>
<td>Brazil</td>
<td>12</td>
</tr>
<tr>
<td>Brazil</td>
<td>2</td>
</tr>
</tbody>
</table>

Significant spread of AAC spend per capita also within largest markets (figures from 2015).

~95% of the global AAC market is still concentrated to 10 western countries, with large variations of penetration between regions and different user conditions.

Share of the global AAC market per country:

- RoW: 12% 74%
- US: 4% 2%
- Germany: 5%
- Japan: 3% 5%
- China: 3% 5%
- Brazil: 2% 5%

MEET VICTOR KAISER

➔ Victor was diagnosed with Cerebral Palsy at birth – a condition that limits his mobility and ability to speak and express himself. But Victor is determined not to let his diagnosis define who he is or stop him from fulfilling his dreams.

➔ He has taught himself four languages and completed his studies at an IT secondary school with a focus on aesthetics and media. Today, Victor is working at Tobii Dynavox as a marketing assistant.

➔ He uses Tobii Dynavox eye-controlled communication devices for everything from discussing football on Facebook to playing video games to editing film.

View James’ story
View Ava’s story
View Michael’s story

Key credit highlights

#1 position in eye-tracking solutions for behavior research

60% market share and strong relationships with 6,000 academic and enterprise customers

The world leader in eye-tracking solutions for understanding human behavior

- Very clear market leader with superior technology and strong brand
- Complete comprehensive portfolio of solutions that include a range of eye tracker research hardware and advanced analytics software and SaaS solutions
- Deep expertise in drawing conclusions and obtaining insights from eye tracking studies, including an established research services business with global footprint
- Strongest sales channels and global reach to serve customers in need of solutions for behavior research and consumer insights

Diversified base of solid customers

- The business unit has over 3,500 enterprise customers, and over 2,500 academic customers, including many Fortune 500 companies and prestigious universities, including all 50 of the top international universities
- No single customer represents more than 3% of revenue

High entry barriers created through global reach and holistic offering

- Most customers need a full solution - a combination of research hardware and analytics software – and each of these is complex and expensive to develop
- Many customers need a broad variety of types of solutions in their business – to conduct studies both on computers, in virtual reality and in the physical world
- Relatively low volumes drive significant economy of scale advantage for established players
- Many customers are global in nature, and demand service and support globally

Global market share – eye tracking solutions for behavior research\(^1\)

60%

Tobii Pro’s split of revenue by customer category

- Governmental customers
- Academic institutions
- Enterprise customers

Top 10 customers

- Nielsen
- Facebook
- P&G
- Google
- Ipsos
- Toyota
- Unilever
- Microsoft
- Explorer Research
- West Japan Railway Co.

Source: Company Information. Note: 1) Company Market Study performed by Arthur D. Little.
World leader in eye-tracking solutions for understanding human behavior

Overview

- The market for commercial and academic research supported by eye-tracking is showing stable growth stemming from clear underlying drivers and a strong demand for objective methods to understand human behavior.
- In the past few years, eye-tracking has become a well-recognized research method. This has accelerated growth, both in established segments and in numerous new applications, such as the automotive industry, process industry, simulators and sports.
- The penetration rates in Tobii Pro’s sub-segments are still low, which creates favorable conditions for solid growth going forward.

Growth opportunities

- Continue to capitalize on the growth in established customer segments and the rapid expansion into new customer segments and applications.
- Recurring sales to existing customer base. Tobii Pro sees a clear trend where many customers expand their eye tracking capabilities with more systems, and frequently upgrade to latest product versions.
- Grow sales by continuing to expand the global sales force.
- Continue to broaden and refine the product portfolio, with particular focus to develop solutions that enable larger-scale deployment and use of eye tracking research.

Historical market size for eye tracking solutions for research

- USD million
- CAGR: 12%

Increasing academic usage of eye-trackers

- Total number of academic publications where eye-tracking is used as a method and number of academic publications using Tobii eye-tracking.

Source: Company Information and Company Market Study performed by Arthur D. Little. Note: 1) Refers to Company Market Study performed by Arthur D. Little in 2019. 2) Number of eye tracking related research reports that reference Tobii on Google Scholar.
Unilever uses eye tracking globally in over 25 countries as a strategic tool to gain insights into consumer behavior.

With eye tracking, Unilever is able to gain a deep understanding of how their customers interact with their products, how they engage with their brand and advertising (both online, in-store, in print and on TV) and how they behave and process information in both physical stores and online.

Unilever uses eye tracking systems both in real-world environments (using the Tobii Glasses), in simulated stores, with computer screens and in virtual reality.

Unilever also leverages Tobii Pro’s research services, to help conduct and interpret data from larger and more complex projects.

View the German Heart Center Berlin’s story

View NASCAR’s story

#1 position in eye-tracking systems for integration into consumer devices and other volume products

World’s leading supplier of eye-tracking technology to integration customers

- Tobii Tech targets high volume markets such as PC gaming, mainstream computers, virtual reality, augmented reality, healthcare and other niche markets
- The foundation of Tobii Tech’s success and future multi billion market potential is a market leading technology, the strongest R&D capabilities for eye tracking, and a leading IP portfolio (see page 28)
- Tobii Tech is viewed as the clear leader in eye-tracking technology driving both innovation and adoption forward. As an example, Tobii recently drove eye tracking to become an approved USB standard, in close collaboration with Microsoft and Intel
- Tobii Tech has established relationships with a majority of the large addressable customers and partners across the PC, VR and AR markets
- Tobii Tech has built up a significant eco-system of software titles that implement eye tracking to deliver additional experiences and insights. There are 150 games available with eye tracking enhancements, including major titles such as The Division 2, Tomb Raider, Far Cry 5, Assassin’s Creed, Project Cars etc

Blue-chip companies rely on Tobii as their eye tracking technology supplier and partner

- Tobii Tech has a strong customer portfolio with some of the most sought-after tech-companies in the world integrating Tobii’s eye-tracking technology in their products
- In addition, Tobii has a close collaboration with strong partners in the eco-system, including Qualcomm, Intel, Microsoft and nVidia

Example of products already in market that integrate Tobii Tech’s solutions

- Dell Alienware Area 51-m
- HTC Vive Pro Eye
- Pico Neo 2 Eye
- Dell Alienware m15 & m17
- Tobii Eye Tracker 4C gaming peripheral
- Lenovo A940 PC
- Novasight CureSight
- RightEye EyeQ diagnostics
- Transectorix surgery robot

Provides eye tracking technology as platforms, components, reference designs and licensing

Eye-tracking platforms: Tobii offers turn-key eye tracking systems that OEM customers integrate into their device. Contains Tobii’s custom designed cameras, sensors and ASIC chips and are sold together with algorithms and licenses for IP and software applications

Reference design licenses and components: For more complex integrations, Tobii provides eye-tracking technology in the form of system reference design licenses, together with sales of key hardware components and licenses to software and IP

Technology and patent licensing: Tobii also offers technology and patent licensing to customers who develop their own eye-tracking solutions

Source: Company Information. Note: 1) Eye-tracking.
Significant growth potential through integration of eye-tracking in volume markets

Technology adapted to our natural behavior

- Long-term Tobii Tech aims to reach several billion SEK in revenue with robust profit margins, driven by adoption and integration in mass volume markets such as PC and VR and in high-margin niche markets
- In mass market products such as computers and VR and AR-headsets eye-tracking contributes to more intuitive and natural user interfaces and experiences
- In healthcare and other niche markets, eye tracking is used in a broad range of applications, both as a control input, and as the key for assessments, diagnostics and insights

Overview

Virtual reality
- IDC estimates that the market for VR & AR will grow from 5 to more than 40 million units by 2022\(^2\)
- Eye-tracking is viewed as a must-have technology in next-gen VR & AR devices – to improve graphics, save power, avoid VR-sickness and enable much more efficient and intuitive user interfaces
- First VR headsets with Tobii eye tracking were announced 2019 and early 2020 - the HTC Vive Pro Eye and Pico Neo 2 Eye
- Tobii is deeply engaged with a large share of the leading headset manufacturers and has close partnerships with leading eco-system players such as Qualcomm

Gaming PCs
- Gaming PCs is a large and growing market, and an early adopter market to the even larger mainstream PC market. 1 billion people play games on PC, and 20M gaming PCs >1,000 USD are sold per year
- Dell has during 2019 integrated Tobii eye tracking sensors across their entire portfolio of Alienware gaming laptops. Tobii also promotes its Tobii’s Eye Tracker peripheral and has products in market with Acer and MSI
- Eye tracking enables enhanced gaming experiences, more interesting e-sports broadcasting and game streaming, and new innovative e-sports training tools
- 150 games are already available that leverage eye tracking for increased game immersion

Niche markets
- Eye tracking adds specific and strong value in a broad range of innovative new niche devices and applications
- Use-cases range from assessments and diagnostics, to interaction in medical environments, optometry solutions, law enforcement and security applications, industrial use-cases and entertainment
- Tobii has over a dozen design wins with customers in healthcare and other specialized areas, of which some have already launched products
- These types of customers typically represent low to mid unit volumes for Tobii, but with high profit margins

Source: Company Information. Note: 1) Eye-tracking. 2) International Data Corporation.
The eye-tracking HTC Vive Pro Eye is a sign of VR to come
Eye-tracking technology is a great and mysterious power, and
headsets and phones are going to gain it really soon. The Vive
Pro Eye is just the start.

Tobii’s Poised For Big Wins In VR Eye Tracking
The whole point of eye tracking is to make it invisible to your brain.
Tobii has achieved that.

Tobii proves that eye tracking is VR’s next killer feature
Expect to see it in every future VR headset.

No more maybes: Eye tracking is the next step for VR.

Source: Company Information. Note: 1) Eye-tracking. 2) https://www.youtube.com/watch?v=AKD1yA7UJXY
Key credit highlights

Leading patent portfolio with strong technology advantage

Tobii’s patent strategy

- Tobii has a leading patent portfolio in eye-tracking
- The portfolio is comprised of over 600 granted patents or registered patent applications
- A strong patent position is important for Tobii to maintain its strong competitive market position, to achieve high long-term margins, opportunities for substantial licensing revenue and the freedom to sell its technology
- Tobii invests substantial resources in R&D and in the protection of innovations is considered to be of strategic significance. During the last two years, the R&D spend has amounted to SEK ~1,000m
- Tobii are conservative, so the book value of their patents is low (although real value is likely very high)

A strong patent position is important for Tobii to remain competitive and generate long-term margin and growth

Source: Company information. 1) Clearview (December 2016). 2) Graphs show number of patents held per company, counting only patents that are publicly visible via US Patent and Trademark Office and the European Patent Office. Per study by Clearview IP, 2016.
Key credit highlights

Profitable growth through strategic acquisitions

Several acquisition opportunities identified

- Tobii has an active acquisition agenda where the company evaluates potential acquisition candidates on an ongoing basis.
- Due to the uncertainty around the Smartbox acquisition in 2018 and the decision of a forced divesture by the British competition authority CMA, several M&A dialogues have been put on halt historically.
- A number of acquisition targets with strong strategic fit to the Tobii group are now identified and Tobii needs to be prepared to be able act on these opportunities in a swift manner.
- These acquisition candidates are characterised by:
  - Established long-term partnership with Tobii today
  - Active in markets and/or geographies where Tobii already operates
  - Long track record with well-proven business models
  - Deep expertise and experience in their respective field of business
  - EBITDA positive
Key credit highlights

Track record of acquiring and integrating businesses

Selected historical acquisitions

<table>
<thead>
<tr>
<th>Business unit</th>
<th>Tobii Dynavox</th>
<th>Tobii Pro</th>
<th>Tobii Pro</th>
<th>Tobii Dynavox&lt;sup&gt;2)&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Rationale</strong></td>
<td>Scale and synergies across sales, R&amp;D, access to reimbursement and operations</td>
<td>Geographical sales presence, expand product portfolio, strengthen research services organization</td>
<td>Growth opportunities within market research</td>
<td>Geographical sales presence, expand product portfolio, general scale and synergies</td>
</tr>
<tr>
<td><strong>Description of acquired entity</strong></td>
<td>Dynavox Systems was the market leader and main competitor in AAC solutions, with particular strength in touch communication devices, special education software and strongest sales &amp; reimbursement specifically in the US market</td>
<td>Acuity was Tobii Pro’s reseller in the UK market. It also had its own research services business and innovative products</td>
<td>Sticky had developed a promising SaaS solution for large-scale eye tracking market research</td>
<td>Smartbox Assistive Technology was a global leading company in AAC and particular strong in the UK</td>
</tr>
<tr>
<td><strong>Acquired assets</strong></td>
<td>- Through the acquisition Tobii tripled; the sales force in the US market, the number of insurance contracts and the size of funding consultants team &lt;br&gt; - Added industry-leading clinical language expertise, an entire new touch segment of the product portfolio, Special Education sub-segment &amp; products and doubled the R&amp;D organization and capabilities</td>
<td>- Sales organization in UK &lt;br&gt; - Beta version of VR Analytics product &lt;br&gt; - Research services team in UK</td>
<td>- Sticky SaaS platform &lt;br&gt; - SaaS R&amp;D team</td>
<td>- Tripled sales and support team in UK market &lt;br&gt; - Industry-leading AAC software and strong software R&amp;D capabilities</td>
</tr>
<tr>
<td><strong>Outcome</strong></td>
<td>- Doubled revenue of the business unit at merger with significant revenue growth driven by cross-selling synergies &lt;br&gt; - Successfully executed a full organizational integration and extracted large synergies across sales, R&amp;D, funding, support etc &lt;br&gt; - Leveraged combined R&amp;D capabilities and clinical expertise resulting in brand new portfolio of touch-based products that drive rapid growth in that segment since early 2018</td>
<td>- Achieved very large market share in UK market &lt;br&gt; - Rapidly growing UK services business</td>
<td>- Used as core tool in Tobii Pro’s rapidly growing research services business &lt;br&gt; - Growing sales of SaaS solution to third-party customers</td>
<td>- CMA forcing Tobii to divest Smartbox due to competitive concerns. Divestiture process ongoing, in parallel with appeals process</td>
</tr>
<tr>
<td><strong>Date of closing</strong></td>
<td>Q2 2014</td>
<td>Q1 2018</td>
<td>Q2 2017</td>
<td>Q4 2018</td>
</tr>
<tr>
<td><strong>EV</strong></td>
<td>USD 18m</td>
<td>GBP 2.6m</td>
<td>USD 3.3m</td>
<td>GBP 11.0m</td>
</tr>
<tr>
<td><strong>LTM sales</strong></td>
<td>USD 50m</td>
<td>GBP 2.3m</td>
<td>USD 1.5m</td>
<td>GBP 9.8m</td>
</tr>
<tr>
<td><strong>LTM EBITDA</strong></td>
<td>USD 5m</td>
<td>GBP 0.2m</td>
<td>USD (2.0m)</td>
<td>GBP 0.8m</td>
</tr>
<tr>
<td><strong>EV/Sales</strong></td>
<td>0.4x</td>
<td>1.1x</td>
<td>2.2x</td>
<td>1.1x</td>
</tr>
<tr>
<td><strong>EV/EBITDA</strong></td>
<td>3.6x</td>
<td>10.8x</td>
<td>n.m.</td>
<td>13.8x</td>
</tr>
</tbody>
</table>

**Source:** Company Information. **Note:** 1) LTM at time of closing of the acquisition. 2) The acquisition of Smartbox was closed in Q4 2018, but since the British Competition Authority (CMA) has initiated a review of the acquisition, integration with Tobii Dynavox has not yet been finalised.
Key credit highlights

Restricted Group – Proven historical track record of growth and high EBITDA margins

Company

Tobii Dynavox

Net revenue

2015 2016 2017 2018 2019
740 762 708 798 906

EBITDA

2015 2016 2017 2018 2019
182 185 135 138 170

Capitalised R&D

2015 2016 2017 2018 2019
38 54 61 74 86

Tobii Pro

Net revenue

2015 2016 2017 2018 2019
210 245 304 397 443

EBITDA

2015 2016 2017 2018 2019
44 45 66 101 91

Capitalised R&D

2015 2016 2017 2018 2019
22 31 49 63 61

Restricted Group¹)

Net revenue

2015 2016 2017 2018 2019
950 1,007 1,012 1,194 1,349

EBITDA

2015 2016 2017 2018 2019
226 230 201 239 261

Capitalised R&D

2015 2016 2017 2018 2019
60 85 110 137 147

Comments

▪ The Restricted Group has shown a steady growth driven mutually by Tobii Dynavox and Tobii Pro

▪ Lower Tobii Dynavox EBITDA in 2017 and 2018 has been driven by i.a. lower 2017 revenue, shift in product offering and transactions related non-recurring costs later in 2018

▪ Positive impact of product shift well on the way as seen on revenue growth

▪ 2018 and 2019 have been characterized by higher than usual investment pace partly driven by enhanced and shifted product offering

Source: Company Annual Reports & Interim Reports and Bloomberg. Note: 1) In accordance with the Company’s accounting structure all internal costs and sales between the subsidiaries are allocated to the responsible business area, e.g. Tobii Dynavox, Tobii Pro and Tobii Tech. 2) Excluding IFRS 16 adjustments.

Restricted Group 2019 net revenue of SEK 1,349m with EBITDA of SEK 261m²)
<table>
<thead>
<tr>
<th>Section</th>
<th>Pages</th>
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<tbody>
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Q4 trading update

The group shows strong growth in Q4 2019 compared to Q4 2018, improving both sales and EBITDA in each segment.

Note: 1) Excluding IFRS 16 adjustments.
P&L Group

Taken as a whole, and due to heavy investments in Tobii Tech, the Group has historically shown fluctuating EBITDA levels, but is targeting sustainable positive EBIT on a Group level from 2020 onwards.

Source: Company Annual Reports & Interim Reports and Bloomberg. Note: 1) The Group is subject to allocation of Group eliminations on top-line revenue, therefore presented as adjusted for eliminations.
2) Excluding IFRS 16 adjustments.
The Group has a strong financial position as of 31 December 2019 with a net cash position of SEK 185m (208m including Smartbox).

Research and development costs are recognized as an expense according to IFRS guidelines. Expenses for development projects (related to the design, development and testing of new or improved products) are capitalized in the balance sheet as intangible assets to the extent these expenses are expected to generate future economic benefits. As of 31 December 2019, the Group’s total reported intangible assets amounted to SEK 611m.

Source: Company Annual Reports & Interim Reports and Bloomberg; source date: 7 February 2020. Note: 1) Based on market cap of 7 February 2020.
Group financials

**Historical cash flow – significant investments for growth**

The Group cash flow is highly affected by the large investments in R&D

- Decrease in cash flow from operating activities in 2017 and 2018 is to a large extent driven by accelerated investments in Tobii Tech
- Investments are to a majority represented by R&D in Tobii Dynavox and Tobii Pro, but also include capex in Tobii Tech as well as business acquisitions/combinations
- Cash from financing activities represent equity issues including 2015 IPO and 2016 rights issue
- During 2019, Tobii issued a 3-year SEK 300 million bond loan under a SEK 600 million framework
## Agenda

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Risk factors

Investing in the Bonds involves inherent risks. The financial performance of Tobii AB (publ) (the "Issuer") and its subsidiaries (together, the "Group") and the risks associated with its business are important when making a decision on whether to invest in the Bonds. A number of risk factors and uncertainties may adversely affect the Group. If any of these risks or uncertainties actually occur, the business, operating results and financial position of the Group could be materially and adversely affected, which ultimately could affect the Issuer’s ability to make payments of interest and repayments of principal under the final terms and conditions for the Bonds (the "Terms and Conditions"). In this section, a number of risk factors, both general risks pertaining to the Group’s business operations and material risks relating to the Bonds as financial instruments, are illustrated. The risks presented in this material are not exhaustive as other risks not known to the issuer or risks arising in the future may also come to adversely affect the Group, the price of the Bonds and the Issuer’s ability to service its debt obligations. Further, the risk factors herein are not ranked in order of probability, importance or potential impact. Potential investors should carefully consider the information contained in this material and make an independent evaluation before making an investment decision.

Risks associated with the Group, the industry and the market

Global economic and market conditions

The Group operates globally and its operations are therefore dependent on global economic developments as well as conditions that are unique to different countries and/or regions. The Group’s primary end user markets are individuals with speech and communication disabilities, companies and academic institutions conducting research on human behaviour and the market for PC gaming and VR electronics. All of these markets are affected by macroeconomic factors such as the general economic trend, employment rate development, population growth, inflation, and general spending and consumption power. The development of the market for PC gaming and VR electronics is also affected by factors such as the general economic trend, employment rate development, population growth, and general spending and consumption power. The development of the market for PC gaming and VR electronics is also affected by factors such as the general economic trend, employment rate development, population growth, and general spending and consumption power. The Group also experiences increased competition from other companies in the market for PC gaming and VR electronics. The Group’s ability to develop new products within new market segments, which also has the advantage of the market for PC gaming and VR electronics is also affected by factors such as the general economic trend, employment rate development, population growth, and general spending and consumption power. The Group’s ability to develop new products within new market segments, which also has the advantage of

Research and development

The Group’s future growth depends on its ability to invent and develop new and more efficient and effective products within its core areas, to produce them cost-effectively, as well as on its ability to improve existing products, in order to meet future customer requirements and to avoid losing market share to competitors. Future growth is also dependent on the Group’s ability to develop new products within new market segments, which also has the advantage of decreasing reliance on existing market segments which may become redundant in future. Research and development of new products is costly and entails a risk of unsuccessful commercialisation. Failure to develop successful products in existing and new markets, or the incurrence of significant expenditure on developing unsuccessful products, could have a material negative impact on the Group’s revenue, operations, profitability and financial position.
Risk factors

Production and carrying of stocks
The Group’s products are mainly manufactured in Southeast Asia and shipped to customers in Asia, Europe and North America. Should there be an interruption or a disturbance – such as a breakdown, a labour dispute or a natural disaster – at any stage, it may have a major impact on the Group’s ability to fulfil its obligations to its customers. The Group’s customers rely on the provision of its products in set volumes and in a timely and reliable manner. Any such interruptions or disturbances may therefore lead to a loss of confidence and potentially termination of contracts and relationships, any of which could have a material negative impact on the Group’s revenue, operations, profitability and financial position.

As the demand for the Group’s products increase, it will be more important for the Group to keep additional products and components in stock. Ineffectiveness in the management of stock levels, for example by fault or negligence, may lead to excess or insufficient stock levels. Excess stock levels may result in the necessity for the Group to devalue or to scrap products and components. Insufficient stock levels may force the Group to buy supplies and components at a high price or enter into contracts with suppliers on unfavourable terms. Thus, ineffective management of stock levels could have a material negative impact on the Group’s revenue, operations, profitability and financial position.

Risks associated with the Group’s partners, suppliers and dependency on important customers
The Group’s operations are dependent on collaborations with its partners, such as the global network of resellers, insurance bodies, research companies, large electronics companies and gaming companies for the development and sales of the Group’s products. For example, the Group’s business unit for assistive technology for people with reduced ability to speak and communicate, works together with carefully selected and professional resellers and support suppliers. If such resellers, or other partners and customers, would end the collaborations or not meet their obligations and quality of sales and support, or in the Group fails in its efforts to follow up and develop its existing and future partnerships, this could have a material negative impact on the Group’s revenue, operations, profitability and financial position.

The Group is dependent on a small number of external suppliers and providers for the supply of components and product assembly. To be in a position to manufacture, sell and deliver products, the Group is dependent upon deliveries from such suppliers and providers in accordance with agreements relating to, among others, quantity, quality and delivery time. Issues with operations, price increases, erroneous delivery forecasts, or other reasons that the suppliers cannot deliver in accordance with the needs of the Group, may lead to quality problems and delays in deliveries for the Group and in consequence, loss of revenue and increased costs. Should any agreements or partnership with such key suppliers and providers be terminated or ended, it will be difficult to replace such key suppliers and providers in a timely manner. Furthermore, erroneous or faulty deliveries to the Group’s customers and any delay or default from the Group’s suppliers to the Group could have a negative effect on the Group’s reputation and relationships including leading to potential termination rights, claims for indemnification of losses under Company’s customer agreements, and could thus have a material negative impact on the Group’s revenue, operations, profitability and financial position.

The Group are dependent on some important key customers such as large integration customers, but also authorities in different jurisdictions. The Group has entered into certain contracts with such customers without binding volume commitments or guarantees. There is therefore a risk that customers might choose not to implement planned integrations, even if they have been announced as “design wins.” Should this risk materialise, it could have a material negative impact on the Group’s revenue, operations, profitability and financial position.

Some of the Group’s customers are dependent on public and private funding systems
End customers in the Group’s market for assistive technology for communication for individuals with reduced ability to speak and communicate are, to some extent, dependent on national subsidies, government incentive and support, or in the Group fails in its efforts to follow up and develop its existing and future partnerships, this could have a material negative impact on the Group’s revenue, operations, profitability and financial position.

Increased competition in the Group’s markets
The Group operates in a highly competitive global market. The Group has a number of competitors across different product categories and geographic markets. The competitors compete by price, innovations and quality of the products, but also by other competitive factors such as production capacity and performance and product availability. For example, the Group offer specialized products that encounter competition from simpler and less expensive consumer products. There is a risk that this trend will continue and affect more product categories in the future.

The Group’s future ability to compete successfully is, among other things, dependent upon the Group’s ability to anticipate future market changes, trends and new technology development, and to react rapidly to existing and future market needs, which may result in increased costs or require price reductions or changes of the Group’s business model. Further, the Group operates in a global market where several competitors may have greater financial resources than the Group and therefore be able to spend more on research and development and creating a price effective product, or be able to sustain a period of lower prices better than the Group. If the Group’s competitors or new market participants develop technologies and products that offer a better price and performance, there is a risk that they will take market share from the Group. Moreover, it is likely that in the future the Group will encounter competition to a greater extent from large, well-established and well-financed entities.

Should any of these risks materialise or an increase of competition would occur, it could have a material negative impact on the Group’s revenue, operations, profitability and financial position.
Risk factors

Risks associated with the Group’s acquisitions and the integration of acquired companies and operations

The Group has an acquisition strategy and actively seeks to acquire potential companies that could improve or complement the products offered by the Group. For example, the Group in 2018 acquired the UK-based Smartbox Assistive Technology Ltd (“Smartbox”), in order to further consolidate its market leading position and strengthen its sales channels in key geographical markets. The Group evaluates various potential acquisitions in line with the Group’s acquisition strategy and there is a risk that the Group do not succeed in identifying suitable companies to acquire or may fail to implement the acquisition due to, for example, competition from other acquirers or of the absence of adequate financing.

Due to the Group’s leading position in the Group’s target markets, the Group may be subject to obstacles relating to for example competition law in regards to certain acquisitions. The competition law framework aims, inter alia, to prevent business concentrations that obstruct the existence of effective competition. The acquisition of Smartbox, as described above, was investigated by the Competition & Markets Authority in the UK. In its investigation, the Competition & Markets Authority deemed that the acquisition creates an unacceptable reduction in competition in the UK and required the Group to divest Smartbox in its entirety. The Group appealed the decision to the Competition Appeal Tribunal (“CAT”), which lead to that the CAT in its initial judgement rendered the initial decision by the Competiton & Markets Authority partially incorrect. The Group is awaiting the CAT’s final order and the CAT may still require the Group to divest the Smartbox business. Any competition obstacles in connection with the Group’s acquisitions could have a material negative impact on the Group’s revenue, operations, profitability and financial position.

Acquisitions are inherently associated with financial, management and operational risks such as not being able to secure adequate financing to favourable terms for the Group, unforeseen costs, not allowing the management’s attention to be directed at the conduction of the ordinary business and difficulties integrating new operations with existing operations or that newly integrated operations not preform as expected, which in turn may prove the acquisition to be unprofitable. Acquisitions may also be connected to risks associated with the seller. If a seller is, or ends up in, financial difficulties, the possibility to put forward warranty claims may be limited. If one or several of the abovementioned risks would materialise, this could have a material negative impact on the Group’s revenue, operations, profitability and financial position.

Product liability, warranties and reputational damage

The Group’s operations include product development, manufacturing, marketing and sales. Since the Group manufactures products and components that the Group supplies to integration customers, with advanced features, matters of quality are particularly important. A defect in any part of the production process could lead to quality issues or involve other risks with regard to, among others, product safety. The Group’s products have expressed and implicit warranties and the Group may in the future suffer losses due to such warranties. In addition, the Group’s products and components are, or will be, integrated in a number of applications and products such as computers, gaming equipment and motor vehicles. If any of such products turn out to be flawed or defective, it could render the Group responsible and thus have a material negative impact on the Group’s revenue, operations, profitability and financial position.

The Group’s production and products could be exposed to product liability and considerable warranty claims and subjected to requirements on product recall in the event that the products have defects or other quality faults that may cause damage or personal injuries or are suspected of potentially causing damage or personal injuries to individuals or property. Unforeseen issues of product quality may harm the Group’s reputation and brand, result in costs in relation to warranty claims, indemnification under customer contracts, and have a material negative impact on the Group’s revenue, operations, profitability and financial position.

Insurance

The Group’s operations are subject to a number of risks, such as potential damage to its production facilities, damage to equipment and inventory, potential future environmental damage at the properties where the Group operates and/or potential claims regarding defect products. The Group’s business and assets are insured through different insurance policies, which the Group believes are adequate and are usual for companies carrying on the same or substantially similar business. There is a risk that its current insurance protection cannot be maintained on acceptable terms or at all or that future losses will not be fully covered or at all by the Group’s insurance protection. Further, certain types of losses are not possible to insure and will, thus, not be covered by the Group’s insurances. Hence, there is a risk that serious events such as fires at the Group’s production facilities, may lead to production stoppages and potentially the loss of key contracts as a result, the economic effects of which may not be fully covered by the Group’s insurance or at all. Any such limitations or absence of insurance coverage are likely to result in the Group being required to pay for losses, damages and liabilities leading to adverse effects on the Group’s business, earnings or financial position.

The Group may be unable to protect its intellectual property rights and could be at risk of infringing third party intellectual property rights

The Group’s ability to grow its business successfully depends, amongst other things, on its ability to protect, register and enforce its intellectual property rights. The Group holds many patents throughout the world in many key areas of eye tracking technology as well as internal intellectual property know-how related to eye tracking. The Group is strongly focused on maintaining and extending its patent leadership position. The Group seeks to protect its innovations to safeguard the returns on the resources that the Group assigns to research and development. Patents are an essential part of the Group’s property rights and the Group therefore continuously submits patent applications whenever the Group considers appropriate. There is a risk that the Group will not be able to adequately protect its patents, trademarks and other intellectual property rights or that submitted applications for registration would not be granted.

Further, there is a risk that innovation and products are developed by competitors or others, which circumvent or replace the Group’s intellectual property rights. In addition, the Group is partly dependent on know-how that cannot be protected by intellectual property law. It is possible that competitors will develop similar know-how or that the Group is not able to protect its know-how in a desired manner. There is also a risk that the Group infringes the intellectual property rights of others. Infringement disputes, like disputes in general, can be costly and time consuming, and can in addition to monetary remedies result in injunctions stopping product sales, and may therefore have a material negative impact on the Group’s revenue, operations, profitability and financial position.
Risk factors

Disputes and the risk of litigation
The Group is exposed to the risk of litigation, disputes and claims resulting from the agreements entered into with its customers, suppliers and other business partners or claims from third parties, as well as its business operations in general. The Group currently has a patent infringement claim directed towards Beijing 7invensun in the US. It is currently too early to estimate the claim amount. Beijing 7invensun has filed a counterclaim against the Group in China, alleging patent infringement. There is a risk that the Group is not successful in proving their infringement case, with the consequence that Beijing 7invensun can continue to sell and market their product. The Group may in the future acquire further businesses, in certain jurisdictions, which have a tradition of litigation behaviour, which may increase the risk of litigation, disputes and claims. The Group may in the future become involved in commercial disputes as well as legal and arbitration disputes, with public authorities or private parties, which involve substantial claims for damages or other sanctions. Such disputes could be time consuming and costly and there is a risk that the outcome will be unsuccessful for the Group. Furthermore, the costs associated with such disputes or claims cannot always be foreseen. Therefore, disputes could have a material negative impact on the Group’s revenue, operations, profitability and financial position.

The Group’s production and exports of certain products may need permits from public authorities
There is a risk that the Group in the future is not granted required permits or is not able to obtain the authorisations necessary to conduct and develop its business in accordance with the Group’s strategy. The Group’s production and exports are, to some extent, dependent on the granting of permits by the relevant public authorities, such as the U.S. Food and Drug Administration (the “FDA”). The Group holds certificates with the FDA concerning some of the Group’s products that are categorised as medical equipment. Certain end users are also in some cases covered by regulations regarding handling of patient data. If the Group does not comply with its regulatory obligations, the may be increased credit-, liquidity- and operation risk. Categoryisation for medical equipment may also vary in different jurisdictions and it may be difficult for the Group to assess the costs and time in order to obtain a certificate. There is a risk that the Group in the future fails to or is unable to maintain and/or obtain certificates required for it to continue or develop its business. Any such failure may lead to production stoppages or restrictions on planned growth, any of which may have a material negative impact on the Group’s revenue, operations, profitability and financial position.

The Group is dependent on key employees
The Group operates in a high-tech market, in which the expertise of key personnel and others is of major importance for the Group’s operations and continued development. The Group relies on the executive management team, key employees with various specialist skills, and relies on for examples as engineers and administration personnel, but also relies on its management processes in order to produce its products. Thus, the Group is dependent on its ability to retain and motivate high quality and highly skilled personnel. Should the Group be unable to attract and retain, among others, key officers and key employees as well as the necessary technical, sales, marketing and managerial staff, including recruit skilled personnel with appropriate qualifications and experience, it could have a material negative impact on the Group’s revenue, operations, profitability and financial position.

Risks relating to hiring and retaining personnel
The Group is dependent on an engaged, skilled and motivated workforce. Thus, the Group’s long term development is dependent on the Groups ability to attract and develop the right personnel and to focus on sustainability with respect to its workforce.

Since the Group operates in different geographical markets, the Group is dependent on achieving desired flexibility in staffing in the local market. Due to the differences between local markets, the Group is also exposed to the risk of adverse movements in labour cost, legislation with regard to, among others, labour’s rights and other local conditions related to staffing, such as specific local tax measures. Should the Group be unable to rapidly react and adapt to such changes, or at all be unable to comply with local requirements, it could lead to that the desired flexibility in staffing in each local market cannot be maintained, which in turn, could have a material negative impact on the Group’s revenue, operations, profitability and financial position.

Risks relating to legislation in different legal systems and legal proceedings
Laws in various jurisdictions, including, among others, tax legislation and employment legislation, regulate the Group’s business operations. Amendments or restatements of laws, regulations and standards or other changes thereof, leading to stricter requirements and changed conditions regarding, among others, employees’ rights, safety and health or environmental regulations, or a development to a stricter implementation and application by the authorities of existing laws and regulations, may have negative implications for the Group. Such amendments may force the Group to make further investments, to reorganise its business or take other measures, with increased costs consequently.

There is a risk that new interpretations and amendments in the application of existing laws and regulations in combination with new laws and regulations, in any jurisdiction in which the Group operates, will have an adverse effect on the Group, and that it will become more burdensome and costly for the Group to monitor legal compliance, which could have a material negative impact on the Group’s revenue, operations, profitability and financial position.

Further, the Group and its subsidiaries have entered into number of agreements with customers, suppliers, distributors and other third parties domiciled in different countries and the laws of various jurisdictions govern the agreements. There is a risk that the Issuer or its subsidiaries will not be able to enforce all of their rights under these agreements due to applicable laws and regulations. If the Issuer or its subsidiaries are unable to enforce their rights under the agreements, this could have a material negative impact on the Group’s revenue, operations, profitability and financial position.
Risk factors

Risks related to changes or the interpretation or application of tax
The Group’s sales are primarily realised through subsidiaries that are active in the geographic markets in which it operates and have customers on a global scale. The Group conducts its business in accordance with the Group’s interpretation of applicable tax laws and regulations, and in accordance with advice from tax advisors. There is a risk that the Group’s interpretation and application of tax requirements, with respect to, among others, company corporate tax, VAT, rules on tax-exempted divestment of shares, other state or municipal charges, tax refunds and interest deductions may be incorrect or that such regulations change, possibly with retroactive effect. Further, future changes in applicable tax laws and regulations may affect the conditions of the business of the Group. Tax rates may be changed in the future or other changes of regulations may occur which affect the ownership of certain assets or which could affect the performance of certain transactions.

In June 2018, the Swedish Government passed legislation regarding new interest deduction limitation rules. The rules entered into force on 1 January 2019. Under the legislation, a general limitation for interest deductions in the corporate sector applies by way of an EBITDA-rule under which net interest expenses, i.e., the difference between the taxpayer’s interest income and deductible interest expenses, is only deductible up to 30 per cent. of the taxpayer’s EBITDA for tax purposes. As an alternative rule, which can be applied instead of the EBITDA-rule, interest deductions of up to a threshold of SEK 5 million are always deductible for tax purposes. In addition, it is possible to offset a taxpayer’s net interest expenses against net interest income of an affiliated company with which the company may exchange group contributions for tax purposes. The legislation further states that interest costs may not for tax purposes be included in the tax basis value of certain assets, for example real property and land. Further, additional changes to the previous interest deduction limitation rules for interest costs on loans between affiliated companies apply. In summary, interest costs on loans to affiliated companies are only deductible if the affiliated company is either a resident in the EEA, in a country with which Sweden has a concluded double tax treaty or is subject to a tax rate of at least 10 per cent. on the interest income. However, no deduction is allowed if the primary reason for the debt is for the group to receive a substantial tax benefit.

Furthermore, the Group is subject to risks related to litigations and legal claims due to the integrated global nature of the Group’s business operations, which may give rise to complexity and delays in assessing the Group’s tax position. This could lead to that the Group occasionally faces tax audits, which in some cases may result in disputes with tax authorities. The Group makes provisions for the outcome of such tax audits and litigations. During such tax audits, local tax authorities may challenge the Group’s assessment in relation to, among others, the Group transfer pricing, deductibility, depreciation for income tax purposes or possibility of utilisation of tax losses carry-forward. Disputes with tax authorities could lead to litigations in several instances, resulting in lengthy legal proceedings. If any of the described risks above would materialise, it could have a material negative impact on the Group’s revenue, operations, profitability and financial position.

Changed accounting rules
The Group’s businesses are affected by the accounting rules that, from time to time, are applied in the jurisdictions where the Group conduct business, including for example IFRS and other international accounting standards. This means that the Group’s accounting, financial reporting and internal control, may in the future be affected by and may have to be adapted to changed accounting rules or a changed application of such accounting rules. This might entail uncertainty regarding the Group’s accounting, financial reporting and internal control and might affect the Issuer’s and the Group’s accounted profit, balance sheet and equity, which could have a material negative impact on the Group’s revenue, operations, profitability and financial position.

Accounting in accordance with IFRS and generally accepted accounting principles require the management to make assumptions. Assets and liabilities, income, costs and additional information accounted for are affected by assessments and assumptions. The assessments and assumptions are based on previous experience and expectations of future events that the management deem reasonable under the circumstances at hand. The actual outcome may however differ from the assessments and assumptions made and this could have a material negative impact on the Group’s revenue, operations, profitability and financial position.

The Group may need to impair the value of its capitalized development costs
The Group’s capitalised expenses for product development comprise a significant portion of the Group’s balance sheet. There is a risk that the future estimated cash flow will not be equivalent to the book value of capitalized expenses for product development and that, as a result, there is a risk for impairment of such capitalized development costs. If such risk would materialise, this could have a material negative impact on the Group’s revenue, operations, profitability and financial position.
Risk factors

Geographical and political risks
The Group operates in different countries and revenue is generated across different geographical markets. The Group is thus exposed to local, as well as global, market trends and conditions. Should the Group incur additional costs due to local fluctuation in supply and demand and fluctuations in prices in the areas in which the Group operates, this could have a material negative impact on the Group’s revenue, operations, profitability and financial position.

Further, considering that the Group conducts its business in several countries, the Group is exposed to risks associated with such international business, including increased costs of transportation or shipping. The materialisation of any such risks could have a material negative impact on the Group’s revenue, operations, profitability and financial position.

The Group has commercial interests in countries which may be exposed to economic disruptions. These countries, foremost China, Taiwan, Ukraine and Chile, are subject to greater risks, such as political, legal, regulatory, economic and social risks and uncertainties, than countries with more developed institutional and political structures. Thus, the Group is exposed to risks of losses resulting from changes in laws and regulations, economic and social upheaval, fiscal instability, adverse sovereign action by governments, and other such factors. For example, a number of the Group’s development consultants are located in Ukraine and due to the territorial conflict between Russia and Ukraine, there is a risk that the work and development performed by such consultants may be impossible to perform in the future. Among the more significant risks of having commercial interests and arrangements in these countries are those arising from the establishment or enforcement of foreign exchange restrictions, which could prevent the Group from repatriating profits or liquidating assets and withdrawing from one or more of these countries, as well as changes in tax regulations or enforcement mechanisms, which could reduce substantially or eliminate any revenues derived from operations in such countries and reduce significantly the value of assets related to such operations. Moreover, the Group is exposed to tariffs, export and import restrictions/controls, pricing restrictions, corruption and bribes.

If any one or more of the above risks were to materialise, it could have a material negative impact on the Group’s revenue, operations, profitability and financial position.

Bribes, corruption and competition authorities
The Group and its customers operate in a number of different geographical areas, often with different cultural approaches to good business practices, and accordingly may be exposed to a risk of unethical or illegal behaviour. The Group’s operations could be adversely affected if the Group were to become associated, even if based on unfounded claims or tenuous connections, with illegal activities or otherwise unethical business methods or become the subject of investigations by competition authorities or other regulatory authorities. Such association or investigation could result in, among others, a negative perception of the Group among its current and future customers, problems in relationships with important contracting parties, an adverse effect on the Group’s ability to conduct major acquisitions or fines or sanctions from competition authorities or other regulatory authorities. Any of these circumstances, if materialised, could have a material negative impact on the Group’s revenue, operations, profitability and financial position.

Failure to comply with international sanctions
Sanctions regimes imposed by governments, including those imposed by the EU, the United States (including those administered and enforced by the Office of Foreign Assets Control), or other relevant countries or international bodies, could operate to restrict the Group from engaging in trade or financial transactions with certain countries, businesses, organisations and individuals. The legislation, rules and regulations established under sanctions regimes are often broad in scope and subject to varying interpretation, and in recent years, governments have increased and strengthened such regimes in relation to certain countries. Should the Group be deemed to have violated any existing or future EU, United States or other applicable international sanctions, this could result in fines or other penalties that may have a negative impact on the Group’s reputation and financial position as well as its ability to conduct business in certain jurisdictions or access international capital markets and therefore could have a material negative impact on the Group’s revenue, operations, profitability and financial position.

EU General Data Protection Regulation
The EU adopted a new general data protection regulation 2016/679/EU (the “GDPR”), which entered into force on 24 May 2016 and applies from 25 May 2018. The main objectives of the GDPR are to harmonise EU laws on personal data and facilitate the flows of data across the EU as well as to ensure that personal data enjoys a high standard of protection everywhere in the EU. The GDPR includes new requirements for the handling of personal data. This may create challenges for the Group in order to ensure its compliance with the GDPR. There is a risk that, for instance, a misinterpretation of GDPR leads to that the Group will not be fully compliant. Failure to comply with the GDPR may subject the Group to substantial monetary fines, which could have a material negative impact on the Group’s revenue, operations, profitability and financial position.

Goodwill
A substantial share of the Group’s intangible fixed assets consists of goodwill. Goodwill is tested at least annually to identify any necessary impairment requirements. In the event that future impairment tests in respect of decreases in the value of goodwill should lead to impairment, this may have a negative impact on the Group’s business, financial position and results.
Risk factors

Risks relating to disasters, disruption and hazard risks (including IT or network failure)
Considering the nature of the Group’s business, the Group is dependent on overall societal stability and continuity. Thus, the Group is reliant upon detailed business impact analysis and the development of business continuity plans, which have to be periodically evaluated and updated. A significant breakdown or other disruption in the IT systems could affect the Group’s ability to conduct its operations and fulfil its customer commitments. There is also a risk that trade secrets, such as information regarding research and development, or personal data or other sensitive information about employees or customers, could be used incorrectly or disclosed if the Group were exposed to data hacking. The Group is also reliant on back-up and disaster plans and strategies as well as proper insurance coverage with respect to business continuity in general. There is a risk that the continuity of the Group’s business may be affected by natural disasters, wars, terrorist attacks, other civil disturbances, epidemics, technical failures, operating malfunctions, sabotage, etc. Any sustained disruption of the Group’s services, both in relation to own systems and customer’s systems, may lead to significant deterioration in the profitability from the affected site, country or region, which could have a material negative impact on the Group’s revenue, operations, profitability and financial position.

Liquidity risks
Liquidity risk is the risk that the Group is unable to meet its payment obligations at any maturity date without the refinancing cost increasing significantly or at all. Liquidity risk arises from the Group’s management of its working capital as well as the finance charges and principal repayments of its debt instruments. If the Issuer’s or the Group’s liquidity sources prove not to be sufficient, it could have a material negative impact on the Group’s revenue, operations, profitability and financial position and its ability to meet its payment obligations under the Bonds.

Financing and refinancing risk
Financing risk is that the Group does not obtain access to financing or refinancing at all or only on unfavourable terms. The Group’s business may from time to time be financed through borrowings from external creditors, such as bank loans and market loans. However, such financing may contain undertakings, which, if breached and not waived, could result in such financing being accelerated and becoming due and payable. There is a risk that an obligation to prepay any such financing will prevent the Group from being fully financed and being profitable in the future and will thus have a material negative impact on the Group’s revenue, operations, profitability and financial position.

There is a risk that inability to refinance existing or future facilities or to obtain additional financing at market terms, as a result of a deficiency in the capital market or for any other reason, will result in delays or reduction or termination of certain operations and, in turn, will have a material negative impact on the Group’s revenue, operations, profitability and financial position.

Currency risks
The Group reports in SEK but has also other currencies as functional currencies in addition to SEK, and conduct its purchases and/or sales in, among others, EUR, USD and JPY. As the exchange rates relating to these currencies fluctuate, the Group incurs transaction exposure as transactions made in other currencies than the reporting currency need to be recalculated into the reporting currency. Unfavourable currency exchange rate fluctuations may therefore have a material negative impact on the Group’s revenue, operations, profitability and financial position.

Interest rate risk
The Group may from time to time finance its operations by borrowing funds, a portion of the Group’s cash flow may therefore be used to service interest liabilities. Changes in interest rates affect the Group’s interest costs and may lead to changes in actual value, changes in cash flows and fluctuations in the Group’s result, which in turn could have a material negative impact on the Group’s revenue, operations, profitability and financial position.

Customer credit risks
Where there is a risk that the Group’s counterparties will be unable to fulfill their financial obligations towards the Group, the Group is exposed to a credit risk. The Group applies market standard payment terms to its customers. The Group’s current and potential customers and other counterparties may end up in financial situations where they cannot pay the agreed fees or other amount owed to the Group as they fall due, or otherwise abstain from fulfilling their obligations. If a customer or a counterparty cannot pay a debt on time or at all it may have a material negative impact on the Group’s revenue, operations, profitability and financial position.

Risks associated with the Bonds
Credit risks
An investment in the Bonds carries a credit risk relating to the Group. The bondholders’ ability to receive payment under the Terms and Conditions is therefore dependent upon the Issuer’s and the Group’s ability and willingness to meet its payment obligations, which in turn is dependent upon the performance of the Group’s operations and its financial position. The Group’s financial position is affected by several factors, a number of which have been discussed herein. An increased credit risk may cause the market to charge the Bonds a higher risk premium, which would have an adverse effect on the value of the Bonds. Another aspect of the credit risk is that any deterioration in the financial position of the Group may entail a lower credit-worthiness and the possibility for the Group to receive financing may be impaired when the Bonds mature.

Refinancing risk
The Issuer may be required to refinance its outstanding debt, including the Bonds. The Issuer’s ability to refinance successfully its debt obligations is dependent upon the conditions of the capital markets and the Issuer’s financial position at such time. Even if the markets and the Issuer’s financial position improve, the Issuer’s access to financing sources may not be available on acceptable terms, or at all. The Issuer’s inability to refinance its debt obligations on acceptable terms, or at all, could have a material negative impact on the Group’s revenue, operations, profitability and financial position.
Risk factors

Ability to service debt
The Issuer’s ability to service its debt under the Bonds will depend on, among other things, the Group’s future financial and operating performance, which will be affected by prevailing economic conditions and financial, business, regulatory and other factors, some of which are beyond the Group’s control. If the Group’s operating income is not sufficient to service its current or future indebtedness, the Group will be enforced to take actions such as reducing or delaying its business activities, acquisitions, investments or capital expenditures, selling assets, restructuring or refinancing its debt or seeking additional equity capital. There is a risk that the Group will not be able to affect any of these remedies on satisfactory terms, or at all, which could have a material negative impact on the Group’s revenue, operations, profitability and financial position.

Interest rate risks
The value of the Bonds is dependent on several factors, including the level of the general market interest rates over time. The Bonds have a floating rate structure on three (3) month STIBOR plus a margin and the interest rate of the Bonds will be determined two (2) business days prior to the first day of each interest period. Hence, the interest rate is to a certain extent adjusted for changes in the level of the general interest rate. An increase of the general interest rate level could adversely affect the value of the Bonds. The general interest rate level is to a high degree affected by the Swedish and the international financial development and is outside the Group’s control.

Liquidity risks
Upon a Subsequent Bond Issue (as defined in the Terms and Conditions), the Issuer shall ensure that the volume of Bonds listed on Nasdaq Stockholm is increased accordingly and promptly, but no later than fifteen (15) Business Days after the issue date. The failure to comply with such undertaking does not give each bondholder a right of prepayment (put option) of its Bonds, but constitutes an event of default which may lead to the Bonds being terminated. Even if the Bonds are admitted to trading on a regulated market in a timely manner, there is not always active trading in the securities and there is a risk that there will not be a liquid market for trading in the Bonds or that this market will be maintained even if the Bonds are listed. This may result in that the bondholders cannot sell their Bonds when desired or at a price level which allows for a profit comparable to similar investments with an active and functioning secondary market. Lack of liquidity in the market may have a negative impact on the market value of the Bonds. Furthermore, the nominal value of the Bonds may not be indicative compared to the market price of the Bonds if they are admitted for trading on a regulated market.

It should also be noted that during a given time period it may be difficult or impossible to sell the Bonds (at all or at reasonable terms) due to, for example, severe price fluctuations, close down of the relevant market or trade restrictions imposed on the market.

The market price of the Bonds may be volatile
The market price of the Bonds could be subject to significant fluctuations in response to actual or anticipated variations in the Issuer’s and the Group’s operating results and those of its competitors, adverse business developments, changes to the regulatory environment in which the Group operates, changes in financial estimates by securities analysts and the actual or expected sale of a large number of Bonds, as well as other factors, some of which have been discussed herein. In addition, in recent years the global financial markets have experienced significant price and volume fluctuations, which, if repeated in the future, could adversely affect the market price of the Bonds without regard to the Issuer’s operating results, financial position or prospects.

The Bonds may not be a suitable investment for all investors
Each potential investor in the Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

a) have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference in this material or any applicable supplement;
b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact the Bonds will have on its overall investment portfolio;
c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds;
d) understand thoroughly the Terms and Conditions and the other Finance Documents (as applicable); and
e) be able to evaluate (either alone or with the help of a financial advisor) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Currency risk
The Bonds are denominated and payable in SEK. If investors in the Bonds measure their investment return by reference to a currency other than SEK, an investment in the Bonds will entail foreign-exchange-related risks. For example, possible significant changes in the value of the SEK relative to the currency by reference to which investors measure the return on their investments could cause a decrease in the effective yield of the Bonds below their stated coupon rates and could result in a loss to investors when the return on the Bonds is translated into the currency by reference to which the investors measure the return on their investments. Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuer to make payments in respect of the Bonds. As a result, there is a risk that investors may receive less interest or principal than expected, or no interest or principal.
Risk factors

Dependence on subsidiaries
A significant part of the Group’s assets and revenues relate to the Issuer’s subsidiaries. Accordingly, the Issuer may be dependent upon receipt of sufficient income related to the operation of and the ownership in such entities to enable it to make payments under the Bonds. The subsidiaries are legally separate and distinct from the Issuer and have no obligation to pay amounts due with respect to the Issuer’s obligations and commitments, including the Bonds, or to make funds available for such payments. The ability of the subsidiaries to make such payments to the Issuer is subject to, among other things, the availability of funds, corporate restrictions and the terms of each operation’s indebtedness. Should the Issuer not receive sufficient income from the subsidiaries, the investor’s ability to receive payment under the Terms and Conditions may be adversely affected.

Structural subordination and insolvency of subsidiaries
In the event of insolvency, liquidation or a similar event relating to one of the Issuer’s subsidiaries, all creditors of such company would be entitled to payment in full out of the assets of such company before the Issuer, as a shareholder, would be entitled to any payments. Thus, the Bonds are structurally subordinated to the liabilities of such subsidiaries. There is a risk that the Issuer and its assets would not be protected from actions by the creditors of a subsidiary, whether under bankruptcy law, by contract or otherwise. In addition, defaults by, or the insolvency of, certain subsidiaries of the Group may result in the obligation of the Group to make payments under financial or performance guarantees in respect of such companies’ obligations or the occurrence of cross defaults on certain borrowings of the Group, which could have a material negative impact on the Group’s revenue, operations, profitability and financial position and on the bondholders’ recovery under the Bonds.

Secured obligations and security over assets granted to third parties
The Bonds represent secured obligations of the Issuer. The security consists of (i) share pledges over all shares in Tobii Dynavox AB, Tobii Pro AB and Tobii Tech AB together with shares in any future subsidiary of the Issuer, provided that such subsidiary is a so called Other Material Asset (as defined in the Terms and Conditions) and provided that such subsidiary is directly held by the Issuer, (ii) any present and future money claims under intercompany loans, i.e. loans from the Issuer provided to any other company in the Group (from time to time) whereby proceeds received under the Bonds are on-lent (subject to certain conditions) and (iii) the Deposit Account (as defined in the Terms and Conditions) and all funds standing to the account from time to time. There is a risk that the proceeds from any enforcement of the pledged assets would not be sufficient to satisfy all amounts then due on or in respect of the Bonds. Moreover, certain of the pledged assets may be illiquid and have no readily ascertainable market value. For example, there is a risk that the shares that are secured for the benefit of bondholders provide for only limited repayment of the Bonds, in part because these shares prove to be illiquid or less valuable to other parties than to the Group. It is not certain that the secured assets will be saleable, or, even if saleable, that there will not be delays in the realisation of the value thereof. The Issuer has provided several intercompany loans to group companies prior to the first issue date and such intercompany loans are permitted loans under the Terms and Conditions and will not be pledged as security under the Bonds.

Moreover, according to the Terms and Conditions, the Issuer has the right to divest companies and other assets of the Group and such right also exist in relation to companies pledged under the Bonds, however subject to Section 11 of the Terms and Conditions “Redemption, repurchase and prepayment of the Bonds”. Upon divestment of Tobii Dynavox or Tobii Pro Material Assets (as defined in the Terms and Conditions), the Issuer shall apply the net proceeds from such disposal to the Deposit Account. The net proceeds standing on the Deposit Account shall be used for early redemption of the Bonds in full. Upon divestment of Other Material Assets (as defined in the Terms and Conditions) of the Group and as further described therein, the Issuer shall also apply the net proceeds from such disposals to the Deposit Account. Funds standing on the Deposit Account shall be used for either reinvestment in the Group’s business or for repayment of the Bonds in full. There is a risk that the validity of the pledge over such funds deriving from divestment of pledged group companies being Other Material Assets and standing on the Deposit Account to be used for reinvestment could be challenged under Swedish law. Moreover, as divestment of the pledged assets under the Bonds according to the above is permitted under the Bonds, the security package may decrease in accordance with this provision.

As mentioned above, additional pledges may be provided in accordance with the Terms and Conditions, however there is a period of fifteen (15) Business Days in relation to pledges subject to Swedish law and a period of thirty (30) Business Days in relation to pledges subject to foreign law before such additional pledges have to be granted.

The Group may, subject to limitation in the Terms and Conditions, incur additional financial indebtedness and provide security for such indebtedness. In the event of bankruptcy, re-organisation or winding-up of the Issuer, the bondholders will be subordinated in right of payment out of the assets being subject to security. In addition, if any such third party financial holding security provided by the Group would enforce such security due to a default by any company in the Group under the relevant finance documents, such enforcement could have a material negative impact on the Group’s revenue, operations, profitability and financial position and on the bondholders’ recovery under the Bonds.
Risk factors

Risks related to early redemption, prepayment and put option
Under the Terms and Conditions, the Issuer has reserved the possibility to redeem all outstanding Bonds on or after the First Call Date (as defined in the Terms and Conditions) and prior to the final redemption date. If the Bonds are redeemed before the final redemption date, the bondholders have the right to receive an early redemption amount, which exceeds the nominal amount of the Bonds. However, there is a risk that the market value of the Bonds is higher than the early redemption amount and that it may not be possible for bondholders to reinvest such proceeds at an effective interest rate as high as the interest rate on the Bonds and may only be able to do so at a significantly lower rate. The Issuer also has the right and obligation (as applicable) to redeem Bonds upon certain events occurring, these events are referred to as “special redemptions” in the Terms and Conditions.

According to the Terms and Conditions, the Bonds are subject to prepayment at the option of each bondholder (put option) (however as regards the Change of Control Event (as defined in the Terms and Conditions) subject to Section 11.4 of the Term and Conditions (“Special voluntary redemption upon a Change of Control Event prior to the First Call Date”)), if (i) an event or series of events whereby one or more Persons acting together, acquire control over the Issuer and where “control” means (a) acquiring or controlling, directly or indirectly, more than 50.00 per cent. of the votes of the Issuer, or (b) the right to, directly or indirectly, appoint or remove the whole or a majority of the directors of the board of directors of the Issuer, or (ii) if the Bonds issued under the initial Bond issue have not been listed on a regulated market within sixty (60) calendar days after the first issue date, or (iii) when the Bonds are admitted to trading on the corporate bond list of Nasdaq Stockholm or any other Regulated Market, if the Bonds are no longer listed thereon or the shares in the Issuer are not listed and admitted to trading on Nasdaq Stockholm or any other Regulated Market (as applicable) or trading in the shares in the Issuer on the relevant market is suspended for a period of (15) fifteen consecutive Business Days. There is, however, a risk that the Issuer will not have sufficient funds at the time of such prepayment to make the required prepayment of the Bonds which could adversely affect the Issuer, e.g. by causing insolvency or an event of default under the Terms and Conditions and thus adversely affect all bondholders and not only those that choose to exercise the option.

Ability to comply with the Terms and Conditions
The Issuer will be required to comply with the Terms and Conditions and the other Finance Documents. Events beyond the Issuer’s control, including changes in the economic and business condition in which the Group operates, may affect the Issuer’s ability to comply with, among other things, the undertakings set out in the Terms and Conditions. A breach of the Terms and Conditions could result in a default under the Terms and Conditions.

No action against the Issuer and bondholders’ representation
In accordance with the Terms and Conditions, the Agent will represent all bondholders relating to the Issuer and the bondholders are prevented from taking actions on their own against the Issuer. Consequently, individual bondholders do not have the right to take legal actions to declare any default by claiming any payment from or enforcing any security and/or guarantee and may therefore lack effective remedies unless and until a requisite majority of the bondholders agree to take such action. However, there is a risk that a bondholder, in certain situations, could bring its own action against the Issuer (in breach of the Terms and Conditions), which could negatively affect an acceleration of the Bonds or other action against the Issuer. To enable the Agent to represent bondholders in court, the bondholders may have to submit a written power of attorney for legal proceedings. The failure of all bondholders to submit such a power of attorney could negatively affect the legal proceedings.

Under the Terms and Conditions, the Agent will in some cases have the right to make decisions and take measures that bind all bondholders. Consequently, the actions of the Agent in such matters could affect a bondholder’s rights under the Terms and Conditions and the other Finance Documents in a manner that would be undesirable for some of the bondholders.

Bondholders’ Meetings
The Terms and Conditions will include certain provisions regarding bondholders’ meetings. Such meetings may be held in order to resolve on matters relating to the bondholders’ interests. The Terms and Conditions will allow stated majorities to bind all bondholders, including bondholders who have not taken part in the meeting and those who have voted differently to the required majority at a duly convened and conducted bondholders’ meeting. Consequently, the actions of the majority in such matters could affect a bondholder’s rights in a manner that would be undesirable for some of the bondholders.

Restrictions on the transferability of the Bonds
The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended, or any U.S. state securities laws. Subject to certain exemptions, a holder of the Bonds may not offer or sell the Bonds in the United States. The Issuer has not undertaken to register the Bonds under the U.S. Securities Act or any U.S. state securities laws or to effect any exchange offer for the Bonds in the future. Furthermore, the Issuer has not registered the Bonds under any other country’s securities laws. Each potential investor should observe and obey the transfer restrictions that apply to the Bonds. It is each potential investor’s obligation to ensure, at own cost and expense, that the offers and sales of Bonds comply with all applicable securities laws. Due to these restrictions, there is a risk that a bondholder cannot sell its Bonds as desired.

Risks related to the clearing and settlement in Euroclear Sweden’s book-entry system
All Bonds issued under the Terms and Conditions are and will be affiliated with Euroclear Sweden’s account-based system, and no physical Bonds are or will be issued. Clearing and settlement relating to the Bonds will be carried out within Euroclear Sweden’s book-entry system as well as payment of interest and repayment of the principal. Investors are therefore dependent upon the functionality of Euroclear Sweden’s account-based system, which is a factor that the Issuer cannot control. If Euroclear Sweden’s account-based system would not function properly, there is a risk that investors would not receive payments under the Bonds as they fall due.

Amended or new legislation
This material is and the Terms and Conditions will be based on Swedish law in force at their respective date of issuance. The impact of any possible future legislative measures or changes, or changes to administrative practices, may give rise to risks which are not possible to foresee. There is a risk that amended or new legislation and administrative practices may adversely affect the investor’s ability to receive payment under the Terms and Conditions.
Risk factors

Conflict of interests
The issuing agent and the manager have engaged in, and may in the future engage in, investment banking and/or commercial banking or other services for the Issuer and the Group in the ordinary course of business. Accordingly, there is a risk that conflicts of interest may exist or may arise because of the issuing agent and the manager having previously engaged, or in the future engaging, in transactions with other parties, having multiple roles or carrying out other transactions for third parties with conflicting interests.
# Agenda

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<tr>
<th>Section</th>
<th>Pages</th>
</tr>
</thead>
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<tr>
<td>1. Transaction overview</td>
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<td>2. Introduction to Tobii</td>
<td>7-17</td>
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<tr>
<td>3. Key credit highlights</td>
<td>19-32</td>
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<td>4. Group financials</td>
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<td>5. Risk factors</td>
<td>39-49</td>
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<tr>
<td>6. Appendix</td>
<td>51-55</td>
</tr>
</tbody>
</table>
## Income statement (Group)

<table>
<thead>
<tr>
<th>SEKm</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net sales</strong></td>
<td>967.3</td>
<td>1,053.3</td>
<td>1,078.9</td>
<td>1,277.8</td>
<td>1,501.3</td>
</tr>
<tr>
<td>Cost of goods and services sold</td>
<td>(243.8)</td>
<td>(291.5)</td>
<td>(315.7)</td>
<td>(376.0)</td>
<td>(469.6)</td>
</tr>
<tr>
<td><strong>Gross profit</strong></td>
<td>723.5</td>
<td>761.8</td>
<td>763.2</td>
<td>901.8</td>
<td>1,031.7</td>
</tr>
<tr>
<td>Selling expenses</td>
<td>(393.3)</td>
<td>(429.1)</td>
<td>(462.7)</td>
<td>(549.6)</td>
<td>(596.7)</td>
</tr>
<tr>
<td>Research and development expenses</td>
<td>(265.0)</td>
<td>(301.8)</td>
<td>(382.5)</td>
<td>(419.5)</td>
<td>(438.3)</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>(95.9)</td>
<td>(101.6)</td>
<td>(103.1)</td>
<td>(145.8)</td>
<td>(146.4)</td>
</tr>
<tr>
<td>Other operating income and operating expenses</td>
<td>(5.0)</td>
<td>3.6</td>
<td>(6.3)</td>
<td>24.3</td>
<td>11.6</td>
</tr>
<tr>
<td><strong>Operating profit/loss</strong></td>
<td>(35.7)</td>
<td>(67.1)</td>
<td>(191.4)</td>
<td>(188.8)</td>
<td>(138.1)</td>
</tr>
<tr>
<td>Net financial items</td>
<td>8.4</td>
<td>19.4</td>
<td>(33.7)</td>
<td>24.8</td>
<td>(12.2)</td>
</tr>
<tr>
<td><strong>Profit/loss before tax</strong></td>
<td>(27.3)</td>
<td>(47.7)</td>
<td>(225.0)</td>
<td>(164.0)</td>
<td>(150.3)</td>
</tr>
<tr>
<td>Tax</td>
<td>2.7</td>
<td>(2.2)</td>
<td>33.1</td>
<td>(8.2)</td>
<td>(9.0)</td>
</tr>
<tr>
<td><strong>Net profit/loss for the period from continued operations</strong></td>
<td>(24.6)</td>
<td>(49.9)</td>
<td>(192.0)</td>
<td>(172.2)</td>
<td>(159.4)</td>
</tr>
<tr>
<td>Net profit/loss for the period from discontinued operations</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(2.1)</td>
<td>(11.9)</td>
</tr>
<tr>
<td><strong>Net profit/loss for the period</strong></td>
<td>(24.6)</td>
<td>(49.9)</td>
<td>(192.0)</td>
<td>(174.3)</td>
<td>(171.2)</td>
</tr>
<tr>
<td>Translation differences</td>
<td>(3.6)</td>
<td>(0.7)</td>
<td>18.9</td>
<td>(18.9)</td>
<td>3.5</td>
</tr>
<tr>
<td><strong>Total comprehensive income for the period</strong></td>
<td>(28.2)</td>
<td>(50.6)</td>
<td>(173.1)</td>
<td>(193.2)</td>
<td>(167.8)</td>
</tr>
</tbody>
</table>

Source: Company Annual Reports & Interim Reports.
## Balance sheet (Group)

<table>
<thead>
<tr>
<th></th>
<th>Dec 2015</th>
<th>Dec 2016</th>
<th>Dec 2017</th>
<th>Dec 2018</th>
<th>Dec 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Intangible fixed assets</strong></td>
<td>331.7</td>
<td>370.4</td>
<td>435.6</td>
<td>659.5</td>
<td>611.4</td>
</tr>
<tr>
<td><strong>Tangible fixed assets</strong></td>
<td>31.8</td>
<td>28.1</td>
<td>31.0</td>
<td>32.0</td>
<td>48.6</td>
</tr>
<tr>
<td><strong>Rights of use</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>97.0</td>
</tr>
<tr>
<td><strong>Financial fixed assets</strong></td>
<td>56.5</td>
<td>58.3</td>
<td>93.5</td>
<td>88.9</td>
<td>86.0</td>
</tr>
<tr>
<td><strong>Total fixed assets</strong></td>
<td>420.0</td>
<td>456.8</td>
<td>560.1</td>
<td>780.4</td>
<td>843.0</td>
</tr>
<tr>
<td><strong>Accounts receivable</strong></td>
<td>168.7</td>
<td>151.7</td>
<td>145.9</td>
<td>206.5</td>
<td>242.2</td>
</tr>
<tr>
<td><strong>Inventories</strong></td>
<td>45.8</td>
<td>67.3</td>
<td>59.4</td>
<td>86.9</td>
<td>97.1</td>
</tr>
<tr>
<td><strong>Other current receivables</strong></td>
<td>29.9</td>
<td>39.2</td>
<td>40.5</td>
<td>58.7</td>
<td>68.0</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents</strong></td>
<td>370.9</td>
<td>771.7</td>
<td>536.8</td>
<td>192.3</td>
<td>185.2</td>
</tr>
<tr>
<td><strong>Assets held for sale</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>97.0</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>615.3</td>
<td>1,029.9</td>
<td>782.6</td>
<td>544.4</td>
<td>786.9</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>1,035.3</td>
<td>1,486.7</td>
<td>1,342.7</td>
<td>1,324.8</td>
<td>1,629.9</td>
</tr>
<tr>
<td><strong>Shareholders’ equity, Parent company shareholders</strong></td>
<td>793.5</td>
<td>1,214.8</td>
<td>978.5</td>
<td>834.2</td>
<td>675.1</td>
</tr>
<tr>
<td><strong>Non-controlling interests</strong></td>
<td>0.3</td>
<td>0.3</td>
<td>0.4</td>
<td>0.8</td>
<td>0.9</td>
</tr>
<tr>
<td><strong>Total shareholders’ equity</strong></td>
<td>793.8</td>
<td>1,215.1</td>
<td>978.9</td>
<td>835.0</td>
<td>676.1</td>
</tr>
<tr>
<td><strong>Long-term liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Interest-bearing liabilities</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>294.0</td>
</tr>
<tr>
<td><strong>Leasing liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>66.6</td>
</tr>
<tr>
<td><strong>Other long-term liabilities</strong></td>
<td>20.0</td>
<td>30.2</td>
<td>73.5</td>
<td>107.0</td>
<td>116.4</td>
</tr>
<tr>
<td><strong>Total long-term liabilities</strong></td>
<td>20.0</td>
<td>30.2</td>
<td>73.5</td>
<td>107.0</td>
<td>477.0</td>
</tr>
<tr>
<td><strong>Leasing liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>28.7</td>
</tr>
<tr>
<td><strong>Other current liabilities</strong></td>
<td>221.5</td>
<td>241.4</td>
<td>290.3</td>
<td>382.8</td>
<td>413.4</td>
</tr>
<tr>
<td><strong>Liabilities directly related to assets held for sale</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>34.6</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>221.5</td>
<td>241.4</td>
<td>290.3</td>
<td>382.8</td>
<td>476.8</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>241.5</td>
<td>271.6</td>
<td>363.8</td>
<td>489.8</td>
<td>953.8</td>
</tr>
<tr>
<td><strong>Total shareholders’ equity and liabilities</strong></td>
<td>1,035.3</td>
<td>1,486.7</td>
<td>1,342.7</td>
<td>1,324.8</td>
<td>1,629.9</td>
</tr>
</tbody>
</table>

Source: Company Annual Reports & Interim Reports.
# Cash flow statement (Group)

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Profit/loss after financial items</strong></td>
<td>(27.3)</td>
<td>(47.6)</td>
<td>(225.0)</td>
<td>(163.8)</td>
<td>(150.3)</td>
</tr>
<tr>
<td><strong>Results from discontinued operations</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(2.1)</td>
<td>(11.5)</td>
</tr>
<tr>
<td><strong>Adjustment for items not included in the cash flow</strong></td>
<td>111.9</td>
<td>108.7</td>
<td>162.9</td>
<td>147.2</td>
<td>180.4</td>
</tr>
<tr>
<td><strong>Taxes paid</strong></td>
<td>0.3</td>
<td>(3.8)</td>
<td>0.6</td>
<td>(2.2)</td>
<td>(0.7)</td>
</tr>
<tr>
<td><strong>Cash flow from operating activities before change in working capital</strong></td>
<td>85.0</td>
<td>57.3</td>
<td>(61.6)</td>
<td>(20.9)</td>
<td>17.9</td>
</tr>
<tr>
<td><strong>Cash flow from change in working capital</strong></td>
<td>(5.1)</td>
<td>10.3</td>
<td>27.7</td>
<td>7.8</td>
<td>(31.3)</td>
</tr>
<tr>
<td><strong>Cash flow from operating activities</strong></td>
<td>79.9</td>
<td>67.6</td>
<td>(34.9)</td>
<td>(13.0)</td>
<td>(13.4)</td>
</tr>
<tr>
<td><strong>Investments in intangible, tangible and financial fixed assets</strong></td>
<td>(120.7)</td>
<td>(142.0)</td>
<td>(186.6)</td>
<td>(224.5)</td>
<td>(248.8)</td>
</tr>
<tr>
<td><strong>Cash flow after continuous investments</strong></td>
<td>(40.7)</td>
<td>(74.5)</td>
<td>(221.4)</td>
<td>(237.5)</td>
<td>(262.2)</td>
</tr>
<tr>
<td><strong>Business combinations</strong></td>
<td>-</td>
<td>-</td>
<td>(23.7)</td>
<td>(158.8)</td>
<td>(1.5)</td>
</tr>
<tr>
<td><strong>Cash flow after investments</strong></td>
<td>(40.7)</td>
<td>(74.5)</td>
<td>(245.0)</td>
<td>(396.3)</td>
<td>(263.7)</td>
</tr>
<tr>
<td><strong>Cash from financing activities</strong></td>
<td>290.3</td>
<td>471.1</td>
<td>15.3</td>
<td>47.8</td>
<td>275.1</td>
</tr>
<tr>
<td><strong>Cash flow for the period</strong></td>
<td>249.6</td>
<td>396.6</td>
<td>(229.7)</td>
<td>(348.5)</td>
<td>11.4</td>
</tr>
<tr>
<td><strong>Foreign currency translation, cash and cash equivalents</strong></td>
<td>1.9</td>
<td>4.2</td>
<td>(5.2)</td>
<td>4.0</td>
<td>4.8</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at the beginning of the period</strong></td>
<td>119.4</td>
<td>370.9</td>
<td>771.7</td>
<td>536.8</td>
<td>192.3</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at the end of the period</strong></td>
<td>370.9</td>
<td>771.7</td>
<td>536.8</td>
<td>192.3</td>
<td>208.4</td>
</tr>
</tbody>
</table>

Source: Company Annual Reports & Interim Reports.
Note: 1) Of which Assets held for sale SEK 23.3m

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Source: Company Information. Note: 100% shareholding unless otherwise stated.
Appendix

Definitions

Gross margin
Gross profit relative to net sales

EBITDA
Operating profit/loss before depreciation, amortization and impairment

EBITDA margin
Operating profit/loss before depreciation, amortization and impairment relative to net sales

EBIT
Operating profit/loss before financial income and expenses, and taxes. Also known as EBIT – Earnings before interest and taxes

EBIT margin
Operating profit/loss relative to net sales

Cash flow from operating activities
Cash flow from operating activities including change in working capital and before cash flow from investing and financing activities

Cash flow after continuous investments
Cash flow from operating activities less investments in intangible, tangible and financial fixed assets excluding investments in subsidiaries and associates

Working capital
Inventories, accounts receivable and other current receivables less accounts payable and other current noninterest-bearing liabilities

Net cash (+)/net debt (-)
Cash and cash equivalents less interest-bearing liabilities

Equity/assets ratio
Equity as a percentage of total assets

Net debt/equity ratio
Interest-bearing liabilities divided by shareholders’ equity

Return on equity
Profit after tax relative to average equity during the period

Equity per share
Equity at the end of the period attributable to the parent company’s shareholders divided by the number of shares at the end of the period

Average number of employees
The average number of permanent employees, including part-time employees converted to full-time employment

AAC
Augmentative and alternative communication

Source: Company Information.