Tobii is the #1 in eye tracking

- World leader in eye tracking
- Founded in 2001
- Headquartered in Sweden, with offices across Europe, North America and Asia
- 1,000 employees
- 17 years of consecutive growth
- SEK 1,084 million in revenue in 2017
Eye tracking is a technology that understands you

- What you are paying attention to
- What information you are processing
- Presence, identity, focus, drowsiness…

Your device is blind
Our vision is a world where all technology works in complete harmony with natural human behavior.
Eye tracking provides benefits in many fields

**Research**
Unique insights into human behavior and consumer responses

**Assistive technology**
Provides the ability to communicate to people with special needs

**Gaming computers**
Raise game immersion and intensity to new levels

**Mainstream computers**
New user interfaces for computers and tablets with built-in eye tracking

**Virtual reality**
Optimize VR graphics, and create ultimate user interface

**Augmented reality**
Required for innovative AR display technologies and create ultimate user interface

**Smartphones**
Create smart interfaces that adapt to the attention of the user

**Niche markets**
Numerous new application in medical, industry and security

**Automotive**
Monitor and warn drivers for drowsiness and inattention
Three business units – each one undisputed global leader

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

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

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

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

Share of the Group’s sales (Q2)
Provides our users with the profound benefit of speech and communication

ALS
SPINAL CORD INJURY
APHASIA
CEREBRAL PALSY
RETT SYNDROME
AUTISM
PARKINSON’S
MUSCULAR DYSTROPHY
Significant unmet need

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

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

- Low penetration levels provide foundation for long-term market growth
## Leading product portfolio

<table>
<thead>
<tr>
<th>Eye-controlled speech devices</th>
<th>Touch-based speech devices</th>
<th>Eye-controlled devices for computer control</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Medical grade &amp; funded products</strong></td>
<td><strong>NEW!</strong></td>
<td><strong>NEW!</strong></td>
</tr>
<tr>
<td>I-Series+</td>
<td>I-110, T7</td>
<td>PCEye Plus</td>
</tr>
<tr>
<td><strong>Mid range products</strong></td>
<td><strong>NEW!</strong></td>
<td><strong>NEW!</strong></td>
</tr>
<tr>
<td>EyeMobile Plus</td>
<td>Indi, Speech Case</td>
<td>PCEye Mini</td>
</tr>
<tr>
<td><strong>Communication Software &amp; Apps</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Snap+Core First</td>
<td>Pathways for Core First</td>
<td>Communicator</td>
</tr>
<tr>
<td><strong>NEW!</strong></td>
<td><strong>NEW!</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Other Software &amp; Apps</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ALL</td>
<td>Boardmaker Online</td>
<td>Windows Control</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>NEW!</strong></td>
</tr>
</tbody>
</table>
Revenue growth through...

- Increased market share in touch segment
- Increased awareness and understanding
- Geographic growth
- New user segments and channels
- M&A
2018 highlights

• Tobii Dynavox launched Speech Case, a solution which turns an iPad into a complete communication solution (Q2)

• Launched Indi 7 – a seven inch touch-screen based communication device (Q2)

• Announced acquisition of UK-based Smartbox Assistive Technology (Q3)

• Microsoft launched accessibility features for the online versions of Word and Outlook, where they chose to use Tobii Dynavox PCS symbols (Q1)
Tobii Dynavox financials

- **Q2 2018**
  - Revenue grew 8% year-over-year adjusted for currency
  - Gross margin was 67% (68%)
  - EBIT margin was 11% (10%)

- **First six months 2018**
  - Revenue increased 5% year-over-year adjusted for currency
  - EBIT margin was 10% (10%)
Tobii Dynavox’s long-term financial target is to increase revenue on average by 10% per year with an EBIT margin of 15-20%.
Tobii Pro

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

Share of the Group’s sales (Q2)
Growth is driven by steadily increasing demand for powerful insights, in several big segments:

- Academic Research
- Market Research & Advertisement
- User Experience
- Professional Performance
Leading product portfolio

**Example products**
- Pro Spectrum
- Tobii Pro X3-120
- Glasses 2
- Pro VR Integration

### Eye tracking hardware
- [Image of eye tracking hardware]

### Analytics software
- [Image of analytics software]

### Services
- [Image of services]

**Tobii Pro Lab**
- Tobii Pro VR Analytics
- Sticky by Tobii Pro

**Tobii Pro Insight**
- research services
- Training services
Competitive advantages

- Well-established with long-term focus
- Deep eye-tracking expertise
- World-leading portfolio
- Global reach
2018 highlights

• Tobii Pro acquired UK reseller Acuity ETS and research agency Acuity Intelligence (Feb. -18)

• Launched analytics software for 3D VR environments based on tool from the Acuity acquisition (May -18)

• Extended flagship software Tobii Pro Lab to include data from VR environments (Aug. -18)
Tobii Pro financials

• Q2 2018
  • Revenue increased 37% year-over-year adjusted for currency
  • Gross margin was 73% (73%)
  • EBIT margin was 2% (-3%)

• First six months 2018
  • Revenue increased 50% year-over-year adjusted for currency
  • EBIT margin was 9% (-1%)
Tobii Pro’s long-term financial target is to increase revenue on average by 15-20% per year, and to reach an EBIT margin of 15% by 2020.
Tobii Tech

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

Share of the Group’s sales (Q2)

11%
Tobii Tech targets multiple very large opportunities

**Gaming Computers**
20M high-performance gaming PCs per year

**Mainstream Computers**
260M PCs and 180M tablets per year

**Smartphones**
1.4 bn smartphones per year

**Virtual Reality**
40M VR headsets per year by 2021

**Augmented Reality**
20M AR headsets per year by 2021

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

**PLATFORMS**
- Tobii IS4-B (eye tracking platform for integration in laptops)
- Tobii IS4-L (eye tracking platform for integration in monitors and peripherals)
- Tobii IS5

**COMPONENTS**
- Tobii EyeChip (custom-designed ASIC with Tobii’s algorithms)
- Tobii EyeCamera (custom-designed camera module)
- Tobii EyeSensor (custom-designed image sensor)

**LICENSES**
- Tobii EyeCore (Tobii’s eye tracking algorithms, when not embedded in chip)
- Eye tracking system designs for PC, VR and smartphone integrations
- Application software
- Patent licenses
PC gaming segment

• Addressable market
  • 20M high-performance gaming PCs per year

• Multiple use cases with strong benefits
  • Immersive gaming
  • Streaming
  • E-sport

• Current status
  • Eye tracking integrated in gaming laptops and monitors from 3 of top 5 gaming PC vendors (Dell Alienware, Acer, MSI)
  • Growing no. of available games, +130
  • Eye tracking streaming to over a million live viewers during E-league Counterstrike Major
  • Alienware Academy e-sports training tool with eye tracking announced
  • Integration projects with the next gen. eye-tracking platform IS5 initiated with both internal and external customers
VR segment

• Adressable market*
  
<table>
<thead>
<tr>
<th>Technology</th>
<th>Form Factor</th>
<th>2018 sold units (millions)</th>
<th>2022 sold units</th>
</tr>
</thead>
<tbody>
<tr>
<td>VR</td>
<td>Screenless Viewer</td>
<td>3.1</td>
<td>3.0</td>
</tr>
<tr>
<td></td>
<td>Standalone HMD</td>
<td>1.3</td>
<td>21.7</td>
</tr>
<tr>
<td></td>
<td>Tethered HMD</td>
<td>3.8</td>
<td>14.4</td>
</tr>
<tr>
<td>AR</td>
<td>Screenless Viewer</td>
<td>0.4</td>
<td>0.7</td>
</tr>
<tr>
<td></td>
<td>Standalone HMD</td>
<td>0.2</td>
<td>13.9</td>
</tr>
<tr>
<td></td>
<td>Tethered HMD</td>
<td>0.1</td>
<td>12.1</td>
</tr>
<tr>
<td>Total</td>
<td>8.9</td>
<td>65.9</td>
<td></td>
</tr>
</tbody>
</table>

Tobii expects a majority of VR headsets to have integrated eye tracking by 2022

• Strong use cases with clear benefits
  • Foveated rendering
  • Eye position
  • Social interaction/eye contact
  • Natural aim/point
  • Analytics
  • Authentication

• Current status
  • Eye tracking widely regarded as a must-have technology for next generation VR headsets
  • Well positioned to take market-leader position
  • Numerous major integration projects with significant VR customers and partners
    • Qualcomm reference design (March -18)
    • StarVR One (August -18)
    • Several more undisclosed
  • Mostly target products in market end 2018, 2019 and 2020

*Source: IDC Worldwide Quarterly AR and VR Headset Tracker, June 19, 2018
Integration customers in niche applications

- HEALTH TESTING
- ASSISTIVE TECHNOLOGY
- ROBOTIC SURGERY
- PSYCHOLOGY / REHABILITATION
- LIE DETECTION
- CASINO MACHINES
Tobii is the clear technical leader – eye tracking that works for everyone, in all conditions

- It is easy to develop an eye tracking system that works on 80% of the human population and situations
- It is extremely challenging to develop an eye tracking system that works for everyone, in all conditions
- This is what Tobii does better than anyone else
- In consumer deployments of eye tracking, this is an absolute necessity
- Several of our large customer engagements have tried to build eye tracking themselves, failed and then come to us

Tobii masters the core challenge in eye tracking:
- Wearing glasses
- Contact lenses
- Droopy eyelids
- Various eye conditions
- Pupil contractions
- Eyelashes/mascara
- Dirt & smudges
- Headset slippage
- Large gaze angles
Tobii has a leading portfolio of patents related to eye tracking

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

Largest portfolios of patent granted and applied for related to eye tracking, as published by the US Patent and Trademark Office and the European Patent Office, Nov 2016


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1) A review of Tobii’s patent position was conducted by independent intellectual property consultancy ClearViewIP Ltd. The review comprised searching for patents and patent applications related to eye tracking published by the United States Patent and Trademark Office and the European Patent Office. The results of the search were analyzed and reviewed by ClearViewIP Ltd, and those patents not related to eye tracking and those that did not have eye tracking as their core invention were removed from the results. Patents relating to medicinal/ophthalmological technology were removed from the results. As with all human analysis, particularly analysis of intellectual property rights, the reviewer was required to make certain subjective judgment calls. Accordingly, it is impossible to guarantee that 100 percent of the relevant results have been considered.

2) The data is based on an internal estimate of the number of patents and patent applications, and is displayed in the chart dated as of the date when the respective patent application or granted patent was added to the portfolio. All patent applications and granted patents in various countries have been included.
Tobii Tech financials – Q2 2018

• Q2 2018
  • Revenue increased 5% year-over-year, adjusted for currency
  • Gross margin was 50% (43%)
  • EBIT amounted to -82 MSEK (-87)

• First six months 2018
  • Revenue increased 20% year-over-year, adjusted for currency
  • EBIT was SEK -149 million (-163).
In the long term, Tobii Tech’s goal is to achieve sales of several billion SEK with good profitability.

In the medium term, Tobii Tech’s financial target is to reach profitability in 2021.
Tobii Group financials – Q2 2018

• Q2 2018
  • Revenue increased 15% year-over-year adjusted for currency
  • Gross margin was 70% (71%)
  • EBIT was -59 MSEK (-71)

• First six months 2018
  • Revenue increased 17% year-over-year adjusted for currency
  • EBIT was SEK -96 million (-130)
The long-term financial target for the Group is to reach profitability in 2020.

Tobii has an active acquisition strategy in all three business units, and potential acquisitions may require separate financing.
**tobii**

THE WORLD LEADER IN EYE TRACKING

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

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**tobii dynavox**

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

**tobii pro**

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

**tobii tech**

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