Welcome to our Interim Report Q3 2020

Henrik Eskilsson, CEO

Linda Tybring, Interim CFO
Q3 2020 Summary

Good progress despite pressure from covid-19

- Continued pressure from covid-19 in all business units
- Strong underlying momentum in several parts of the business
- Revenue declined by 12% in total and 4% organically
- Important strategic collaborations, launches and customer wins
- Cost reduction program yielded strong results at 16% reductions organically compared with Q3 2019
- EBIT improved to -27 MSEK (-32)
- Solid financial position with 323 MSEK cash on balance
- Divestment of Smartbox completed after the period
Tobii Dynavox

- World's leading supplier of assistive technology for communication
- Market share close to 40%
- Provides products that enable users with disabilities to speak and communicate effectively

Tobii Dynavox’s mission is to empower people with disabilities to do what they once did, or never thought possible

Share of Tobii’s gross sales (LTM) 60%
Tobii Dynavox Q3 2020

**Tobii Dynavox was propelled by strong momentum for the new I-Series**

- Revenue rose 2% organically
- Sales activities continued to be affected by the pandemic
- Continued strong traction for new I-series
- Significant revenue growth outside the US
- Very strong customer ratings
- Launched the new PCEye - the first stand-alone eye tracker with outdoor tracking capabilities
Tobii Dynavox and Google have announced a strategic collaboration.

Deep integration of Google Assistant in Tobii Dynavox’s communication solutions.

Integration of Tobii Dynavox’s library of Picture Communication Symbols (PCS®) in Google’s Android Action Blocks.
Tobii Dynavox Q3 2020

Financials

- Revenue decreased 7%, but grew 2% organically
  - Large currency effect
  - Covid-19 had strong negative impact on sales
  - New I-Series continued to be a growth driver

- Gross margin was 67% (68%)

- EBIT margin of 13% (14%)
  - Decline entirely related to non-recurring currency effects
Tobii Pro

• World’s leading supplier of eye-tracking solutions for understanding human behavior

• Market share of 60%

• Provides eye tracking solutions consisting of hardware devices, analysis software and research consulting

Tobii Pro’s mission is to empower scientific researchers and business professionals with revolutionary insights into human behavior through the use of world-class eye tracking technology

Share of Tobii’s gross sales (LTM) 24%
Tobii Pro Q3 2020
Tobii Pro saw partial recovery from the pandemic

- Revenue decreased 14% organically compared to Q3 last year, but grew significantly over Q2
- The pandemic continued to have a negative impact in the quarter, impeding our ability to reach customers and their ability to conduct research, studies and education
- Sales clearly negatively affected to both enterprise and academic research customers
- Pro Glasses 3 reviews and customer feedback has been very strong, and we see high interest from both existing and new clients and application areas
Tobii Pro Q3 2020

Financials

- Revenue contracted 20%, or 14% organically
  - But grew significantly over Q2
  - Negative covid-19 impact in almost all markets and customer segments

- Gross margin at 75% (76%)
  - Negative scalability effects owing to lower volumes

- EBIT margin at 2% (13%)
  - Contraction mainly driven by lower revenue. Quickly adapted operating costs allowed segment to return to profitability from trough in Q2 2020
Tobii Tech

• World’s leading supplier of eye-tracking technology for integration into consumer electronics and other volume products

Tobii Tech’s mission is to enable devices to visually sense the user - to transform your everyday experiences to be more intelligent, intuitive and insightful

Share of Tobii’s gross sales (LTM)

16%
Continued good progress and cost reductions on plan

- Total revenue 1% organic decline, with a 7% organic decline of external revenue
- HP announced its new VR headset, the HP Reverb G2 Omnicient Edition, which is powered with Tobii Eye Tracking
- Design wins with OEM customers for 3D-screens, touch-less information kiosks and eye examinations for children
- Pandemic related restrictions slow down business development and affect customer’s projects – impact has gradually been increasingly visible
Continued good progress and cost reductions on plan

- Total revenue 1% organic decline, with a 7% organic decline of external revenue
- HP announced its new VR headset, the HP Reverb G2 Omniecept Edition, which is powered with Tobii Eye Tracking
- Design wins with OEM customers for 3D-screens, touch-less information kiosks and eye examinations for children
- Pandemic related restrictions slow down business development and affect customer’s projects – impact has gradually been increasingly visible

Tobii Enhances New HP VR Headset with the Power of Eye Tracking
Tobii Tech Q3 2020

Financials

• Revenue decreased 10%, or 1% organically
  • External revenue decreased to 32 MSEK (37), down 15%, or 7% organically.
  • Internal revenue grew 20% organically to 12 MSEK (12)

• Gross margin was 46% (45%)

• Operating loss improved to -56 MSEK (-73)
  • Restructuring program yielding good results
Tobii Group Q3 2020

Financials

• Revenue decreased to 317 MSEK (359), down 12% or 4% organically
  • Material impact from covid-19 effects but also good growth in several product lines and customer segments

• Gross margin was 69% (69%)

• Group EBIT was -27 MSEK (-32)
  • Material impact of announced cost reduction program; operating costs down 16% compared to Q319
  • Decreased capitalization and increased amortization pressured earnings with 15 MSEK vs Q3 2019
  • Negative non-recurring currency effects of SEK 12m compared to Q3 2019
Positive cash flow after continuous investments of 11 MSEK (-54), supported by a net working capital release

Solid cash position of 298 MSEK (excluding Smartbox)

Net debt was SEK 269m (SEK 167m exkl. IFRS 16 Leasing) per 30 sept. After the period end net debt was lowered by SEK 114m from the Smartbox divestment.

The divestment of Smartbox was completed shortly after the period end, lowering net debt by another SEK 114m

<table>
<thead>
<tr>
<th>Tobii Group (MSEK)</th>
<th>Q3 2020</th>
<th>Q3 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Assets</td>
<td>1 691</td>
<td>1 647</td>
</tr>
<tr>
<td>Equity</td>
<td>541</td>
<td>711</td>
</tr>
<tr>
<td>Equity Ratio</td>
<td>32</td>
<td>43</td>
</tr>
<tr>
<td>Cash Position (excl Smartbox)</td>
<td>298</td>
<td>234</td>
</tr>
</tbody>
</table>

| Cash flow after continuous investments | 11 | -54 |
Summary & outlook

Summary of the quarter: Good progress despite pressure from covid-19

- Continued pressure from covid-19
- Strong underlying momentum in several parts of the business
- Revenue declined by 12% in total and 4% organically
- Important strategic collaborations, launches and customer wins
- Cost reduction program yielded strong results at 16% reductions organically compared with Q3 2019
- EBIT improved to -27 MSEK (-32)
- Solid financial position with 323 MSEK cash on balance
- Divestment of Smartbox completed after the period

Outlook

- Expect continued near-term effects of the pandemic, but also continued gradual recovery
- Adequately funded for our current business plan
Thank you!
QnA