Second Quarter 2017

July 25, 2017
Welcome to our presentation of the Q2 2017 interim report

Henrik Eskilsson, CEO

Johan Wilsby, CFO
The Tobii Group and its business units

- Continued large investments to drive long-term growth in all three business units, including organization expansion
- Strong sales in Tobii Pro, stable sales in Tobii Tech and flat in Tobii Dynavox
- SMI (Tobii’s largest competitor) was acquired by Vineyard Capital Corporation, with reported connections to Apple
Tobii Dynavox

• Global leader in assistive technology for communication
• Market share over 40%
• Provides products that enable tens of thousands of users with special needs to speak and communicate effectively

Share of the Group’s sales

66%
Strategically important product launches during the quarter

**Indi**, the world’s first speech tablet

**EyeMobile Plus**, eye control of Windows tablets

**PCEye Plus**, hardware for eye-controlled computer access

**Snap + Core First**, new symbol-based communication software for Windows and iOS

**Windows Control 2**, software for eye control of Windows-based devices

A revamped portfolio

Medical grade

Example products
I-Series
T-series
PCEye Plus

Mid-range

Indi
EyeMobile Plus
PCEye Mini

Software

Snap
Communicator
Windows Control
Tobii Dynavox Q2 financials

- Revenue increased 2%
  - -4% adjusted for currency
  - Flat adjusted for currency and backlog effects
  - Strong sales of eye-controlled communication devices
  - Slow sales of older touch products
- Gross margin at 69% (70%)
- EBIT margin at 10%
- Increased investments in R&D
Tobii Pro

- World leader in eye-tracking solutions for understanding human behavior
- Market share close to 50%
- 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

23%
Acquisition of Sticky important step towards more differentiated product offering

• A cloud-based solution enabling large-scale market research studies using webcam eye tracking
• Complementary product
• Synergies in sales organization, product portfolio, research services, customers and brand
Driving growth in both established and new customer areas

Video explaining the field of skills transfer
https://tobii.23video.com/voices-of-tobii-ken-hachisu-general-manager-tobii
Tobii Pro Q2 financials

- Revenue increased 24%, or 19% adjusted for currency effects
  - Strong sales of flagship products such as Glasses 2 and Spectrum
- Gross margin at 73% (72%)
- EBIT margin at -2% (-5%)
  - Increased operating costs
  - Acquisition and integration costs related to Sticky
Tobii Tech

• Leading supplier of eye tracking technology to integration customers

• Targets high volume markets such as PC gaming, mainstream computers, virtual reality, smartphones, and specialized markets

Share of the Group’s sales

11%
Stable progress in PC gaming

• Continued good progress in growing available game titles – added >15 games, now some 80 games with eye tracking
• Positive feedback from end-customers, asking for more games
• Ongoing deliveries to integration customers
Very strong interest in eyetracking in Virtual Reality

• Launched VR development kit
• Intensified dialogues with several potential customers and partners
• Continued to grow the organization to have capacity for multiple parallel projects and customers in VR
New customers in specialized markets

• Robotic surgery
• Diagnostics
• Casino machines
Tobii Tech Q2 financials

- Revenue increased 60% year-over-year
  - External sales increased 152%
- Gross margin was 43% (50%)
- Operating loss amounted to -87 MSEK (-52)
  - Increased investments in R&D and marketing
  - Extraordinary external R&D expenses for next-generation integration platform
Tobii Group Q2 financials

- Revenue increased 10% year-over-year
  - 4% adjusted for currency effects
- Gross margin was 71% (73%)
  - Increased sales from Tobii Tech
  - Changes in product mix
- Group EBIT was -70 MSEK (-29)
  - Tobii Dynavox contributed 20 MSEK
  - Tobii Pro was slightly negative
  - Tobii Tech impacted the Group earnings by -87 MSEK
- Impacted by increased investments in R&D, sales and marketing, some of them non-recurring
Balance sheet and cash flow

- Cash flow continued to be impacted by substantial investments within mainly R&D and by non-recurring items
- Sticky acquisition impacted cash flow with -24 MSEK
- Strong cash position, 631 MSEK

<table>
<thead>
<tr>
<th>Tobii Group (MSEK)</th>
<th>Q2 2017</th>
<th>Q2 2016</th>
<th>Q4 2016</th>
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<tbody>
<tr>
<td>Total Assets</td>
<td>1 388</td>
<td>1 004</td>
<td>1 487</td>
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<tr>
<td>Equity</td>
<td>1 109</td>
<td>763</td>
<td>1 215</td>
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<tr>
<td>Equity Ratio</td>
<td>80</td>
<td>76</td>
<td>82</td>
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<tr>
<td>Net Cash (+)/Net Debt(-)</td>
<td>631</td>
<td>348</td>
<td>772</td>
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<td>Cash flow after continuous investments</td>
<td>-78</td>
<td>-32</td>
<td>-23</td>
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Q&A