

Focus on Key Product Launches in Tobii Dynavox and Increased Investments in VR

January – March

- The Group's sales totaled SEK 261 million (252), an increase of 4%. Adjusted for currency effects, the change was -1%.
- The gross margin was 71% (73%).
- The Group's operating loss amounted to SEK -56 million (-17). Tobii Dynavox made a contribution of SEK 20 million (27), Tobii Pro's operating profit amounted to SEK 0 million (6), while investments in Tobii Tech had an impact of SEK -76 million (-49) on the Group's earnings.
- Earnings per share amounted to SEK -0.57 (-0.29).

Significant events

- Acer presented Aspire V17 Nitro, the first notebook beyond specialized gaming PCs with integrated Tobii eye tracking.
- Tobii Tech announced an R&D collaboration with Valve related to eye tracking in VR, and showed its first gaming demos in VR headsets.
- Tobii announced that Johan Wilsby has been appointed new CFO, effective June 2017.
- In April, Tobii Dynavox launched Indi™, the world's first all-in-one speech tablet for communication, and Snap™, the business unit's new symbol-based communication software.

Financial summary

SEK m (except for earnings per share)	First quarter		
	2017	2016	Change
Net Sales			
Tobii Dynavox	182.2	188.3	-3%
Tobii Pro	60.9	59.3	3%
Tobii Tech	29.1	16.0	82%
Eliminations and other, net	-11.1	-11.4	n/m
Total	261.0	252.2	4%
Operating profit/loss (EBIT)			
Tobii Dynavox	19.5	26.6	
Tobii Pro	0.1	5.9	
Tobii Tech	-75.8	-49.3	
Other	0.0	0.0	
Total	-56.3	-16.8	
Earnings per share (SEK)	-0.57	-0.29	

A conference call and online presentation will be held in English today at 10.00 (CET). Go to www.tobii.com to follow the conference online or for the phone number you need to participate. The presentation will be available for download from the website.

Comments from the CEO

The first quarter was characterized by significant investments in product development in all three business units. However, for two of the three business unit's sales for the quarter were weaker, and the Group's net sales declined 1% adjusted for currency effects compared with the corresponding period in 2016.

Tobii Dynavox – intensive work on strategic product launches

Tobii Dynavox is making substantial investments in product development to strengthen and broaden its product portfolio. The quarter was characterized by the ramp-up for the launch of Indi, the business unit's new, custom-designed all-in-one speech tablet. With Indi, Tobii Dynavox is addressing end users and schools directly, intending to take market share from mainstream tablets which, to a certain extent, are used as a substitute for customized solutions. Through more purposeful functionality such as exceptionally loud speakers, ergonomic design and durability as well as a competitive price, Indi has the potential to be a disruptive product in the market for assistive communication solutions.

A large-scale investment in software also resulted in the launch of Snap, the business unit's new symbol-based communication software. Achieving a stronger position in software is strategically important because it drives market penetration, customer loyalty and additional sales.

In terms of sales, Tobii Dynavox had a weak quarter, with sales declining 7% adjusted for currency effects. The decrease was caused by price reductions on parts of the product range in 2016, lower sales of older products in the touchscreen segment and lower sales in the UK, due to the transition to direct sales.

We continue to invest in strengthening our offering, and Indi and Snap will be followed by further product launches during the year.

Tobii Pro – positive market trend offset by phase-in of new products

We see favorable market conditions for eye-tracking solutions for behavioral studies, with good demand for both advanced research equipment and more basic solutions. Tobii Pro is investing substantially in product development to address a broader range of applications. Although these investments affect profitability in the short term, they are of strategic importance for the business unit's long-term growth.

Sales of the flagship product Glasses 2 remained strong. The service organization Tobii Insight also performed well. The new research eye tracker Tobii Pro Spectrum and analysis software Tobii Pro Lab have attracted considerable initial interest. However, shipment of products ordered will begin in the second quarter. The fact that these orders had not yet been invoiced had a negative effect on the business unit's revenues which decreased by 1% adjusted for currency effects.

Tobii Tech – positive market response in PC gaming and VR

Several products with built-in eye tracking from Tobii have now been launched in the market for gaming computers, including notebooks, monitors and peripherals, and sales to end customers have started for some of these products. During the first quarter, Acer presented Aspire V17 Nitro, the first notebook beyond specialized gaming PCs with integrated Tobii eye tracking. In the initial customer surveys that Tobii Tech carried out among active users we have received positive feedback on the experience and functions enabled by eye tracking. With the release of an increasing number of games, the implementation of eye tracking has gradually improved.

Tobii's VR demos were very well received at the GDC and SVVR trade shows in the US. Tobii also demonstrated a demo version of a VR headset with built-in eye tracking developed as part of an R&D collaboration with Valve. This has helped to broaden and intensify dialogues with manufacturers of VR headsets.

The long-term efforts to establish eye tracking on a broader scale within the smartphone area continued during the quarter through, for example, development of new interaction concepts.

Tobii Tech's sales rose 76% adjusted for currency effects, mainly due to increased external sales, which nearly quadrupled compared with the first quarter 2016.

Recruitment rate remains high

We welcomed many new Tobiians during the quarter and plan to continue to grow the organization. Our employees and our role as an employer are thus central strategic issues that we work with in all areas of the business. You can read more about this in the Sustainability Report in Tobii's Annual Report for 2016, which is available at www.tobii.com.

Danderyd, April 27, 2017

Henrik Eskilsson



The Tobii Group in Brief

Tobii is the world-leader in eye-tracking, a technology that can determine where a person is looking with high accuracy. An eye-tracking sensor can provide access to information about what the user pays attention to or processes. This, in turn, can provide unique insights into human behavior or be used to create natural and more intuitive user interfaces for computers and other devices.

The Tobii Group has three business units that have their own distinct markets, products and organizations. Two of these units, Tobii Dynavox and Tobii Pro, are market leaders and have established product portfolios in their respective niche markets. Tobii Dynavox is focused on assistive technology for communication and helps thousands of users to speak and communicate. Tobii Pro makes specialized eye-tracking solutions that add deep insights and

unique objectivity to a multitude of research areas devoted to the study of behavior. Tobii invests in the third business unit, Tobii Tech, to reach future high-volume markets for eye tracking in primarily consumer products such as computers, gaming products, VR and smartphones.

Tobii invests in high-paced development to maintain its market-leading position and advance its market penetration in all three business units.

Tobii has over 750 employees and covers the global market through its own offices in Sweden, the USA, China, Japan, Norway, Germany, the UK, South Korea and Taiwan, and through a global network of resellers. Tobii is headquartered in Danderyd, Sweden, and is listed on Nasdaq Stockholm since April 2015.

tobii

tobii dynavox

The world's leading supplier of assistive technology for people with reduced ability to speak and communicate.

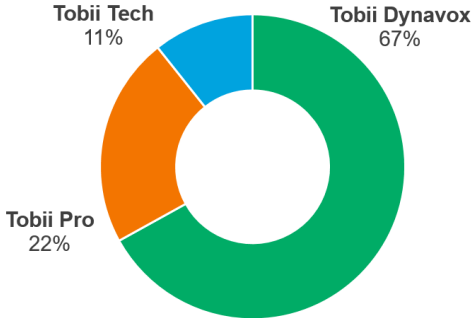
tobii pro

The world's leading provider of eye-tracking solutions for studying human behavior.

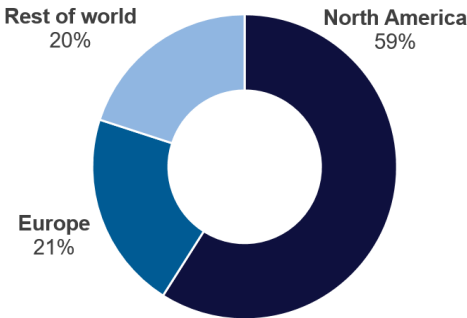
tobii tech

Leading eye-tracking technology for integration into consumer electronics and other volume products.

Sales per business unit
Q1, 2017



Sales per region
Q1, 2017



The Group • January – March

Sales

The Group's net sales for the first quarter rose year-over-year by 4% to SEK 261 million (252). Adjusted for currency effects, the change was -1%. Tobii Dynavox contributed SEK 182 million, Tobii Pro SEK 61 million and Tobii Tech SEK 29 million, of which SEK 11 million comprised sales of eye-tracking platforms to the other two business units and SEK 18 million comprised external sales.

During the first quarter, the North American market accounted for 59% (62%) of the Group's sales, the European market for 21% (25%), and the rest of the world for 20% (13%). The change was primarily driven by higher sales in Asia through Tobii Pro and Tobii Tech.

Earnings

The Group's gross margin was 71% (73%). The decline was mainly driven by an increased share of sales from Tobii Tech, which has lower margins than the other two business units, changes in the product mix and price reductions on certain products carried out by Tobii Dynavox in 2016.

The operating loss for the Group was SEK -56 million (-17) and the EBIT margin was -22% (-7%). Tobii Dynavox contributed SEK 20 million (27) and Tobii Pro's EBIT amounted to SEK 0 million (6), while investments in Tobii Tech had a negative impact of SEK -76 million (-49) on the Group's operating loss. The operating loss was mainly charged with increased investments in R&D, sales and marketing, primarily in Tobii Tech.

Research & development (SEK m)	2017	2016
Total R&D expenditures	-105	-74
Capitalization	37	22
Amortization	-27	-19
R&D expenses in the income statement	-96	-72

Operating loss before depreciation and amortization (EBITDA) was SEK -24 million (8), yielding an EBITDA margin of -9% (3%).

Pretax loss was SEK -63 million, compared with SEK -30 million for the first quarter of 2016. Net financial items improved to SEK -7 million (-13) as a result of lower negative impact from currency effects that impacted the value of the Group's dollar-based (USD) financial assets, compared with the corresponding quarter 2016.

Net loss was SEK -55 million (-25) and loss per share amounted to SEK -0.57, compared with SEK -0.29 in the corresponding period in 2016.

Cash flow, liquidity and financial position

Cash flow after continuous investments for the first quarter amounted to SEK -45 million (2). Cash flow from operating activities totaled SEK -27 million (5), while the change in working capital had a positive effect of SEK 23 million (24). Continuous investments amounted to SEK 41 million (26), of which SEK 37 million (22) referred to capitalization of R&D.

At the close of the quarter, the Group had SEK 730 million (371) in cash and cash equivalents, and unutilized overdraft facilities of a maximum of SEK 170 million (170).

Employees

The number of employees at period-end, recalculated to full-time equivalents (FTE), was 733. Compared with the corresponding period last year, the number of FTEs rose by 96, or 15%, through increased investments in the R&D, sales and marketing organizations.

Johan Wilsby will assume office as CFO of the Tobii Group, effective June 2017.

Tobii Dynavox

- Favorable demand in Europe, excluding the UK, weaker sales in North America.
- Lower sales of certain older touchscreen products weighed on sales.
- Important launches of new hardware for the touchscreen segment and new communication software were carried out in April.



Market development

Many people who require assistive technology for communication do not currently have access to such products, which means there is good potential for market growth over a long period. Tobii Dynavox holds 43% of the total market for assistive technology for communication and 75% within eye-controlled products.

In recent years, specifically within the touch-based products sub-segment, Tobii Dynavox has been impacted by the use of mainstream tablets as a substitute for customized solutions. The business unit has historically focused mainly on medical-grade solutions, but makes large investments to build a leading offer also within lower-priced products targeted directly to schools and consumers, as well as within stand-alone apps. By doing this, the ambition is to grow the business over the long term and expand its market-leading position to include these product categories.

January – March

Sales

Net sales for the first quarter declined year-over-year by SEK 6 million, or 3%, to SEK 182 million (188). Adjusted for currency effects, the decrease was 7%. The Steve Gleason Act had a positive one-off effect of SEK 4 million on sales in the comparative period. Adjusted for both currency and this one-off effect, sales declined by 5%.

Revenues were impacted by declining sales in the US. Sales were favorable in other regions, with the exception of the UK, where sales were lower as a result of the transition to direct sales. Sales were also affected by price reductions on certain products carried out in April 2016 and by lower sales of touchscreen products in the later stages of their product life cycles.

Earnings

The gross margin was 70% (71%). Operating profit totaled SEK 20 million (27) and the EBIT margin was 11% (14%). The decrease was driven primarily by the price reductions relating to parts of the product range carried out in 2016 and by increased investments in sales and marketing.

Research & development (SEK m)	2017	2016
Total R&D expenditures	-30	-27
Capitalization	16	13
Amortization	-11	-12
R&D expenses in the income statement	-24	-25

Significant events

- Indi, the world's first all-in-one speech tablet, was launched in April along with Snap, a new symbol-based communication software. With purpose-built functionality and a price tag from USD 999, Indi is designed to take market share from mainstream tablets used as communication devices.

About Tobii Dynavox

Tobii Dynavox is the world's leading supplier of assistive technology for individuals with reduced ability to speak and communicate due to conditions such as cerebral palsy, ALS, aphasia, spinal cord injuries or autism. The products include medical-grade eye-controlled and touchscreen-based communication devices and a variety of software. Tobii Dynavox accounts for approximately 70% of the Group's sales. The business unit's long-term financial goal is to deliver revenue growth in excess of 10% per year and to reach an EBIT margin of 20%.

SEK m	First quarter		Full year
	2017	2016	2016
Net sales	182.2	188.3	761.7
Gross margin	70%	71%	71%
EBITDA	34.3	42.9	184.9
EBITDA margin	19%	23%	24%
Operating profit/loss (EBIT)	19.5	26.6	124.7
EBIT margin	11%	14%	16%

Tobii Pro

- The flagship product Glasses 2 continued to drive sales and the use of eye-tracking in new areas.
- The new products Spectrum and Lab attracted considerable interest and deliveries will begin during the second quarter.
- Substantial investments in product development continued.



Market development

The market development for eye-tracking solutions for behavioral research studies is generally favorable, with growing demand in established sub-markets. Tobii Pro has also gradually reached new customer categories with its innovative and versatile products. As eye tracking becomes sought after in a growing range of research fields, demand for various types of solutions is also increasing, from highly advanced research tools to cost-effective solutions for conducting both large and small-scale studies. Tobii Pro is a driving force behind this trend and is making substantial investments in developing a differentiated product portfolio in eye-tracking hardware as well as software and services.

January – March

Sales

Net sales for the first quarter rose year-over-year by SEK 2 million, or 3%, to SEK 61 million (59). Adjusted for currency effects, this represented a decrease of 1%. Sales were negatively impacted by the fact that customer deliveries of Tobii Pro Spectrum, which was launched in the fourth quarter 2016, had not yet begun. This contributed to a total order backlog effect of SEK 5 million compared with the first quarter of 2016.

Earnings

The gross margin was 75% (73%). The increase was mainly driven by changes in the product mix. Operating profit totaled SEK 0 million (6) and the EBIT margin was 0% (10%). This change was primarily attributable to the increase in order backlog mentioned above as well as increased investments in sales and marketing.

Research & development (SEK m)	2017	2016
Total R&D expenditures	-16	-12
Capitalization	9	6
Amortization	-7	-6
R&D expenses in the income statement	-14	-13

About Tobii Pro

Tobii Pro is the world's leading provider of eye-tracking hardware and analytics software used for understanding human behavior. Over 3,000 companies and 2,000 academic institutions are Tobii Pro customers, including several large corporations such as Procter & Gamble, Ipsos and Microsoft, as well as all of the world's 50 top-ranked universities. Tobii Pro accounts for approximately 20% of the Group's sales. The business unit's long-term financial goal is to deliver revenue growth in excess of 15% per year and to reach an EBIT margin in excess of 15%.

SEK m	First quarter		Full year
	2017	2016	2016
Net sales	60.9	59.3	244.9
Gross margin	75%	73%	74%
EBITDA	8,0	12.9	45.1
EBITDA margin	13%	22%	18%
Operating profit/loss (EBIT)	0,1	5.9	15.5
EBIT margin	0%	10%	6%

Tobii Tech

- Continued focus on PC gaming and marketing initiatives in cooperation with existing integration customers.
- Tobii's VR demos at the GDC and SVVR trade shows attracted considerable attention.
- Sharp increase in external sales compared with the first quarter of 2016.
- Strong organizational growth in Tobii Tech.



Market development

All sub-markets addressed by Tobii Tech are in an early stage of their market development and the adoption of eye tracking in these areas is very low. Recently, however, several products have been launched in the market for gaming computers with built-in eye tracking from Tobii, including notebooks, monitors and peripherals. The feedback received from Tobii Tech's initial customer surveys of active users has been positive.

In the VR market, manufacturers of VR headsets are showing a strong interest in integrating eye tracking into future product generations in order to improve interaction and graphics rendering. Business discussions are under way with several different players in the VR ecosystem.

In the smartphone area, Tobii currently has one initial customer and is working to be able to deliver expanded functionality to additional integration customers in the long term.

Specialized markets also showed considerable interest and several companies evaluated Tobii's eyetracking platform for integration into their products.

January – March

Sales

Net sales for the first quarter rose year-over-year by SEK 13 million, or 82%, to SEK 29 million (16). Adjusted for currency effects, the increase was 76%. The increase was mainly attributable to external sales, which increased 290% to SEK 18 million.

Earnings

The gross margin was 41% (41%). Operating loss amounted to SEK -76 million (-49), which was mainly impacted by increased investments in R&D, sales and marketing.

Research & development (SEK)	2017	2016
Total R&D expenditures	-60	-35
Capitalization	11	3
Amortization	-9	-2
R&D expenses in the income statement	-58	-35

Significant events

- Acer presented Aspire V17 Nitro, the first notebook beyond specialized gaming computers with built-in eye tracking from Tobii.
- Tobii Tech announced an R&D collaboration with Valve concerning eye tracking in VR and showcased its first demos for VR games at the GDC and SVVR trade shows.
- The list of game titles with integrated support for Tobii eye tracking was expanded and now includes major titles such as *Rise of the Tomb Raider*, *Dying Light*, *Tom Clancy's Ghost Recon Wildlands* and *Soma*.

About Tobii Tech

Tobii Tech offers components and platforms for eye tracking to OEM customers who integrate Tobii's technology into their own products. The business unit invests in technology development and marketing activities in a number of segments, several of which have the potential to become very large in the future, including the gaming, computing, virtual reality, mobile devices, automotive, and medical equipment markets. Tobii Tech accounts for approximately 10% of the Group's sales, including internal sales to Tobii Dynavox and Tobii Pro. The business unit's long-term goal is to be the leading provider of eye-tracking technology for integration into high-volume products.

SEK m	First quarter		Full year
	2017	2016	2016
Net sales	29.1	16.0	96.4
Gross margin	41%	41%	43%
EBITDA	-66.4	-47.5	-179.7
EBITDA margin	i/m	i/m	i/m
Operating profit/loss (EBIT)	-75.8	-49.3	-207.2
EBIT margin	i/m	i/m	i/m

Consolidated Key Ratios

	First quarter		Full year
	2017	2016	2016
Earnings per share, SEK	-0.57	-0.29	-0.57
Earnings per share, diluted ¹ , SEK	-0.57	-0.29	-0.57
Equity per share, SEK	12.0	8.8	12.5
EBITDA, SEK m	-24.1	8.4	50.3
EBIT, SEK m	-56.3	-16.8	-67.0
Cash flow from operating activities, SEK m	-4.0	28.6	67.6
Cash flow after continuous investments, SEK m	-45.3	2.1	-74.5
Working capital, SEK m	-6.2	2.9	16.8
Total assets, SEK m	1,438.7	1,006.5	1,486.6
Net cash (+)/net debt (-), SEK m	729.6	371.1	771.7
Equity, SEK m	1,166.4	774.4	1,215.1
Average equity, SEK m	1,182.1	792.3	801.9
Equity/assets ratio, %	81.1	76.9	81.7
Net debt/equity, %	neg	neg	neg
Gross margin, %	70.8	73.0	72.3
EBITDA margin, %	-9.3	3.3	4.8
Operating margin, %	-21.5	-6.6	-6.4
Return on total equity, %	-4.7	-3.1	-3.6
Average number of outstanding shares, million	97.0	87.6	87.9
Average number of outstanding shares after dilution, million	99.4	90.9	91.6
Number of outstanding shares at period-end, million	97,1	87.6	97.0
Number of outstanding shares after dilution at period-end, million	99.4	90.9	100.3
Average number of employees	722	633	682

Condensed Consolidated Statement of Comprehensive Income

SEK m	First quarter		Full year
	2017	2016	2016
Net sales	261.0	252.2	1,053.3
Cost of goods and services sold	-76.3	-68.0	-291.5
Gross profit	184.8	184.2	761.8
Selling expenses	-116.3	-102.2	-429.1
Research and development expenses	-94.9	-72.2	-301.8
Administrative expenses	-27.1	-20.7	-101.6
Other operating income and operating expenses ¹	-2.8	-6.0	3.6
Operating profit/loss	-56.3	-16.8	-67.0
Net financial items ²	-6.5	-12.8	19.4
Profit/loss before tax	-62.8	-29.5	-47.6
Tax	7.7	4.6	-2.2
Net profit/loss for the period	-55.1	-24.9	-49.8
Other comprehensive income			
Items that may subsequently be reclassified to profit or loss for the period:			
Translation differences	2.3	4.9	-0.7
Other comprehensive income for the period, net after tax	2.3	4.9	-0.7
Total comprehensive income for the period	-52,8	-20.0	-50.5
Of which depreciation and amortization	-32.1	-25.1	-117.3
Of which write downs of fixed assets	-	-	-
Earnings per share, SEK	-0.57	-0.29	-0.57
Earnings per share, diluted, SEK	-0.57	-0.29	-0.57
Net profit/loss for the period attributable to:			
Parent company shareholders	-55.7	-25.2	-49.7
Non-controlling interests	0.6	0.2	-0.1
Net profit/loss for the period	-55.1	-24.9	-49.8
Total comprehensive income for the period attributable to:			
Parent company shareholders	-53.4	-20.2	-50.4
Non-controlling interests	0.6	0.2	-0.1
Total comprehensive income for the period	-52,8	-20.0	-50.5

1) Primarily foreign currency translation differences.

2) Net financial items include foreign currency translation differences totaling SEK -6 million (-13) for the first quarter and SEK 19 million for the Full Year 2016.

Condensed Consolidated Balance Sheet

SEK m	Mar 31, 2017	Mar 31, 2016	Dec 31, 2016
Fixed assets			
Intangible fixed assets	378.1	328.2	370.4
Tangible fixed assets	25.5	29.7	28.1
Financial fixed assets	66.1	62.4	58.3
Total fixed assets	469.8	420.2	456.8
Current assets			
Accounts receivable	124.2	143.2	151.7
Inventories	70.8	40.9	67.3
Other current receivables	44.3	31.0	39.2
Cash and cash equivalents	729.6	371.1	771.7
Total current assets	968.6	586.3	1,029.8
Total assets	1,438.7	1,006.5	1,486.6
Shareholders' equity			
Shareholders' equity, Parent Company shareholders	1,165.5	773.9	1,214.8
Non-controlling interests	0.9	0.6	0.3
Total shareholders' equity	1,166.4	774.4	1,215.1
Liabilities			
Long-term liabilities			
Other long-term liabilities	26.8	19.8	30.2
Total long-term liabilities	26.8	19.8	30.2
Current liabilities			
Other current liabilities	245.5	212.3	241.3
Total current liabilities	245.5	212.3	241.3
Total liabilities	272.3	232.1	271.5
Total shareholders' equity and liabilities	1,438.7	1,006.5	1,486.6

Condensed Consolidated Statement of Changes in Equity

SEK m	Attributable to Parent Company shareholders					Non-controlling interests	
	Share capital	Other contributed capital	Reserves	Retained earnings	Total		Total equity
Opening balance, Jan 1, 2016	0.6	1,095.2	-0.9	-301.4	793.5	0.3	793.8
Comprehensive income for the period			4.9	-25.2	-20.2	0.3	
New share issue		0.4			0.4		
Share based payments settled using equity instruments				0.2	0.2		
Closing balance, Mar 31, 20156	0.6	1,095.6	4.0	-326.3	773.9	0.6	774.4
Comprehensive income for the period			-5.6	-24.5	-30.1	-0.4	
Rights issue	0,1	448.4			448.5		
New share issue	0.0	16.4			16.4		
Sale of warrants, incentive programs		5.8			5.8		
Share based payments settled using equity instruments				0.4	0.4		
Closing balance, Dec 31, 2016	0.7	1,566.2	-1.6	-350.5	1,214.8	0.3	1,215.1
Comprehensive income for the period			2.3	-55.7	-53.4	0.6	
New share issue, exercise of warrants incentive programs	0.0	4.0			4.0		
Share based payments settled using equity instruments				0.2	0.2		
Closing balance, Mar 31, 2017	0.7	1,570.2	0.6	-406.0	1,165.5	0.9	1,166.4

Condensed Consolidated Statement of Cash Flow

SEK m	First quarter		Full year
	2017	2016	2016
Cash flow from operating activities:			
Profit/loss after financial items	-62.8	-29.5	-47.6
Adjustment for items not included in the cash flow	35.6	36.6	108.7
Taxes paid	-0.2	-2.1	-3.8
Cash flow from operating activities before change in working capital	-27.4	4.9	57.3
Cash flow from change in working capital	23.4	23.7	10.3
Cash flow from operating activities	-4.0	28.6	67.6
Investments			
Continuous investments:			
Investments in intangible, tangible and financial fixed assets	-41.3	-26.4	-142.0
Cash flow after continuous investments	-45.3	2.1	-74.5
Acquisition of subsidiary company	-	-	-
Cash flow after investments	-45.3	2.1	-74.5
Cash flow from financing activities	4.0	0.4	471.1
Cash flow for the period	-41.4	2.6	396.6
Foreign currency translation, cash and cash equivalents	-0.7	-2.3	4.2
Cash and cash equivalents at the beginning of the period	771.7	370.9	370.9
Cash and cash equivalents at the end of the period	729.6	371.1	771.7

Quarterly Data per Business Unit and the Group

Net sales, SEK m	2016				2017			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Tobii Dynavox	188.3	181.8	187.0	204.6	182.2			
Tobii Pro	59.3	53.3	58.4	73.9	60.9			
Tobii Tech*	16.0	18.3	21.2	40.9	29.1			
Eliminations and other	-11.4	-12.7	-12.1	-13.4	-11.1			
The Group	252.2	240.7	254.5	305.9	261.0			
*) Of which internal sales to Tobii Dynavox and Tobii Pro	11.4	12.7	12.1	13.4	11.1			

Gross margin, %	2016				2017			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Tobii Dynavox	71.2	70.3	71.0	71.1	69.6			
Tobii Pro	73.5	71.8	72.4	75.7	75.5			
Tobii Tech	41.4	49.6	47.9	39.0	41.4			
The Group	73.0	72.7	72.8	71.1	70.8			

Operating profit/loss before depreciation and amortization (EBITDA), SEK m	2016				2017			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Tobii Dynavox	42.9	41.5	45.5	55.0	34.3			
Tobii Pro	12.9	4.6	7.6	19.9	8.0			
Tobii Tech	-47.5	-45.3	-32.8	-54.2	-66.4			
Eliminations and other	-	-	-	-	0.0			
The Group	8.4	0.8	20.4	20.8	-24.1			

Operating profit/loss (EBIT), SEK m	2016				2017			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Tobii Dynavox	26.6	25.4	31.2	41.5	19.5			
Tobii Pro	5.9	-2.7	0.1	12.1	0.1			
Tobii Tech	-49.3	-51.9	-41.9	-64.1	-75.8			
Eliminations and other	-	-	-	-	0.0			
The Group	-16.8	-29.2	-10.6	-10.5	-56.3			

Operating margin, %	2016				2017			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Tobii Dynavox	14.1	14.0	16.7	20.3	10.7			
Tobii Pro	10.0	-5.1	0.1	16.4	0.1			
Tobii Tech	neg	neg	neg	neg	Neg			
The Group	-6.6	-12.1	-4.2	-3.4	-21.5			

Profit/loss before tax, SEK m	2016				2017			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
The Group	-29.5	-17.5	-5.4	4.8	-62.8			

Profit/loss for the period, SEK m	2016				2017			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
The Group	-24.9	-16.3	-7.2	-1.4	-55.1			

The Parent Company

The Group's Parent Company, Tobii AB (publ.), which has over 290 employees, focuses on sales, marketing, R&D, purchasing, manufacturing, technical support and IT. The Parent Company's net sales during the first quarter totaled SEK 164 million (145) and the operating profit/loss was SEK -42 million (-19) and for the full year 2016 net sales totaled SEK 633 million and the operating loss was SEK -50 million. At the period end the Parent Company had SEK 650 million (294) in cash and cash equivalents and SEK 170 million (170) in unutilized overdraft facilities.

Condensed Parent Company income statement

SEK m	First quarter		Full Year
	2017	2016	2016
Net sales	163.8	145.4	632.9
Cost of goods and services sold	-70.0	-62.9	-274.0
Gross profit	93.8	82.5	358.9
Selling expenses	-43.8	-32.4	-135.0
Research and development expenses	-74.1	-52.9	-225.1
Administrative expenses	-16.1	-11.4	-55.9
Other operating income and operating expenses	-2.1	-4.4	6.8
Operating profit/loss	-42.2	-18.7	-50.3
Financial items	-0.7	-6.6	46.1
Profit/loss before tax	-42.9	-25.3	-4.2
Tax	9.2	6.8	4.3
Profit/loss after tax	-33.6	-18.5	0.1
Depreciation and amortization, total	-20.2	-12.9	-69.0

The Parent Company's profit/loss after tax corresponds to the total comprehensive income.

Condensed Parent Company balance sheet

SEK m	Mar 31, 2017	Mar 31, 2016	Dec 31, 2016
<i>Fixed assets</i>			
Intangible fixed assets	202.0	169.4	192.6
Tangible fixed assets	7.3	7.3	7.7
Financial fixed assets	561.8	493.0	562.6
Long-term financial receivables	1.8	0.0	1.8
Total fixed assets	772.9	669.7	764.7
Current assets			
Accounts receivable	98.9	68.3	98.1
Inventories	45.6	24.0	43.7
Other current financial receivables	62.2	76.9	71.1
Cash and bank balances	650.3	293.6	685.7
Total current assets	857.0	462.9	898.6
Total assets	1,629.9	1,132.6	1,663.3
Shareholders' equity	1,470.3	1,010.3	1,499.8
Long-term liabilities			
Other long-term liabilities	12.0	5.2	12.0
Total long-term liabilities	12.0	5.2	12.0
Current liabilities			
Other current liabilities	147.6	117.1	151.4
Total current liabilities	147.6	117.1	151.4
Total liabilities	159.6	122.3	163.5
Total equity and liabilities	1,629.9	1,132.6	1,663.3

Definitions of alternative performance measures (APM) not defined by IFRS

Alternative Performance Measures, (APMs), are financial measures of financial performance, financial position, or cash flows, other than those defined in the applicable financial reporting framework (IFRS). These are considered to be important supplemental measures of the company's performance. These measures may not be comparable to measures used by other companies, due to the fact that not all companies calculate financial measures in the same way.

Gross margin

Gross profit relative to the operations' net sales.

Operating profit/loss (EBIT)

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

Operating margin

Operating profit relative to the operations' net sales.

EBITDA (Earnings before interest, taxes, depreciation and amortization)

Operating profit/loss before depreciation, amortization and write-downs.

EBITDA margin

Operating profit/loss before depreciation, amortization and write-downs relative to the operations' net sales.

Cash flow after continuous investments

Cash flow from operating activities minus investments in intangible, tangible and financial fixed assets.

Working capital

Inventories, accounts receivable, and other current receivables minus accounts payable and other non-interest-bearing current liabilities.

Net cash/net debt

Cash and cash equivalents minus interest-bearing liabilities.

Equity/assets ratio

Shareholders' equity as a percentage of the Balance Sheet total.

Debt/equity ratio

Interest-bearing liabilities divided by shareholders' equity.

Return on equity

Profit after tax, relative to the average shareholders' equity during the period.

Equity per share

Shareholders' equity at the period end attributable to the Parent Company's shareholders, divided by the number of shares at the period end.

Average number of employees

Average number of full time employees during the period, including part-time employees recalculated as full-time positions.

n/m = not meaningful

Other information

Accounting principles

The consolidated interim report has been prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the EU. The Interim Report complies with the provisions of IAS 34, and the report for the Parent Company has been prepared pursuant to the provisions of the Swedish Annual Accounts Act and RFR 2. The accounting principles of the Parent Company and the Group, and the calculation principles used in the report, are unchanged from those used in the most recently published Annual Report. No new or amended IFRS regulations have had any material impact on the Group.

ESMA's (European Securities and Markets Authority) guidelines on "Alternative Performance Measures" have been applied from July 3, 2016, requiring disclosure regarding financial measures that are not defined in accordance with IFRS.

Risks and uncertainty factors

Tobii's business risks include the economic climate, the competitive situation, currency risks, credit risks in relation to customers, financing risks, the risk of impairment write-downs of capitalized R&D and other intangible assets, and regulatory risks (Tobii Dynavox in the U.S. is under the supervisory control of the U.S. Food and Drug Administration (FDA)). The Group's risks and risk management are described in greater detail in the Directors' Report section of Tobii's 2015 Annual Report and Tobii is of the opinion that this risk description remains correct.

Transactions with related parties

No transactions have occurred between Tobii and related parties that have materially affected the company's position and earnings.

The Board of Directors and the CEO certify that this financial statement provides a fair view of the operations, position and earnings of the Parent Company and the Group, and that it describes the significant risks and uncertainty factors faced by the Company and the companies that make up the Group.

Danderyd, April 27, 2017

Tobii AB (publ)

Kent Sander <i>Chairman</i>	Heli Arantola
Nils Bernhard	John Elvesjö
Martin Gren	Åsa Hedin
Jan Wäreby	Henrik Eskilsson <i>President & CEO</i>

This interim report has not been audited.

This is a translation of the original Swedish interim report. In the event of a discrepancy between this translation and the Swedish original, the Swedish interim report takes precedence.

This information is information that Tobii AB (publ) is obliged to make public, pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out below, on April 27, 2017 at 08.00 (CET).

Contact person: Sara Hyléen, Corporate Communications Director, email: sara.hyleen@tobii.com, phone: +46 709 16 16 41

Contact details

Sara Hyléen, Corporate Communications Director,
phone: +46 709 16 16 41

Henrik Eskilsson, President & CEO, phone: +46 8 663 69 90

Tomas Kihlstrand, interim CFO, phone: 08-663 69 90

Tobii AB (publ) • Corporate ID number: 556613-9654
Postal address: Box 743 • 18217 Danderyd, Sweden
Phone: +46 8 663 69 90

www.tobii.com

Financial calendar

AGM 2017	May 9, 2017
Interim report Q2, 2017	July 25, 2017
Interim report Q3, 2017	October 26, 2017
Year-end report, 2017	February 8, 2018