Second Quarter 2018

July 20, 2018
Welcome to our presentation of the Q2 2018 report

Henrik Eskilsson, CEO

Johan Wilsby, CFO
Good progress in all three business units

• Positive sales trend with increasing growth rate in Tobii Dynavox
• Continued very strong sales in Tobii Pro
• Strong momentum in the VR segment in Tobii Tech
Tobii Dynavox

- Global leader in assistive technology for communication
- Market share close to 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

59%

AVA’S STORY
https://www.youtube.com/watch?v=RJ35Zp8ZrJw
Tobii Dynavox Q2 highlights

• Positive sales trend and sales growth by 8 % adjusted for currency

• Strong increase in number of units – helped more than twice as many users as in Q2 2017

• Continued very positive response to new products

• Launched the Speech Case for iPad

• Launched 7 inch version of Indi speech device

• Localization of Snap software to Swedish and Dutch

• Continued investments in product development
Positive trend in society towards inclusion
Tobii Dynavox Q2 financials

- Revenue grew 8% adjusted for currency and non-adjusted
- Gross margin was 67% (68%)
- EBIT margin was 11% (10%)
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

30%
Tobii Pro Q2 highlights

- Continued very strong sales
- Volume order of Glasses 2 from leading car manufacturer
- Stellar performance tests of Spectrum
- Launched VR analytics software
Eye tracking analytics in VR

https://www.tobii.pro/product-listing/vr-analytics/
Tobii Pro Q2 financials

- Revenue increased 37% adjusted for currency
  - 39% increase non-adjusted
- Gross margin at 73% (73%)
- EBIT margin at 2% (-3%)
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

11%
Tobii Tech Q2 highlights

• Advancements in VR, both in ongoing integration projects and in dialogues with potential additional customers

• Dell launched updated version of gaming notebook Alienware 17 with eye tracking

• Dell announced Alienware Academy – an upcoming training solution for e-sports which includes Tobii eye tracking

• Standardization of eye tracking with USB standard approved by USB.org and eye tracking API for software developers for Windows 10

• First design projects started for products with the new Tobii IS-5 platform

• Tobii announced collaboration with Lumus to bring eye tracking to their AR devkit
Continued strong progress in VR market

• Good progress in integration projects with significant VR customers and partners
• These projects mostly target products in market during 2019
• Pipeline of numerous additional projects

AR/VR Headset Market Share by Form Factor, 2018 – 2022

<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>Virtual Reality</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>Augmented Reality</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></td>
<td>8,9</td>
<td>65,9</td>
</tr>
</tbody>
</table>

Source: IDC Worldwide Quarterly AR and VR Headset Tracker, June 19, 2018
Growing traction in streaming and e-sports

- Increased use in streaming & training
- Strong partnership with Dell Alienware – announced Alienware Academy
Standardization of eye tracking – a foundational condition for mainstreaming

• USB standard developed by Tobii, Microsoft, Intel and Eye Tech DS approved by USB.org

• Microsoft released eye tracking API for Windows 10


https://blog.tobii.com/eye-tracking-development-news-microsoft-build-c86264e69d3c
Tobii Tech Q2 financials

• Revenue increased 5% year-over-year, adjusted for currency
  • 8% non-adjusted
• Gross margin was 50% (43%)
  • Larger portion of sales to niche market customers
• Operating loss amounted to -82 MSEK (-87)
  • Lower external development costs
Tobii Group Q2 financials

- Revenue increased 15% year-over-year adjusted for currency
  - 14% non-adjusted
- Gross margin was 70% (71%)
- Group EBIT was -59 MSEK (-71)
  - Impacted by strong sales growth in Tobii Dynavox and Tobii Pro, and lower external R&D costs in Tobii Tech
Balance sheet and cash flow

- Cash flow in Q218 positively impacted by a decrease in trade working capital after strong Q1 sales
- Continued strong cash position at 407 MSEK

### Group balance and cash flow summary

<table>
<thead>
<tr>
<th>Tobii Group (MSEK)</th>
<th>Q2 2018</th>
<th>Q2 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Assets</td>
<td>1 316</td>
<td>1 388</td>
</tr>
<tr>
<td>Equity</td>
<td>899</td>
<td>1 029</td>
</tr>
<tr>
<td>Equity Ratio</td>
<td>68%</td>
<td>74%</td>
</tr>
<tr>
<td>Net Cash (+)/Net Debt(-)</td>
<td>407</td>
<td>631</td>
</tr>
<tr>
<td>Cash flow after continuous investments</td>
<td>-62</td>
<td>-78</td>
</tr>
</tbody>
</table>
Summary

- **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