Welcome to our Year-End Report Q4 2020

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Q4 2020 Summary

**New sales record and significantly improved profitability, despite the pandemic**

- Organic growth of 2% despite continued pandemic related headwinds

- Record-breaking currency-adjusted revenue for the Group, Tobii Pro and Tobii Dynavox

- Operating result SEK -8 million (-21)

- Introducing the goal of achieving a positive operating profit for the Group for the full year 2021
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

60%
Share of Tobii’s gross sales (LTM)
Tobii Dynavox Q4 2020
New sales record

• Revenue up 2% organically - new record (fx-adjusted)
• Sales activities continued to be affected by the pandemic
• Continued strong traction for new I-series
• US returned to organic growth
• Continued high pace of innovation and product launches
  • Began roll-out of a new generation of Boardmaker
  • New Speech Case
  • Integrated the PODD language system

Tobii Dynavox started rolling out Boardmaker 7 - its next generation platform for special education
Tobii Dynavox Full Year 2020
Small growth despite significant negative effects of the pandemic

• Significant negative impact from the pandemic
• Revenue up 1 % organically
• Improvements to reimbursement in several countries
• Trained 100,000 professionals
• Continued to strengthen the product portfolio
• 30,000 new voices

During the year Tobii Dynavox has introduced several new features such as a tight integration with Google Assistant and Google Home, outdoor eye tracking capabilities, improved access to popular apps and the symbol communication system PODD.
Tobii Dynavox Q4 2020

Financials

- Revenue grew 2% organically
  - Record-breaking currency-adjusted sales
  - Large currency effect
  - Covid-19 had strong negative impact on sales
  - New I-Series continued to be a growth driver

- Gross margin was 67% (64%)
  - Positive geographical mix effects, reduced discounts, lower shipping costs and lower cost of obsolescence

- EBIT margin of 15% (11%)
  - 4 pp margin improvement despite Covid-19 and negative impact from currency translation effects of SEK 10 million
  - Driven by higher gross margin from positive mix, good cost control and government support of SEK 4 million
Tobii Dynavox Full Year 2020

Financials

• Revenue grew 1% organically
  • The new I-Series has been a strong engine for sales
  • Shutdowns and restrictions affecting institutions such as schools, universities and care facilities had a substantial negative impact

• Gross margin was 66% (66%)

• Improved EBIT margin of 14% (11%)
  • Strong performance of the new I-Series, good cost control and government support of SEK 13 million
  • Negative currency translation effect of SEK 10 million
Tobii Dynavox: Focus on long-term development

Continued growth and margin expansion

- Favorable long-term reimbursement trend
- Strong and updated product portfolio after several investment-heavy years post the acquisition of Dynavox LLC
- Investment focus shifting to sales and marketing expansion
- Several appealing acquisition opportunities

=> Well poised for accelerating growth and good margins
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)  

25%
Tobii Pro Q4 2020

Strong comeback

- Tobii Pro’s business heavily impacted by the pandemic
- Revenue up 2% organically – new sales record (fx-adjusted)
- Strong gradual improvement during the fall
- All regions except US showed growth in Q4
Tobii Pro Full Year 2020

Strong execution in both product development and market activities

- Pandemic had severe impact on the business – organic revenue -16%
- Pro Glasses 3 launch very successful
- Continued investments in the product portfolio
  - Glasses 3
  - Improvements to Tobii Pro Lab research software
  - Partnership in EEG and other biometric modalities.
  - Improved Sticky – out SaaS platform for in-home research
  - Enhanced performance of Pro Fusion and Pro Spectrum
- Successful transition of sales and marketing to more online channels

Tobii Pro partners with leading EEG and Biometrics solution providers to offer a complete co-registration solution
Revenue grew 2% organically
- Record-breaking currency-adjusted sales
- Strong recovery trend seen after the summer continued throughout the quarter
- Negative covid-19 impact in almost all markets and customer segments

Gross margin at 73% (76%)
- Hampered by a SEK 4 million non-cash currency effect

EBIT margin at 9% (15%)
- Pressured by non-cash currency effects. Underlying profitability on par with Q4 2019
Tobii Pro Full-Year 2020
Financials

- Revenue decreased 16% organically
  - Negative covid-19 impact in all markets and customer segments
  - Organic declines year-on-year during the summer exceeded 40%, after which Tobii Pro has achieved a strong recovery with a gradually improved year-on-year sales trend

- Gross margin at 73% (75%)

- EBIT margin at -3% (12%)
  - Lower revenue, lower gross margin and higher amortization and depreciation
  - Supported by a 10% organic opex reduction

![Revenue (SEK million) and Gross Margin](image)

![EBIT (SEK million) and EBIT Margin](image)
Tobii Pro: Focus on long-term development
Investing for growth

• Solid trend of strong revenue growth
• 2020 severely impacted by the pandemic
• Key growth drivers
  • Strong underlying growth in demand for eye tracking to understand human behavior
  • Improved and broadened product range
  • Entry into and growth of new application areas
• High gross margin provides strong profit leverage on increased revenue

=> Longer-term strategy to invest for growth
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)
Business activity increasing again, despite on-going pandemic

- Revenue down 8% organically in Q4, and up 7% for the full year
- Pandemic has slowed down business development and affected customer’s product roadmaps and sales volumes
- Received 5 design wins in a broad variety of product categories and application areas
- Strong traction in VR during 2020 and progress in Gaming and Niche Applications
- December sales of the gaming peripheral Eye Tracker 5 more than double previous record month

Tobii Eye Tracking Makes the Star Citizen Universe More Immersive than Ever Before
Tobii Tech Q4 2020

Financials

- Revenue decreased 8% organically
  - Revenue impacted by difficulties to pursue business development and project delays throughout the year
  - Rising level of activity in the quarter
  - Revenue increased by almost 40% sequentially from Q3 2020

- Gross margin was 52% (51%)

- Operating loss improved to SEK -55 million (-70)
  - Attributable to the slightly lower investment rate implemented in the second quarter
Tobii Tech Full-Year 2020

Financials

• Revenue increased 7% organically
  • The pandemic has had a negative impact on sales throughout the year since it has been more difficult to pursue business development, some customers have postponed projects and several established customers have had lower sales volumes.

• Gross margin was 51% (47%)
  • Mix-shift towards higher share of revenues derived from licenses and software

• Operating loss amounted to SEK -221 million (-294)
  • Increased sales, a higher gross margin and lower costs from lower investment rate implemented in Q2 2020
Tobii Tech: Focus on long-term development

Large opportunity as eye tracking scales across many application areas

- Tobii Tech is focused on a narrow position in the value chain – to be the leader in core eye tracking technology
- Targets a wide range of applications and industries
- VR and AR is projected to reach over 50M units per year over the coming 3-5 years
- Gaming usage growing steadily
- Broad range of applications in healthcare, education, training, safety etc – some with very large potential

=> Strong belief in opportunity to drive rapid sales growth and build a large business over coming years
Tobii Group Q4 2020
Financials

• Revenue decreased to SEK 397 million (433), corresponding to 2% organic growth
  • New currency-adjusted revenue record
  • Material impact from covid-19 effects but also good growth in several product lines and customer segments.

• Gross margin was 70% (69%)

• Group EBIT was SEK -8 million (-21)
  • Strong progress towards profitability
  • Material impact of announced cost reduction program; operating costs down 12% compared to Q4 2019
  • Decreased capitalization and increased amortization pressured earnings with SEK 16 million vs Q4 2019
  • Negative currency translation effects of SEK -15 million
Tobii Group
Positive profitability trend

EBITDA less capitalized R&D (SEK million)

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Tobii Group Full-Year 2020

Financials

- Revenue decreased to SEK 1,426 million (1,501), corresponding to a 3% organic decline
  - Significant Covid-19 impact

- Gross margin was 68% (69%)

- Group EBIT was SEK -103 million (-138)
  - 14% organic reduction of operating expenses
  - SEK 30 million in government relief measures
  - Net of amortization and capitalization lead to a negative impact of SEK 80 million compared to last year
  - Negative translation currency effects of SEK -22 million
Tobii Group Q4 2020

Balance sheet and cash flow

- Positive cash flow after continuous investments of SEK 25 million (-40), supported by a reduced net working capital
- Solid cash position of SEK 410 million
- Net debt was SEK 143 million (SEK 54 million excl. IFRS 16 Leasing) per 31 dec
- The divestment of Smartbox was completed

<table>
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<th>Tobii Group (MSEK)</th>
<th>Q4 2020</th>
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<td>Total Assets</td>
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<td>Cash flow after continuous investments</td>
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Group cash flow after continuous investments
Tobii Q4 2020

Summary of the quarter & outlook

Record sales and improved operating result, despite the pandemic

• Continued pressure from covid-19
• Strong underlying momentum in most parts of the business
• Back in growth mode with 2% organic growth
• Important product launches and customer wins
• EBIT improved to SEK -8 million (-21)
• Solid financial position with SEK 410 million cash on balance and a net debt of SEK 54 million (excl IFRS 16)

Outlook

• With a strong ending of 2020, despite elevated uncertainty due to Covid-19, we are optimistic regarding the outlook
• The board has set a goal for Tobii Group to deliver positive operating profit for full-year 2021
Thank you!
Q&A