Welcome to our presentation of the Q3 2019 report

Henrik Eskilsson, CEO

Johan Wilsby, CFO
High-level summary, third quarter

- Tobii Group's revenue grew by 15%, or 8% adjusted for currency effects
- Tobii Dynavox reported a much improved EBIT-margin of 14%
- Tobii Pro reported a very much improved EBIT-margin of 13%
- Doubled the external revenue in Tobii Tech
- Important product launches in Tobii Dynavox and Tobii Pro
  - The new I-Series
  - Tobii Pro Fusion

Note: Smartbox is reported separately from this quarter and does not contribute to Group’s or Division’s operating profit or loss.
Tobii Dynavox

- World's leading supplier of assistive technology for communication
- Market share of 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
Continuing to invest for growth

• The new I-Series, Tobii Dynavox’ medical grade and eye-controlled flagship product, was launched October 21

• Revenues has been somewhat dampened by the ongoing product transition of the I-Series

• The earlier reported bottlenecks in the internal funding process have been addressed and the situation has started to improve
Introducing the new I-Series, Tobii Dynavox’ medical grade eye-controlled flagship product

- I-series accounts for about 50% of Tobii Dynavox’ sales
- The new I-Series is the most user friendly, durable and advanced eye-tracking enabled communication device on the market
- Sample innovations include:
  - IS5 equipped, Tobii’s leading eye-tracking platform provides superior performance
  - Computer Control™, a new software enabling simpler and more intuitive interaction with the device
  - Partner window, a second screen on the back mirroring the phrases being typed
Tobii Dynavox’s three product segments

- **Software only** ($49-$700)
- **Mid-range** ($800-$3,000)
- **Medical grade** ($6,000-$15,000)

**Example products**

<table>
<thead>
<tr>
<th>Eye tracking</th>
<th>Touch access</th>
</tr>
</thead>
<tbody>
<tr>
<td>I-Series</td>
<td>I-110</td>
</tr>
<tr>
<td>PCEye EyeMobile</td>
<td>Indi Speech Case</td>
</tr>
<tr>
<td>Communicator Snap Windows Control</td>
<td>Communicator Snap</td>
</tr>
</tbody>
</table>
Tobii Dynavox Q3 financials

- Smartbox reported separately as of Q3
  - Reported as “Result from discontinued operations”
  - No effect on Group or division operating profit/loss
  - Comparable quarters adjusted/restated accordingly
  - Assets and liabilities reported separately in Balance Sheet

- Revenue increased 6% year-over-year, or 0% adjusted for currency
  - Strong sales of most products
  - Improved funding process
  - Product transition to the new I-Series dampened sales
  - Negatively affected by one-time provisions related to the business with US insurance companies

- Gross margin was 68% (68%)
- Greatly improved EBIT margin of 14% (9%)
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 professionals with revolutionary insights into human behavior, using eye tracking as the foundation*

Share of Tobii’s gross sales (LTM) 29%

Tobii Pro’s eye-tracking solutions are used by NASA for training purposes
Tobii Pro is serving thousands of innovative customers

A few of many recent examples:

• Support to space agency NASA that uses Tobii’s eye-tracking for training purposes

• Tobii Pro’s research consultancy team has run studies on wayfinding, advertising engagement and user experience on airports in Munich as well as London (Heathrow) and Copenhagen (Kastrup) with purpose to optimize the passenger journey.
Launch of the high performance and portable Tobii Pro Fusion product

- Designed for advanced eye tracking research both inside and outside the lab.
- Typical research fields include behavior, psychology, neuroscience and medicine.
- Sample innovations include:
  - Dual eye tracking cameras
  - Up to 250 Hertz sample rate
  - Handles fixation and saccade-based studies
  - Bright and dark pupil illumination which results in superior tracking robustness regardless of eye shapes, ethnicity or age.
Tobii Pro Fusion is an important addition to our unmatched portfolio of eye-tracking solutions for research

- Entry level: Tobii Pro Nano
- High performance: Tobii Pro Fusion
- State of the art: Tobii Pro Spectrum
- Mobile: Tobii Pro Glasses 2

Analytical software: Tobii Pro Lab
Tobii Pro Q3 financials

• Revenue increased 18% year-over-year, 10% adjusted for currency
  • Backlog remains high due to a general increased share of larger orders with longer delivery time and some late incoming orders

• Gross margin at 76% (76%)

• Strong EBIT margin at 13% (5%)
  • Reversal of an earn-out provision contributed positively
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)

13%

https://www.grandslam.gg/
Strong sales increase in Tobii Tech

• External revenue up 101%, or 86% adjusted for currency
• External sales growth driven by Dell Alienware gaming laptops
• Revenue up 44%, or 33% adjusted for currency
• Internal sales somewhat dampened by the product transition of Tobii Dynavox I-Series
Introducing Tobii Spotlight

• Tobii Spotlight technology first presented at Siggraph in July
• Joint panel discussion with nVidia and HTC
• Spotlight optimizes the possibility to process high resolution graphics only where the eye is focusing – so called “Foveated rendering”
• Foveated rendering reduces the need for graphics processing power and is a key reason why eye-tracking is becoming a necessity in VR
Tobii Tech Q3 financials

• External revenue up 101%, or 86% adjusted for currency
  • PC segment was growth driver

• Revenue increased 44% year-over-year, or 33% adjusted for currency
  • Internal sales dampened by I-Series product transition

• Gross margin was 45% (50%)
• Operating loss amounted to -73 MSEK (-82)
Tobii Group Q3 financials

- Revenue increased 15% year-over-year, 8% adjusted for currency
- Gross margin was 69% (71%)
- Group EBIT was -32 MSEK (-60)
- Smartbox reported separately as of Q3
  - No effect on Group or Division Operating Result
  - Reported as “Result from discontinued operations” with -2 MSEK
  - Assets and liabilities reported separately in Balance Sheet
Balance sheet and cash flow

- Cash flow from operations negatively impacted by the increase in working capital
- Smartbox assets and liabilities reported separately in Balance Sheet
- Cash position including Smartbox at 257 MSEK at the end of the quarter
- IFRS16 impact both assets and liabilities, and hence some key ratios

<table>
<thead>
<tr>
<th>Tobii Group (MSEK)</th>
<th>Q3 2019</th>
<th>Q3 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Assets</td>
<td>1647</td>
<td>1265</td>
</tr>
<tr>
<td>Equity</td>
<td>711</td>
<td>840</td>
</tr>
<tr>
<td>Equity Ratio</td>
<td>43</td>
<td>66</td>
</tr>
<tr>
<td>Cash Position (incl Smartbox)</td>
<td>257</td>
<td>338</td>
</tr>
<tr>
<td>Cash flow after continuous investments</td>
<td>-61</td>
<td>-71</td>
</tr>
</tbody>
</table>

Group balance and cash flow summary

Group cash flow after continuous investments

<table>
<thead>
<tr>
<th>Q1 2018</th>
<th>Q2 2018</th>
<th>Q3 2018</th>
<th>Q4 2018</th>
<th>Q1 2019</th>
<th>Q2 2019</th>
<th>Q3 2019</th>
</tr>
</thead>
</table>
Summary

• Tobii Group’s revenue grew by 15%, or 8% adjusted for currency effects
• Tobii Dynavox reported a much improved EBIT-margin of 14%
• Tobii Pro reported a very much improved EBIT-margin of 13%
• Doubled the external revenue in Tobii Tech
• Important product launches in Tobii Dynavox and Tobii Pro
  • The new I-Series
  • Tobii Pro Fusion
Thank you!
QnA