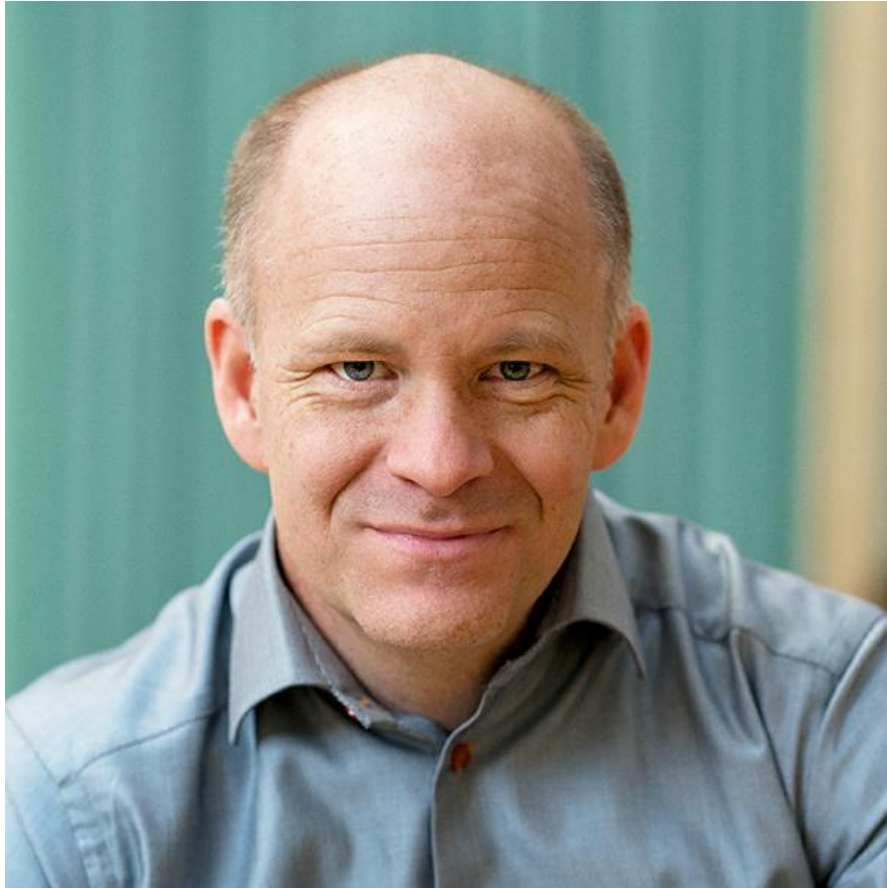


tobii

Second Quarter 2019

July 19, 2019

Welcome to our presentation of the Q2 2019 report



Henrik Eskilsson, CEO



Johan Wilsby, CFO

High-level summary, second quarter

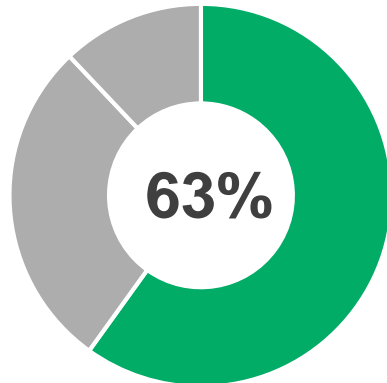
- Tobii Group's revenue grew by 21%, or 13% adjusted for currency effects
- Tobii Dynavox saw solid underlying demand, but revenue growth was hampered by delays in our administrative funding process
- Tobii Pro had a weaker quarter, in part due to increased share of large solution orders
- Strong external revenue increase in Tobii Tech of 87%
- Several launches and announcements in favor of eye-tracking from eco-system players
- Anand Srivatsa joins Tobii as new Division CEO of Tobii Tech



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



Share of Tobii's gross sales

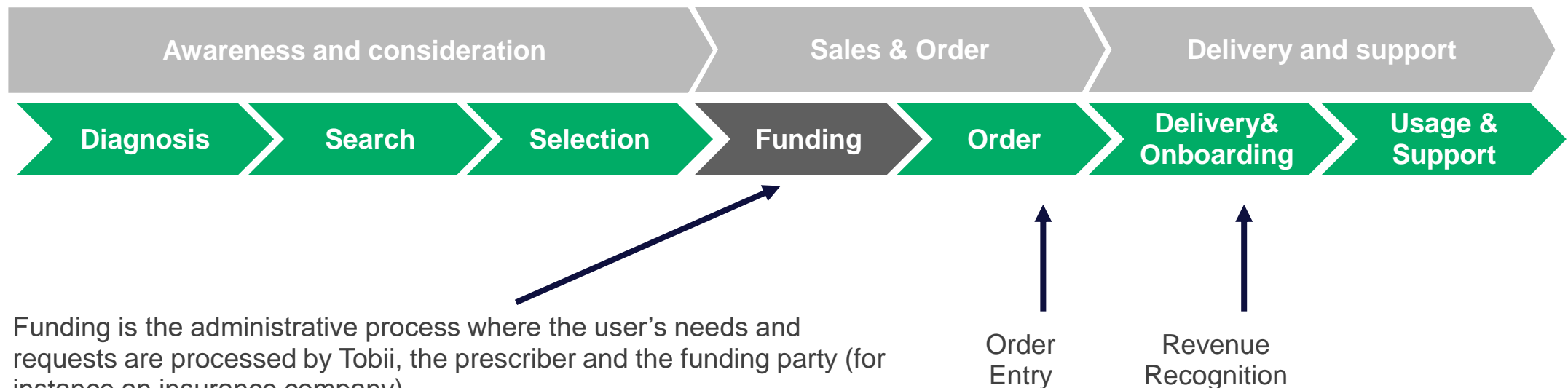


Sebastian Jansson, a Tobii Dynavox user with cerebral palsy, graduated from high school. Here with Fredrik Ruben, Tobii. [Read more](#)

**tobii
dynavox**

Tobii Dynavox: Solid demand, but internal process delays

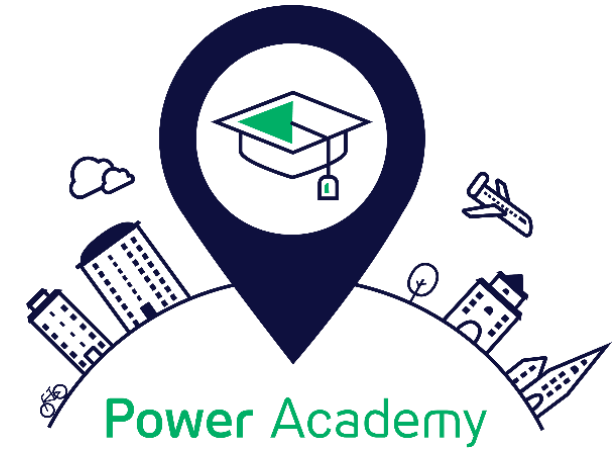
- Revenue grew 24%, or 3% adjusted for both acquisition and currency effects
- Underlying sales demand was solid, but revenue growth hampered by delays in Tobii Dynavox' internal funding process



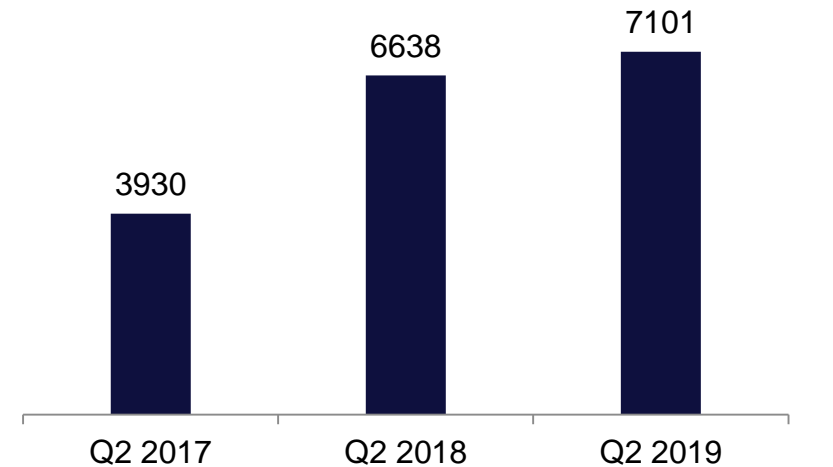
- Funding is the administrative process where the user's needs and requests are processed by Tobii, the prescriber and the funding party (for instance an insurance company).
- Tobii is currently having delays in this process, which has resulted in an increased "backlog" of customer cases currently in process.
- The total value of these customer cases currently in process has increased by >10%, corresponding to around 15 MSEK, in the second quarter.

Investing for continued growth

- Trained around 9,000 therapists, prescribers and other key individuals in the quarter
- The Snap communication software was upgraded and now supports 13 different languages
- Several important products under development
- Approximately 7,000 new “voices” (apps and devices) in the quarter, up 6% Y-o-Y



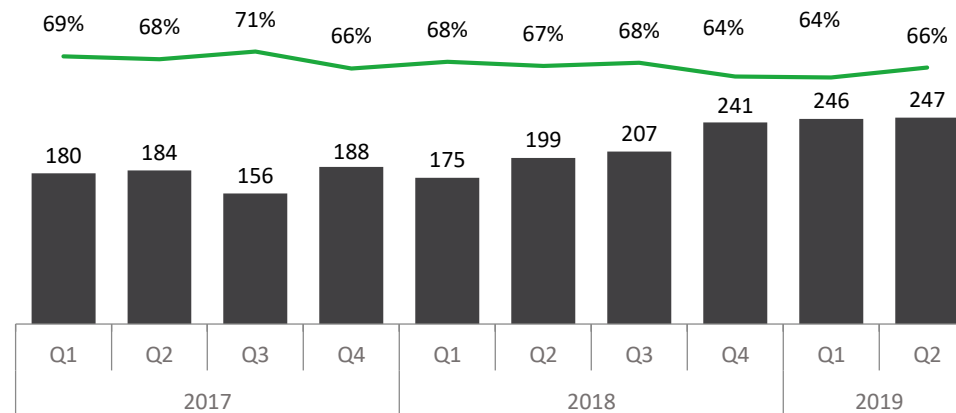
new Voices added in Q2



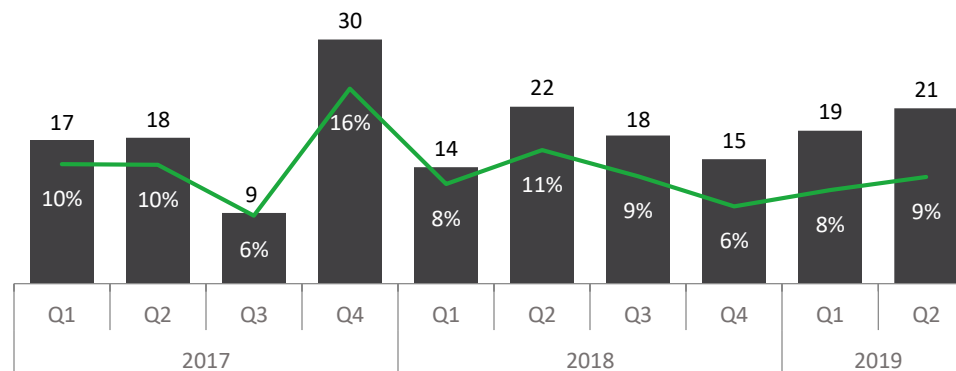
Tobii Dynavox Q2 financials

- Revenue increased 24% year-over-year, or 3% adjusted for currency and the recent acquisition
- Gross margin was 66% (67%)
- EBIT margin was 9% (11%)
 - After adjustments of non-recurring costs related to the Smartbox acquisition of 8 MSEK, EBIT margin was 12% (11%)
- Smartbox integration is pending outcome of CMA review
 - CMA announced its provisional findings May 30
 - The final report is expected end of July

Revenue (SEK million) and Gross Margin



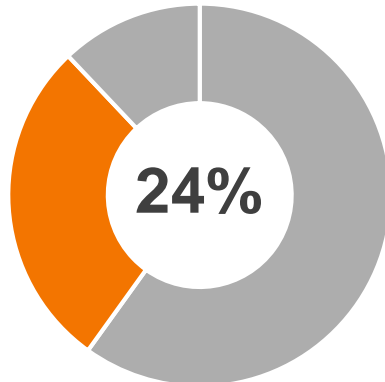
EBIT (SEK million) and EBIT Margin



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
- 3,500 commercial and 2,500 academic customers

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



tobii pro

A slow quarter for Tobii Pro

- Revenue up 1%, or -5% adjusted for currency
- Increased order backlog due to increased share of large solution orders
- Decent underlying order entry growth, although weak in certain geographies
- Academic business in the UK temporarily dampened by Brexit-related effects



Two product updates in second quarter



Tobii Pro Lab updated with extended support for analysis of web sites



Tobii VR Analytics updated to support HTC Vive Pro Eye and analysis in 3D VR environments

New sales office in Santiago, Chile, increases sales capabilities in Latin America



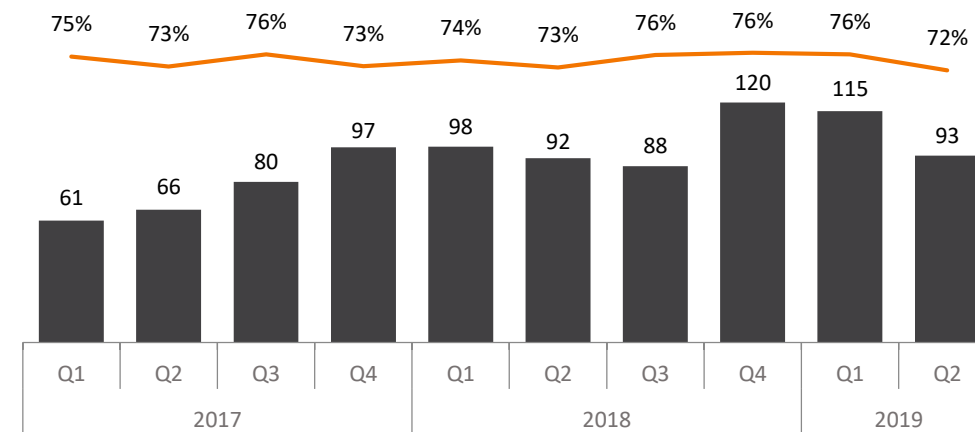
Tobii Pro Sales Office in Chile added in Q2

Tobii Pro Sales Office in Singapore added in Q1

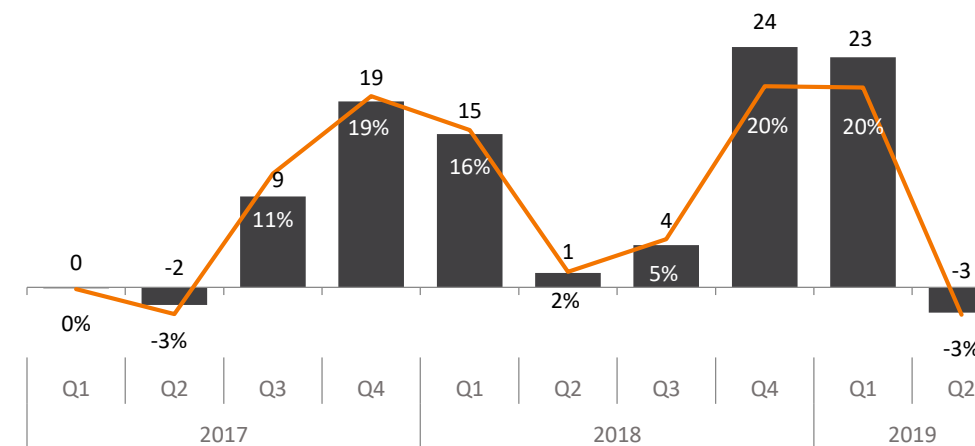
Tobii Pro Q2 financials

- Revenue increased 1% year-over-year, -5% adjusted for currency
- Gross margin at 72% (73%)
 - Larger share of services and lower share of products affect gross margin negatively
- EBIT margin at -3% (2%)

Revenue (SEK million) and Gross Margin



EBIT (SEK million) and EBIT Margin

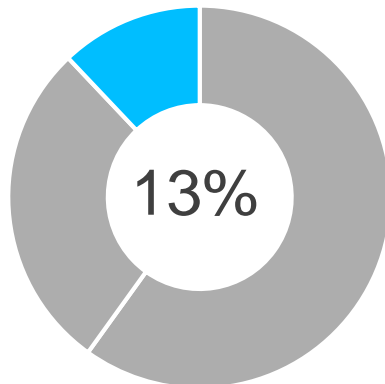


Tobii Tech

- World's leading supplier of eye-tracking technology for integration into consumer electronics and other volume products
- Provides eye-tracking platforms, reference designs, HW components and SW licenses and IP

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



An exciting quarter for Tobii Tech

- External revenue up 87% adjusted for currency
- Revenue up 56%, or 50% adjusted for currency
- Announcements and launches with Tobii eye tracking from several of the largest players in consumer electronics - Dell, HTC, Intel, Qualcomm and Lenovo



Tobii offers a range of solutions for PC



Tobii Aware

Tobii algorithms that enable smarter devices. Offered as license to PC OEMs.

- Improved privacy & security
- Digital wellbeing
- Enhanced device performance
- Intuitive dual-screen interactions
- Increased efficiency



Tobii IS5 Platform

Full-featured high-fidelity eye tracking. Offered as an integration module to PC OEMs.

- All Tobii Aware capabilities, plus
- Further enhanced device interactions
- Immersive gaming features
- Game streaming
- Game training



Tobii Eye Tracker 4C

Eye tracker peripheral

- Similar features as with Tobii IS Platform integrated into PC
- Available for any end-consumer, and works on desktop monitors

Dell launched the new Alienware m15 and m17 gaming laptops with integrated Tobii eye tracking



A L I E N W A R E™



Alienware m15

Lean Gets Legendary

Introducing the thinnest, lightest, and most powerful 15-inch Alienware laptop, ever.

Based on the latest Legend industrial design, the new Alienware m15 combines features Alienware fans love and new innovations honed to make no compromise on quality, technology, and performance while reducing all of its physical dimensions.

Tobii eye tracking now in the entire portfolio of next-gen Alienware laptops

- Alienware Area-51m launched in Q1
- Alienware m15 and m17 launched in Q2

Excerpt from
Dell.com online store

GAMING LAPTOPS

Laptops that take you deeper into the game.



ALIENWARE AREA-51m

Revolutionary 17-inch gaming laptop with upgradeable, overclockable desktop 9th Gen Intel® Core™ processors and NVIDIA GeForce RTX graphics, plus a magnesium alloy chassis.

Up to 9th Generation Intel® Core™ i9-9900HK, 8-core, up to 5.0Ghz w/ Turbo Boost

Up to 17.3" (1920 x 1080) FHD w/ NVIDIA G-SYNC + Tobii eyetracking technology

"Leading the pack is the Alienware Area-51m. With the ability to freely swap out both the processor and the graphics card, this gaming laptop is hard to beat." — Digital Trends

Starting at \$2,049.99



NEW ALIENWARE m15

The New Alienware m15 is thinner and lighter than the previous generation. Packed with Advanced Alienware Cryo-Tech v3.0 and the latest in NVIDIA® graphics.

Up to 9th Generation Intel® Core™ i9-9980HK, 8-Core, up to 5.0Ghz w/ Turbo Boost

Up to 15.6" OLED UHD 60Hz + Tobii Eyetracking technology

"The Alienware m15 is able to squeeze out more performance than another gaming laptop when given the same CPU and GPU." — Notebookcheck

Starting at \$1,599.98



NEW ALIENWARE m17

Alienware's thinnest 17" laptop ever. With optional hyper-efficient 8-phase voltage regulation, Cryo-Tech cooling v3.0 & new Legend industrial design.

Up to 9th Generation Intel® Core™ i9-9980HK, 8-Core, up to 5.0Ghz w/ Turbo Boost

Up to 17.3" FHD 144Hz with Eyesafe® and Tobii Eyetracking technology

"If you're after a lightweight, compact but powerful gaming laptop that's bound to turn heads as much as help you slay your in-game foes, then this may well be it." — Pocket-lint

Starting at \$1,499.99

Project Athena – Intel’s specification for the next generation ultraportable laptops – with human understanding as a central idea



PROJECT ATHENA

LAPTOP INNOVATION ROOTED IN HUMAN UNDERSTANDING



Ready to go before you are

Minimize time from open lid to action



Performance & responsiveness

Never wait for your PC



Artificial Intelligence

Proactively assist, filter, adapt, and optimize system



Worry-free day of battery life

Confidence to leave the charger at home¹



Always fast, reliably connected

Connect automatically, instantly, and more securely with ease²



Form factor & interaction

Effortlessly transforms and immerses throughout the day

¹ Battery life may vary substantially by use, system configurations, and settings. ² No product or component can be absolutely secure.

HTC launched Vive Pro Eye headset with Tobii eye tracking

VIVE Enterprise

Products

Platform

Support



 **VIVE PRO** EYE

Propel Your Business with
Precision Eye Tracking.

from **\$1,599.00*** (exVAT)

Buy Now

Qualcomm's new reference design with Tobii eye tracking

- Qualcomm announced their new Smart Viewer reference design with Tobii eye tracking
- Eye tracking enables better graphics and reduced power consumption with foveated rendering, as well as more intuitive interactions and powerful analytics in VR
- Based on the Snapdragon XR1 Platform

QUALCOMM®



Continued sales traction in Niche Applications

- Several more design wins in the quarter
- All in the medical field



Anand Srivatsa new Division CEO of Tobii Tech

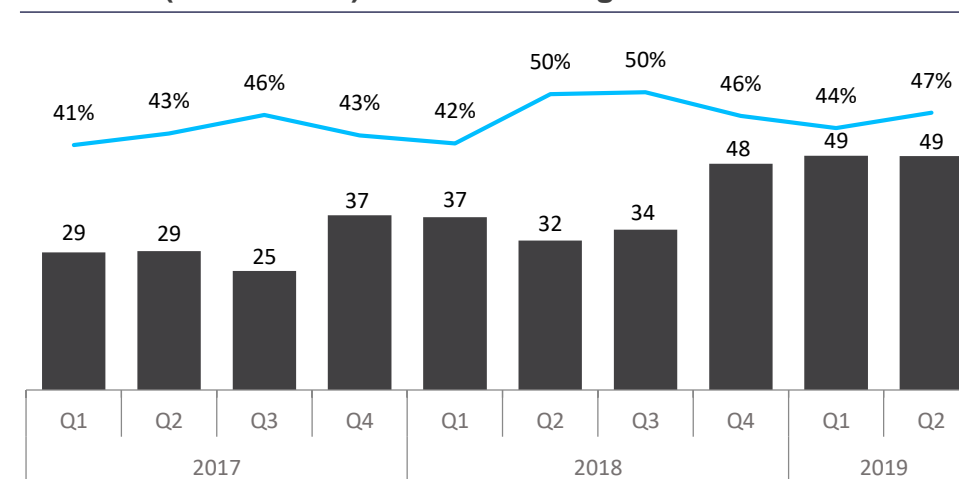
- Recently Vice President and General Manager of Intel's Desktop, Systems and Channels group
- Brings knowledge and insight about both ecosystem and customer base
- Strong addition to the Tobii Group management team



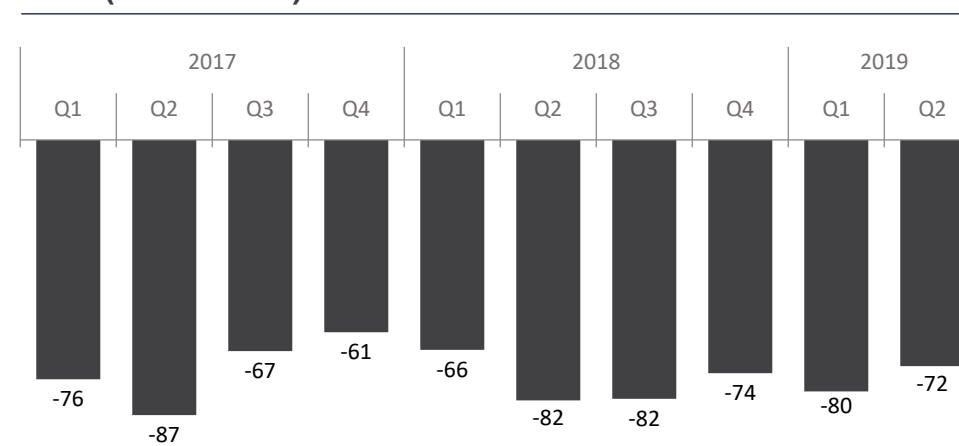
Tobii Tech Q2 financials

- Revenue increased 56% year-over-year, adjusted for currency, 50% non-adjusted
- External revenue up 87% adjusted for currency
- Gross margin was 47% (50%)
- Operating loss amounted to -72 MSEK (-82)

Revenue (SEK million) and Gross Margin



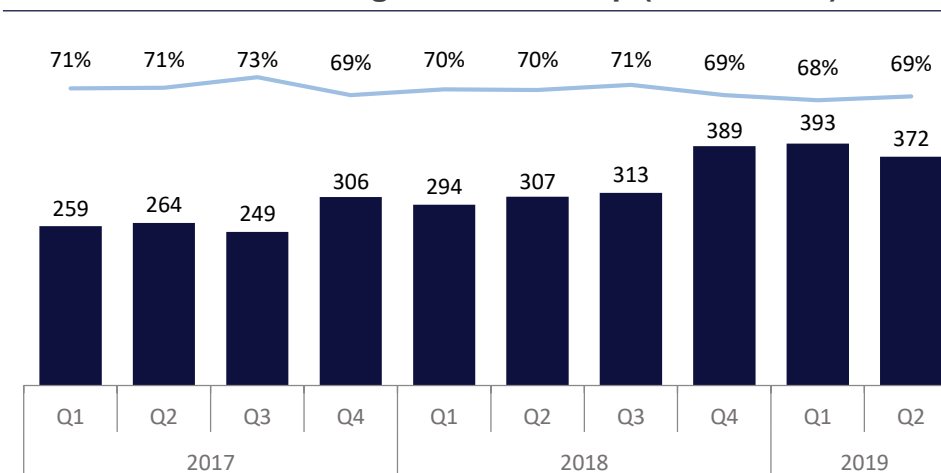
EBIT (SEK million)



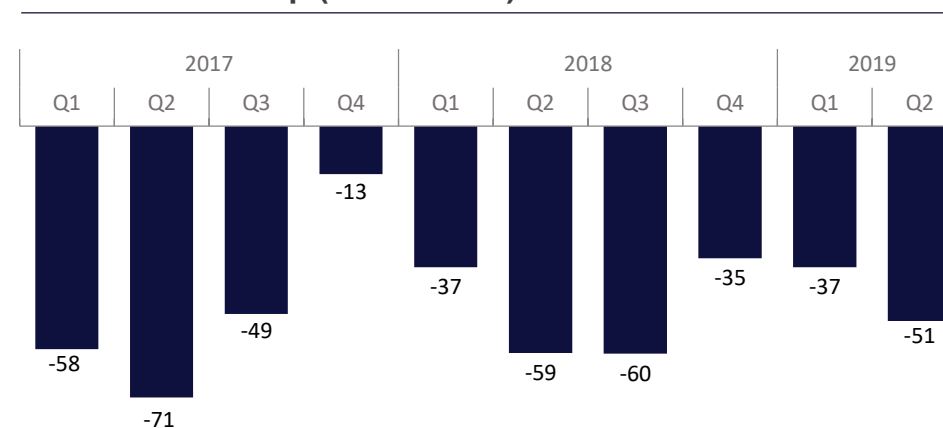
Tobii Group Q2 financials

- Revenue increased 13% year-over-year adjusted for currency, 21% non-adjusted
- Gross margin was 69% (70%)
- Group EBIT was -51 MSEK (-59)
 - Non-recurring items explain 8 MSEK of variance

Revenue and Gross Margin for the Group (SEK million)



EBIT for the Group (SEK million)

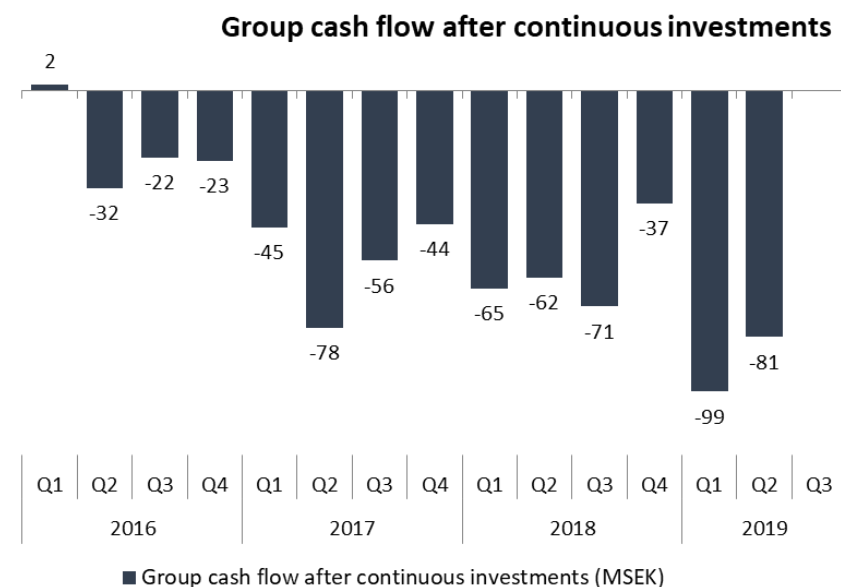


Balance sheet and cash flow

- Cash flow from operations negatively impacted by change in working capital
- Cash position at 314 MSEK at end of quarter
- IFRS16 impact both assets and liabilities, and hence some key ratios

Group balance and cash flow summary

Tobii Group (MSEK)	Q2 2019	Q2 2018
Total Assets	1 651	1 316
Equity	749	900
Equity Ratio	45	68
Cash Position	314	407
Cash flow after continuous investments	-81	-62



Summary

- Tobii Group's revenue grew by 21%, or 13% adjusted for currency effects
- Tobii Dynavox saw solid underlying demand, but revenue growth was somewhat hampered by delays in our administrative funding process
- Tobii Pro had a weaker quarter, in part due to increased share of large solution orders
- Strong external revenue increase of 87% in Tobii Tech
- Several launches and announcements in favor of eye-tracking from eco-system players
- Anand Srivatsa joins Tobii as new Division CEO of Tobii Tech
- Continued strong focus on reaching profitability targets



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Thank you