

# Interim Report Q1 January–March 2018

*"We had a very favorable start to the new year across the board. Sales growth was exceptional for Tobii Pro and the behavioral research segment. For Tobii Dynavox, sales development was positive now that sales are taking off for the products launched in 2017. Most notable in Tobii Tech was the very strong momentum in VR."*

Henrik Eskilsson, CEO

## First quarter 2018

- The Group's net sales increased to SEK 294 million (259), compared with the first quarter of 2017. Adjusted for currency effects, the increase was 21%.
- Gross margin was 70% (71%).
- The Group's operating loss amounted to SEK -37 million (-58). Tobii Dynavox contributed SEK 14 million (17) and Tobii Pro SEK 15 million (0) to earnings, while investments in Tobii Tech had a negative impact of SEK -66 million (-76) on the Group's operating result.
- Earnings per share amounted to SEK -0.33 (-0.57).
- Tobii Dynavox increased sales by 4%, adjusted for currency effects, as a result of strong sales performance for the new touchscreen products launched in 2017.
- Tobii Pro showed good profitability and record growth of 66%, adjusted for currency effects, reflecting strong sales performance in all regions.
- Tobii Tech further strengthened its position within VR. Among other things, Tobii and Qualcomm, a world-leading provider of processing platforms for smartphones and mobile VR headsets, announced that they have worked to integrate Tobii's eye-tracking technology into Qualcomm's reference design for VR headsets.

## Financial overview\*

SEK m (except for earnings per share)	Q1 2018	Q1 2017	Change	Currency adjusted change
<b>Net sales</b>				
Tobii Dynavox	175.1	180.2	-3%	4%
Tobii Pro	97.5	60.7	61%	66%
Tobii Tech	36.5	29.1	26%	37%
Elimineringar and other, net	-15.2	-11.1	i/m	i/m
<b>Total</b>	<b>293.9</b>	<b>258.9</b>	<b>14%</b>	<b>21%</b>
<b>Operating profit/loss (EBIT)</b>				
Tobii Dynavox	14.2	17.5		
Tobii Pro	15.3	-0.1		
Tobii Tech	-66.5	-75.8		
Other	0.0	0.0		
<b>Total</b>	<b>-37.0</b>	<b>-58.4</b>		
<b>Earnings per share (SEK)</b>	<b>-0.33</b>	<b>-0.57</b>		

\* 2017 figures are restated following changes to current accounting principles, see more under IFRS 15 on page 13.

## Comments from the CEO

We had a very favorable start to the new year across the board. Sales growth was exceptional for Tobii Pro and the behavioral research segment. For Tobii Dynavox, sales development was positive now that sales are taking off for the products launched in 2017. Most notable in Tobii Tech was the very strong momentum in VR.

**Tobii Dynavox is now back to** a positive sales trend, which is clearly driven by the market's response to the new products launched in 2017. We saw a strong increase in volume for the new touchscreen products during the first quarter. The trend was particularly notable in the US and UK since English is the first language in which our new communication software was made available. During the first quarter, the product was launched in German and Spanish and we look forward to the continued rollout of the new products in additional markets as more language versions are launched.

We continue to execute the strategy of developing a price-differentiated offering of both eye-controlled and touchscreen-based assistive technology for communication in order to expand within various customer groups and geographic markets. Key factors for broader adoption are awareness and standardization of symbol languages. It was therefore good news this quarter when Microsoft chose to integrate Tobii Dynavox' symbols for accessibility features in software such as Word Online and Outlook.com.

**The Tobii Pro business unit is doing incredibly** well and delivered outstanding sales growth of 66%, adjusted for currency effects, during the first quarter. A very strong and competitive product and service portfolio, as well as an excellent reputation in the market form a solid base. The investments we made last year to expand our sales and marketing functions have achieved economies of scale. The market has matured in all sub-segments, which means that demand for eye tracking generally has increased. In addition, Tobii Pro has increased its market share as its largest competitor, SMI, was acquired in June 2017 and withdrew from this market.

Profitability was also very good for the business unit during the quarter, in part explained by improved efficiency in the sales organization and because we are now selling several products to one in the same customer than previously. Tobii Pro has substantial long-term growth potential and we will continue to invest to fully leverage the current trend. I am optimistic about the coming year.

**Tobii Tech continues to pursue its initiatives** in PC gaming where interest in eye tracking has increased within eSports, both as part of the viewer experience in live-streamed competitions and as a training tool for eSports gamers. We also continued our collaboration with Dell Alienware, both around the updated version of the Alienware 17 gaming notebook which contains Tobii eye tracking, and in relation to various eSports initiatives. We also added several new major titles to the list of games that support eye tracking.

In VR we hold a very strong position and demand for eye tracking has strengthened even further, as evidenced by the extremely positive media coverage we received at both the CES tech show in January and the Game Developers Conference (GDC) in March. The collaboration with Qualcomm, announced during the quarter, puts us in a position to very effectively access the emerging segment of standalone (mobile) VR headsets, which is expected to become the largest sub-segment in VR reaching 16 million units in 2021. Ongoing collaborations progressed according to plan during the quarter, and we believe that the number of customer projects may grow to about ten during the year. Most of these projects aim to launch products by the end of 2018 and during 2019. Interest from the AR industry is also growing, and although this market is further away, business discussions with several major players are beginning to take shape.

**All in all, the first quarter** provided a positive start to the year for all three business units.



**Henrik Eskilsson**  
CEO

*"Tobii Pro exceeded our expectations and increased revenue by an impressive 66%, adjusted for currency effects."*

*"The investments in VR show good results in terms of extremely strong demand and a growing number of integration projects."*

"TO SAY WE WERE SUFFICIENTLY IMPRESSED WOULD BE AN UNDERSTATEMENT. TOBII'S RECENT TECHNOLOGICAL PROGRESS PUTS IT AT THE TOP OF THE VR EYE-TRACKING GAME."

[Tom's hardware](#)

# The Tobii Group

Tobii is the world leader in eye tracking. Our vision is a world where all technology works in complete harmony with natural human behavior. Tobii operates in three business units: Tobii Dynavox is the world leader in assistive technology for communication, Tobii Pro is the market leader in eye-tracking solutions and services used to study behavior and Tobii Tech is the world-leading provider of eye-tracking technology for volume markets such as computer games, mainstream computers, virtual reality and smartphones. The Group, which has about 1,000 employees, had sales of SEK 1,079 million for full-year 2017.

## JANUARY–MARCH

### Sales

The Group's net sales during the first quarter rose by 14% to SEK 294 million (259). Adjusted for currency effects, the increase was 21%. Tobii Dynavox contributed SEK 175 million, Tobii Pro SEK 98 million and Tobii Tech SEK 37 million.

The North American market accounted for 55% (59%) of consolidated sales, the European market 23% (21%), and the rest of the world 22% (20%).

### Earnings

The Group's gross margin was 70% (71%). The operating loss for the Group improved to SEK -37 million (-58) and operating margin to -13% (-23%). Tobii Dynavox contributed SEK 14 million (17) and Tobii Pro SEK 15 million (0), while investments in Tobii Tech had a negative impact of SEK -66 million (-67) on the Group's operating result. The operating result was significantly impacted by strong growth within Tobii Pro and lower external development costs within Tobii Tech compared with the first quarter of 2017.

EBITDA was SEK 12 million (-26), yielding an EBITDA margin of 4% (-10%).

Pretax loss was SEK -30 million (-65). Net financial items totaled SEK 7 million (-7), mainly as result of positive currency effects on the Group's dollar-denominated (USD) financial assets. Net loss was SEK -32 million (-57) and earnings per share amounted to SEK -0.33 (-0.60).

### Cash flow, liquidity and financial position

Cash flow from operating activities before changes in working capital amounted to SEK 5 million (-29). The change in working capital, primarily accounts receivable, had a negative impact of SEK -22 million (25).

Continuous investments amounted to SEK 48 million (41), of which SEK 42 million (37) referred to capitalization of R&D. Cash flow after continuous investments was SEK -65 million (-45) for the first quarter. The acquisition of the Acuity companies during the first quarter totaled SEK 15 million; see Business combinations on page 15 for more information. Cash flow after investments was therefore SEK -80 million (-41).

At the close of the period, the Group had SEK 459 million (730) in net cash.

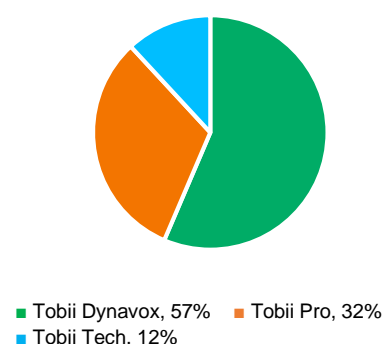
### Personnel

The number of employees recalculated to full-time equivalents at the close of the period was 883 (733). The 20% increase is mainly due to the expansion of the R&D, sales and marketing organizations.

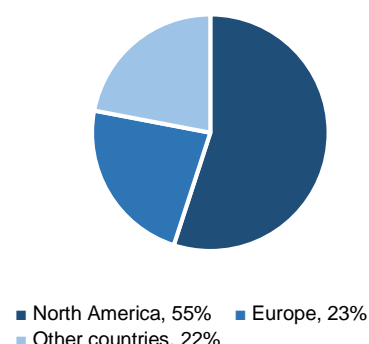
## EVENTS AFTER THE END OF THE PERIOD

In April, Tobii announced that Oscar Werner will move on from his position as President of Tobii Tech after eight years at Tobii, as he has accepted the offer to become CEO of CLX Communications AB. He will remain in his current role until August 2018. Thereafter, Tobii's CEO will take over the responsibility during an interim period.

NET SALES PER BUSINESS UNIT, Q1 2018



NET SALES PER REGION, Q1, 2018



## RESEARCH AND DEVELOPMENT

(SEK m)	Q1 2018	Q1 2017
Total R&D expenditures	-106	-105
Capitalization	42	37
Amortization	-32	-27
R&D expenses in the income statement	-96	-96

## Tobii Dynavox business unit

Tobii Dynavox is the world's leading supplier of assistive technology for communication 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 eye-controlled and touchscreen-based communication devices and a variety of software. Tobii Dynavox' long-term financial targets are to increase revenue on an average by 10% per year with an EBIT margin of 15–20%.

### KEY FIGURES

SEK m	Q1 2018	Q1 2017	Full year 2017
Net sales	175.1	180.2	708.3
Gross margin	68%	69%	69%
EBITDA	31.1	32.3	135.2
EBITDA margin	18%	18%	19%
Operating profit/loss (EBIT)	14.2	17.5	73.6
EBIT margin	8%	10%	10%

### JANUARY–MARCH

- Positive response to new touchscreen products impacted sales favorably.
- Tobii Dynavox continued to invest in developing the product portfolio and is planning several important launches in 2018.
- Microsoft launched accessibility features for the online versions of Word and Outlook, where they chose to use Tobii Dynavox symbols.

Net sales amounted to SEK 175 million (180), a decrease of 3% compared with the first quarter of 2017. Adjusted for currency effects, sales grew by 4%, which was attributed to a strong increase in sales of new touchscreen products in North America where they were launched first. Hence, the favorable trend seen already during the previous quarter was strengthened.

The gross margin was 68% (69%). Operating profit totaled SEK 14 million (17) and the operating margin was 8% (10%). The reduction in gross margin was caused by changes in the product mix and somewhat higher production costs during the quarter.

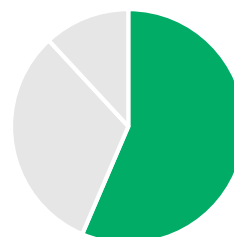
### TRENDS AND DEVELOPMENTS

During the quarter the "Steve Gleason Act" was adopted as a permanent law in the US, which secures access to public financing of assistive technology for communication for people with speech impairments. This is expected to reduce the uncertainty among prescribers and contribute to stability in the North American market.

In the UK, where Tobii Dynavox established a direct sales organization in 2017, sales increased sharply compared with the first quarter of 2017.

Tobii Dynavox' new communication software Snap, which was launched for English-speaking markets in 2017, was released in German and Spanish during the quarter. Additional language versions will be launched during the year, which is expected to stimulate sales of the business unit's communication solutions in non-English speaking markets.

### SHARE OF THE GROUP'S SALES NET SALES



■ Tobii Dynavox 57%

### RESEARCH AND DEVELOPMENT

(SEK m)	Q1 2018	Q1 2017
Total R&D expenditures	-31	-30
Capitalization	18	16
Amortization	-13	-11
R&D expenses in the income statement	-26	-24





## Tobii Pro business unit

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. The business unit's long-term financial targets are to increase revenue on average by 15–20% per year and to reach an EBIT margin of 15% by 2020.

### KEY FIGURES

SEK m	Q1 2018	Q1 2017	Full year 2017
Net sales	97.5	60.7	304.1
Gross margin	74%	75%	74%
EBITDA	38.7	7.8	65.5
EBITDA margin	40%	13%	22%
Operating profit/loss (EBIT)	15.3	-0.1	25.8
EBIT margin	16%	0%	8%

### JANUARY–MARCH

- Tobii Pro delivered record growth and good profitability.
- Tobii Pro acquired the reseller Acuity ETS and the consultant business Acuity Intelligence to strengthen its sales presence in the UK.
- Continued its investments aimed at further strengthening the product portfolio.

Net sales rose by SEK 37 million, or 61%, to SEK 98 million (61). Adjusted for currency effects, the increase was 66%. The increase was driven by strong sales in all product categories and in all regions, along with expansion into new sub-segments and a positive change in the competitive landscape.

The gross margin was 74% (75%). Operating profit improved to SEK 15 million (0) and the operating margin to 16% (0%), which was the result of increased revenue, combined with planned investments in R&D, sales and marketing not being fully ramped up in the quarter.

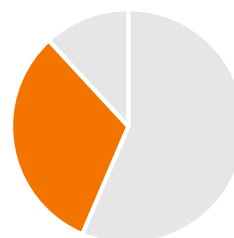
### TRENDS AND DEVELOPMENTS

Market development for eye-tracking solutions for behavioral research studies was good across the board, with continually increasing demand in established areas of use such as academic research, market research and usability testing.

Tobii Pro is also expanding into new customer groups and applications, including "professional performance," a fast-growing field that spans across areas such as the automotive industry, process industry, simulators and sports.

The competitive landscape changed in 2017 as Tobii Pro's main competitor, SMI, was acquired and withdrew from the market. Tobii believes this had a clear positive impact on Tobii Pro's market share and rate of growth in the first quarter of the year.

### SHARE OF THE GROUP'S SALES NET SALES



■ Tobii Pro 32%

### RESEARCH AND DEVELOPMENT

(SEK m)	Q1 2018	Q1 2017
Total R&D expenditures	-19	-16
Capitalization	10	9
Amortization	-10	-7
R&D expenses in the income statement	-19	-14



## Tobii Tech business unit

Tobii Tech develops and delivers eye-tracking technology to high-volume customers who integrate it into their own products. The business primarily focuses on the sub-segments gaming computers, mainstream computers, VR/AR, smartphones and niche applications. Tobii Tech's overarching objective is to maintain its world-leading position and in the long-term to achieve sales of several billion SEK with good profitability. This development is expected to occur gradually over several years and will require major investments in technology development and marketing. Tobii Tech's financial target is to reach profitability in 2021.

### KEY FIGURES

SEK m	Q1 2018	Q1 2017	Full year 2017
Net sales	36.5	29.1	120.6
Gross margin	42%	41%	43%
EBITDA	-57.4	-66.4	-253.2
EBITDA margin	n/m	n/m	n/m
Operating profit/loss (EBIT)	-66.5	-75.8	-290.8
EBIT margin	n/m	n/m	n/m

### JANUARY–MARCH

- Tobii and Qualcomm announced a close collaboration to bring eye tracking to standalone (mobile) VR headsets by integrating Tobii's eye-tracking technology into Qualcomm's reference design for VR.
- Several new major game titles with eye-tracking support were launched, including Final Fantasy XV, Far Cry 5, Kingdom Come and Vermintide 2.
- Dell launched an upgraded version of the Alienware 17 gaming notebook. Tobii eye tracking continues to be one of the innovative technologies that characterize this prize-winning product.
- Tobii signed supply agreements with two new integration customers in niche markets that are developing solutions for treatment assessment and therapy.

Net sales for the first quarter of 2018 rose year on year by SEK 8 million, or 26%, to SEK 37 million (29). This figure includes SEK 15 million in sales revenue from the other two business units and SEK 21 million from external sales. Adjusted for currency effects, net sales rose by 37%. The increase was primarily due to a larger proportion of project revenue from VR, as well as increased internal sales, compared with the same quarter 2017.

Gross margin was 42% (41%). The operating loss amounted to SEK -66 million (-76), an improvement explained by lower external development costs than in the comparative quarter despite the business unit's continued strong organizational growth during the quarter.

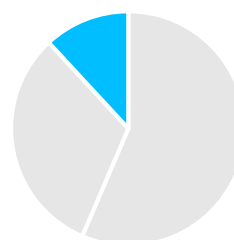
### TRENDS AND DEVELOPMENTS

Demand continued to be strong in the VR segment, which was reflected in Tobii's strong media attention at the industry shows CES and GCD during the quarter. Both technical developments and business discussions progressed well in the ongoing projects that Tobii Tech is involved in with more than five major customers and partners. These projects are aiming for products to be launched by late 2018 or in 2019. In addition, discussions are underway with about ten more potential customers and partners in VR and AR.

The collaboration with Qualcomm, announced during the quarter, places Tobii in a very good position to deliver eye-tracking technology to customers who base their VR headsets on Qualcomm's Snapdragon platform. Qualcomm is the major supplier of processor platforms for standalone headsets, estimated to make up the largest sub-segment within VR in a few years time. Standalone headsets that have been launched to date include Oculus Go, HTC Vive Focus and Lenovo Mirage, all of which are built on Qualcomm's Snapdragon platform.

In the PC gaming segment, interest in eSports grew, where eye tracking is now being used both for live-streaming matches and in training. To reach additional integration customers and computer models, Tobii is investing in the development of applications and the next generation integration platform. The platform development is proceeding according to plan and is planned to be ready for mass production towards the end of the year.

### SHARE OF THE GROUP'S SALES NET SALES



■ Tobii Tech, 12%

### RESEARCH AND DEVELOPMENT

(SEK m)	Q1 2018	Q1 2017
Total R&D expenditures	-55	-60
Capitalization	14	11
Amortization	-9	-9
R&D expenses in the income statement	-51	-58



# Condensed Consolidated Statement of Comprehensive Income

SEK m	Q1 2018	Q1 2017 restated*	Full year 2017 restated*
<b>Net sales</b>	<b>293.9</b>	<b>258.9</b>	<b>1,078.9</b>
Cost of goods and services sold	-87.3	-76.3	-315.7
<b>Gross profit</b>	<b>206.6</b>	<b>182.6</b>	<b>763.2</b>
Selling expenses	-125.2	-116.3	-462.7
Research and development expenses	-96.1	-96.0	-382.5
Administrative expenses	-38.1	-25.9	-103.1
Other operating income and operating expenses <sup>1</sup>	14.9	-2.8	-6.3
<b>Operating profit/loss</b>	<b>-37.0</b>	<b>-58.4</b>	<b>-191.4</b>
Net financial items <sup>2</sup>	6.6	-6.5	-33.7
<b>Profit/Loss before tax</b>	<b>-30.4</b>	<b>-64.9</b>	<b>-225.0</b>
Tax	-1.2	7.7	33.1
<b>Net profit/loss for the period</b>	<b>-31.6</b>	<b>-57.2</b>	<b>-192.0</b>
<b>Other comprehensive income</b>			
<b>Items that may subsequently be reclassified to profit or loss for the period:</b>			
Translation differences	-3.3	3.4	18.9
<b>Other comprehensive income for the period, net after tax</b>	<b>-3.3</b>	<b>3.4</b>	<b>18.9</b>
<b>Total comprehensive income for the period</b>	<b>-34.9</b>	<b>-53.9</b>	<b>-173.1</b>
Of which depreciation and amortization	-37.2	-32.1	-139.0
Of which write downs of fixed assets <sup>3</sup>	-12.2	0.0	0.0
Earnings per share, SEK	-0.33	-0.60	-1.98
Earnings per share, diluted, SEK	-0.33	-0.60	-1.98
<b>Net profit/loss for the period attributable to:</b>			
Parent company shareholders	-32.4	-57.8	-192.1
Non-controlling interests	0.8	0.6	0.1
<b>Total comprehensive income for the period</b>	<b>-31.6</b>	<b>-57.2</b>	<b>-192.0</b>
<b>Total comprehensive income for the period attributable to:</b>			
Parent company shareholders	-35.7	-54.5	-173.2
Non-controlling interests	0.8	0.6	0.1
<b>Total comprehensive income for the period</b>	<b>-34.9</b>	<b>-53.9</b>	<b>-173.1</b>

\* See IFRS 15 on page 13 for disclosure regarding restatement of figures as a result of changes in accounting principles.

1) Other operating income in the amount of SEK 12 m relates to reversal of Contingent consideration. See Fair value disclosures on page 15 in this interim report.

2) Net financial items include foreign currency translation differences totaling SEK 6 million (-6) for the first quarter 2018, and SEK -34 million for the Full year 2017.

3) Write downs of SEK 12 m relates entirely to Goodwill originating from the Sticky acquisition in 2017.

## Condensed Consolidated Balance Sheet

SEK m	March 31 2018	March 31 2017 restated*	Dec 31 2017 restated*
<b>Fixed assets</b>			
Intangible assets	460.1	378.1	405.5
Tangible fixed assets	30.7	25.5	31.0
Financial fixed assets	94.0	66.1	93.5
<b>Total fixed assets</b>	<b>584.7</b>	<b>469.8</b>	<b>560.1</b>
<b>Current assets</b>			
Accounts receivable	161.4	124.2	145.9
Inventories	59.5	70.8	59.4
Other current receivables	49.4	44.3	40.5
Cash and cash equivalents	459.4	729.6	536.8
<b>Total current assets</b>	<b>729.7</b>	<b>968.9</b>	<b>782.6</b>
<b>Total assets</b>	<b>1,314.4</b>	<b>1,438.7</b>	<b>1,342.7</b>
<b>Shareholders' equity</b>			
Shareholders' equity, Parent Company shareholders	943.7	1084.4	978.5
Non-controlling interests	1.2	0.9	0.4
<b>Total shareholders' equity</b>	<b>945.0</b>	<b>1085.3</b>	<b>978.9</b>
<b>Liabilities</b>			
<b>Long-term liabilities</b>			
Interest-bearing liabilities	0.0	0.0	0.0
Other long-term liabilities	77.4	70.2	73.5
<b>Total long-term liabilities</b>	<b>77.4</b>	<b>70.2</b>	<b>73.5</b>
<b>Current liabilities</b>			
Interest-bearing liabilities	0.0	0.0	0.0
Other current liabilities	292.0	283.2	290.3
<b>Total current liabilities</b>	<b>292.0</b>	<b>283.2</b>	<b>290.3</b>
<b>Total liabilities</b>	<b>369.4</b>	<b>353.4</b>	<b>363.8</b>
<b>Total shareholders' equity and liabilities</b>	<b>1,314.4</b>	<b>1,438.7</b>	<b>1,342.7</b>

\* See IFRS 15 on page 13 for disclosure regarding restatement of figures as a result of changes in accounting principles.



## Condensed Consolidated Statement of Changes in Equity

SEK m	Attributable to Parent Company shareholders					Non-controlling interests	Total equity
	Share capital	Other contributed capital	Reserves	Retained earnings	Total		
<b>Opening balance, Jan 1, 2017</b>	<b>0.7</b>	<b>1,566.2</b>	<b>-1.6</b>	<b>-350.5</b>	<b>1,214.8</b>	<b>0.3</b>	<b>1,215.1</b>
Change in accounting principles, see IFRS 15, p. 13			-3.6	-76.5	-80.1		
<b>Restated equity Jan. 1, 2017</b>	<b>0.7</b>	<b>1,566.2</b>	<b>-5.2</b>	<b>-427.0</b>	<b>1,134.7</b>	<b>0.3</b>	<b>1,135.0</b>
Comprehensive income for the period			3.4	-57.8	-54.5	0.6	
New share issue	0.0	4.0			4.0		
Share-based payments settled using equity instruments				0.2	0.2		
<b>Closing balance, March 31, 2017</b>	<b>0.7</b>	<b>1,570.2</b>	<b>-1.8</b>	<b>-484.6</b>	<b>1,084.4</b>	<b>0.9</b>	<b>1,085.3</b>
Comprehensive income for the period			15.6	-134.3	-118.7	0.1	
New share issue, exercise of warrants incentive program	0.0	6.0			6.0		
Sale of warrants, incentive programs		5.3			5.3		
Share-based payments settled using equity instruments				1.5	1.5		
<b>Closing balance, Dec 31, 2017</b>	<b>0.7</b>	<b>1,581.5</b>	<b>13.7</b>	<b>-617.4</b>	<b>978.5</b>	<b>0.4</b>	<b>978.9</b>
<b>Closing balance Dec 31, 2017 before change in accounting principles</b>	<b>0.7</b>	<b>1,581.5</b>	<b>11.5</b>	<b>-535.5</b>	<b>1,058.1</b>	<b>0.4</b>	<b>1,058.6</b>
Change in accounting principles, see IFRS 15, p. 13			2.2	-81.9	-79.7		
<b>Restated equity Dec 31, 2017</b>	<b>0.7</b>	<b>1,581.5</b>	<b>13.7</b>	<b>-617.4</b>	<b>978.5</b>	<b>0.4</b>	<b>978.9</b>
Comprehensive income for the period			-3.3	-31.6	-34.9	0.8	
Share-based payments settled using equity instruments				0.2	0.2		
<b>Closing balance, March 31, 2018</b>	<b>0.7</b>	<b>1,581.5</b>	<b>10.4</b>	<b>-648.8</b>	<b>943.7</b>	<b>1.2</b>	<b>945.0</b>

## Condensed Consolidated Statement of Cash Flow

SEK m	Q1 2018	Q1 2017	Full year 2017
<b>Cash flow from operating activities:</b>			
Profit/loss after financial items	-30.4	-65.0	-225.0
Adjustment for items not included in cash flow	36.0	35.9	162.8
Taxes paid	-0.7	-0.2	0.6
<b>Cash flow from operating activities before change in working capital</b>	<b>4.8</b>	<b>-29.3</b>	<b>-61.6</b>
Cash flow from change in working capital	-21.9	25.3	26.8
<b>Cash flow from operating activities</b>	<b>-17.1</b>	<b>-4.0</b>	<b>-34.9</b>
<b>Investments</b>			
<b>Continuous investments:</b>			
Investments in intangible, tangible and financial fixed assets	-48.0	-41.3	-186.5
<b>Cash flow after continuous investments</b>	<b>-65.1</b>	<b>-45.3</b>	<b>-221.4</b>
Acquisition of subsidiary company	-14.7	0.0	-23.7
<b>Cash flow after investments</b>	<b>-79.7</b>	<b>-45.3</b>	<b>-245.0</b>
<b>Cash flow from financing activities</b>	<b>0.0</b>	<b>4.0</b>	<b>15.3</b>
<b>Cash flow for the period</b>	<b>-79.7</b>	<b>-41.4</b>	<b>-229.7</b>
Foreign currency translation, cash and cash equivalents	2.4	-0.7	-5.2
Cash and cash equivalents at the beginning of the period	536.8	771.7	771.7
<b>Cash and cash equivalents at the end of the period</b>	<b>459.4</b>	<b>729.6</b>	<b>536.8</b>

## Revenue disaggregation in compliance with IFRS 15

### Revenue per product category

SEK m	Q1 2018	Q1 2017	Full year 2017
Goods	250.9	236.5	988.5
Services	39.8	19.1	76.6
Royalties	3.2	3.3	13.8
<b>Total</b>	<b>293.9</b>	<b>258.9</b>	<b>1,078.9</b>

### Revenue by timing category

SEK m	Q1 2018	Q1 2017	Full year 2017
At a point in time	276.5	250.6	1,047.1
Over time	17.4	8.3	31.7
<b>Total</b>	<b>293.9</b>	<b>258.9</b>	<b>1,078.9</b>

### Revenue by geographic market

SEK m	Q1 2018	Q1 2017	Full year 2017
Europe	67.0	54.6	233.1
North America	161.0	151.1	646.5
Other countries	65.8	53.2	199.3
<b>Total</b>	<b>293.9</b>	<b>258.9</b>	<b>1,078.9</b>

## Consolidated Key Ratios

	Q1 2018	Q1 2017 recalculated*	Full year 2017
Earnings per share, SEK	-0.33	-0.60	-1.98
Earnings per share, diluted, SEK	-0.33	-0.60	-1.98
Equity per share, SEK	9.7	11.2	10.1
EBITDA, SEK m	12.5	-26.3	-52.4
EBIT, SEK m	-37.0	-58.4	-191.4
Cash flow from operating activities, SEK m	-17.1	-4.0	-34.9
Cash flow after continuous investments, SEK m	-65.1	-45.3	-221.4
Working capital, SEK m	-21.8	-43.9	-44.5
Total assets, SEK m	1,314.4	1,438.7	1,342.7
Net cash (+)/net debt (-), SEK m	459.4	729.6	536.8
Equity, SEK m	945.0	1,085.3	978.9
Average equity, SEK m	948.8	1,101.7	1,019.0
Equity/assets ratio, %	71.9	75.4	72.9
Net debt/equity, %	neg	neg	neg
Gross margin, %	70.3	70.5	70.7
EBITDA margin, %	4.3	-10.2	-4.9
Operating margin, %	-12.6	-22.6	-17.7
Return on total equity, %	-3.3	-5.2	-18.8
Average number of outstanding shares, million	97.3	97.0	97.1
Average number of outstanding shares after dilution, million	99.2	99.4	99.1
Number of outstanding shares at period-end, million	97.3	97.1	97.3
Number of outstanding shares after dilution at period-end, million	99.2	99.4	99.2
Average number of employees	870	722	779

\* 2017 figures are recalculated after changes to the current accounting standards. In accordance with the previous standard, IAS 18, the following key ratios were reported for Q1 2017: Earnings per share before and after dilution: SEK -0.57 and -1.92; Equity per share 12.0 and 10.9 SEK; EBITDA SEK -24.1 and -46.9 million; EBIT SEK -56.3 and -185.9 million; Working capital SEK -6.2 and -5.1 million; Equity SEK 1,166.4 and 1,058.6 million; Average equity SEK 1,182.1 and 1,107.5 million; Equity/assets ratio 81.1% and 78.8%; Gross margin 70.8% and 70.9%; EBITDA margin -9.3% and -4.3%; Operating margin -21.5% and -17.1%; Return on total equity -4.7% and -16.8%. See IFRS 15 on page 13.

## Quarterly Data per Business Unit and the Group

Net sales, SEK m	2017				2018			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Tobii Dynavox*	180.2	184.0	156.2	187.9	175.1			
Tobii Pro*	60.7	66.2	80.0	97.2	97.5			
Tobii Tech**	29.1	29.4	25.2	37.0	36.5			
Eliminations and other	-11.1	-15.2	-11.8	-16.0	-15.2			
<b>The Group*</b>	<b>258.9</b>	<b>264.3</b>	<b>249.5</b>	<b>306.2</b>	<b>293.9</b>			
***) Of which internal sales to Tobii Dynavox and Tobii	11.1	15.2	11.8	16.0	15.2			

Gross margin, %	2017				2018			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Tobii Dynavox*	69.2	68.5	70.5	66.2	67.9			
Tobii Pro*	75.4	72.8	76.0	72.9	74.4			
Tobii Tech	41.4	43.3	46.5	43.0	41.7			
<b>The Group*</b>	<b>70.5</b>	<b>70.7</b>	<b>73.2</b>	<b>68.9</b>	<b>70.3</b>			

EBITDA, SEK m	2017				2018			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Tobii Dynavox*	32.3	33.8	24.3	44.9	31.1			
Tobii Pro*	7.8	8.1	20.2	29.4	38.7			
Tobii Tech	-66.4	-77.7	-57.4	-51.6	-57.4			
Eliminations and other	-	-	-	-	-			
<b>The Group*</b>	<b>-26.3</b>	<b>-35.9</b>	<b>-12.8</b>	<b>22.7</b>	<b>12.5</b>			

EBIT, SEK m	2017				2018			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Tobii Dynavox*	17.5	17.8	8.6	29.7	14.2			
Tobii Pro*	-0.1	-1.8	9.1	18.6	15.3			
Tobii Tech	-75.8	-87.1	-66.9	-60.9	-66.5			
Eliminations and other	-	-	-	-	0.0			
<b>The Group*</b>	<b>-58.4</b>	<b>-71.1</b>	<b>-49.2</b>	<b>-12.6</b>	<b>-37.0</b>			

Operating margin, %	2017				2018			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Tobii Dynavox*	9.7	9.6	5.5	15.8	8.1			
Tobii Pro*	-0.2	-2.7	11.3	19.1	15.7			
Tobii Tech	neg	neg	Neg	neg	neg			
<b>The Group*</b>	<b>-22.6</b>	<b>-26.9</b>	<b>-19.7</b>	<b>-4.1</b>	<b>-12.6</b>			

Profit/loss before tax, SEK m	2017				2018			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>The Group*</b>	<b>-64.9</b>	<b>-89.6</b>	<b>-63.1</b>	<b>-7.4</b>	<b>-30.4</b>			

Profit/loss for the period, SEK m	2017				2018			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>The Group*</b>	<b>-57.2</b>	<b>-73.0</b>	<b>-53.6</b>	<b>-8.1</b>	<b>-31.6</b>			

### IFRS 15 impact 2017\*

Net sales, SEK m	Q1	Q2	Q3	Q4
Tobii Dynavox	-2.0	-1.5	-0.5	-1.1
Tobii Pro	-0.2	-0.1	-0.1	0.0
Tobii Tech**	0.0	0.0	0.0	0.0
Eliminations and other**	0.0	0.0	0.0	0.0
<b>The Group*</b>	<b>-2.2</b>	<b>-1.6</b>	<b>-0.6</b>	<b>-1.1</b>
***) Of which internal sales to Tobii Dynavox and Tobii Pro	0.0	0.0	0.0	0.0

\* IFRS 15 impacts the item Net sales in the Consolidated statement of comprehensive income. The consolidated totaled earnings figures in subsequent tables are therefore impacted by the same amount.

# The Parent Company

The Group's Parent Company, Tobii AB (publ.), which has over 400 employees, focuses on sales, marketing, R&D, purchasing, manufacturing, technical support and IT. The Parent Company's net sales during the fourth quarter totaled SEK 204 million (163) and the operating profit/loss was SEK -31 million (-58). Net sales for the Full Year 2017 totaled SEK 743 million and the operating loss was SEK -191 million. At the period end the Parent Company had SEK 383 million (650) in cash and cash equivalents.

## Condensed Parent Company income statement

SEK m	Q1 2018	Q1 2017 restated*	Full year 2017 restated*
<b>Net sales</b>	<b>203.9</b>	<b>163.0</b>	<b>742.9</b>
Cost of goods and services sold	-86.7	-70.0	-313.1
<b>Gross profit</b>	<b>117.2</b>	<b>93.1</b>	<b>429.8</b>
Selling expenses	-42.7	-43.8	-190.5
Research and development expenses	-86.3	-74.1	-371.0
Administrative expenses	-30.8	-16.1	-76.3
Other operating income and operating expenses	15.0	-2.1	-3.5
<b>Operating profit/loss</b>	<b>-27.6</b>	<b>-58.4</b>	<b>-191.4</b>
Financial items	10.4	-0.7	-10.1
<b>Profit/Loss before tax</b>	<b>-27.1</b>	<b>-43.7</b>	<b>-221.6</b>
Tax	0.0	9.2	33.5
<b>Profit/loss after tax</b>	<b>-17.2</b>	<b>-34.4</b>	<b>-188.1</b>
Depreciation and amortization, total	-44.9	-20.2	-121.4

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

\* See IFRS 15 on page 13 for disclosure regarding restatement of figures as a result of changes in accounting principles.

## Condensed Parent Company balance sheet

SEK m	March 31 2018	March 31 2017 restated*	Dec 31 2017 restated*
<b>Non-current assets</b>			
Intangible assets	379.4	202.0	379.5
Tangible fixed assets	8.6	7.3	9.9
Financial assets	512.6	561.8	506.7
Long-term financial receivables	0.0	1.8	0.0
<b>Total fixed assets</b>	<b>900.6</b>	<b>772.9</b>	<b>896.0</b>
<b>Current assets</b>			
Accounts receivable	114.9	98.9	120.5
Inventories	33.4	45.6	36.1
Other current financial receivables	44.8	62.2	70.0
Cash and bank balances	382.7	650.3	470.1
<b>Total current assets</b>	<b>575.9</b>	<b>857.0</b>	<b>696.6</b>
<b>Total assets</b>	<b>1,476.5</b>	<b>1,629.9</b>	<b>1,592.6</b>
<b>Equity</b>	<b>1,296.4</b>	<b>1,454.2</b>	<b>1,313.4</b>
<b>Non-current liabilities</b>			
Interest-bearing liabilities	0.0	0.0	0.0
Other long-term liabilities	13.9	20.9	26.7
<b>Total long-term liabilities</b>	<b>13.9</b>	<b>20.9</b>	<b>26.7</b>
<b>Current liabilities</b>			
Interest-bearing liabilities	0.0	0.0	0.0
Other current liabilities	166.1	154.8	252.5
<b>Total current liabilities</b>	<b>166.1</b>	<b>154.8</b>	<b>252.5</b>
<b>Total liabilities</b>	<b>180.1</b>	<b>175.7</b>	<b>279.2</b>
<b>Total equity and liabilities</b>	<b>1,476.5</b>	<b>1,629.9</b>	<b>1,592.6</b>

\* See IFRS 15 on page 13 for disclosure regarding restatement of figures as a result of changes in accounting principles.

## Other information

### Accounting principles

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. In addition to the financial statements, disclosures under 34.16A also appear in other parts of the interim report. 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.

### NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED BY THE GROUP

IFRS 16 "Leases" comes into force on 1 January 2019 and replaces the current standard, IAS 17 Leases and the related interpretations IFRIC 4, SIC-15 and SIC-27. The standard requires assets and liabilities arising from all leases, with some exceptions, to be recognized on the balance sheet. The Group has not yet assessed the impact of IFRS 16.

### IMPLEMENTATION OF NEW ACCOUNTING PRINCIPLES IN ACCORDANCE WITH IFRS

Two new IFRS standards went into effect from January 1, 2018. Below is a description of the new principles and effects on the Group's financial reporting as well as the transition method.

#### IFRS 9, Financial Instruments

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments from 2018. The standard addresses classification, measurement and recognition of financial assets and liabilities, introduces new rules for hedge accounting and a new model for impairment of financial assets. The new standard has not had a material impact on the Group's classification and valuation of financial instruments. Since the effects are not material, the transition to the opening balance for 2018 was not affected.

#### IFRS 15, Revenue from Contracts with Customers

IFRS 15 "Revenue from Contracts with Customers" goes into effect on January 1, 2018 and replaces current standards and interpretations for revenue recognition in IFRS. The new standard is applied by the Group for the fiscal year beginning January 1, 2018. The standard and its clarifications have been approved by the EU Commission.

#### Tobii's new revenue recognition principles in accordance with IFRS 15

The Group revenue recognition related to the sale of goods is not impacted by the transition to IFRS 15.

The Group's principles for revenue recognition of services are impacted with regard to future service commitments that arise after the sale of certain products. The Tobii Dynavox business unit sells certain products as packages comprised partly of computer products that are delivered to customers at date of sale, and partly as service commitments in the form of enhanced warranties and customer support which are fulfilled in future periods after the date of sale. In accordance with current standards, IAS 18, Tobii recognized revenue for the complete package in the reporting period in which the product was delivered. IFRS 15 states that revenues shall be recognized in the period that Tobii fulfills its commitment to the customers for each part of the package. Tobii Pro business unit is affected to a lesser extent by the new standard since Tobii Pro products are not sold as packages, but as separate products.

#### Method used for transition to IFRS 15

Tobii applies IFRS 15 full retrospective method for transition to the new standard and has restated 2017 income statement and balance sheet.

### IFRS 15 impact on financial reports

The impact from transition to IFRS 15 is an opening balance adjustment of SEK 80 million as at January 1, 2017, which is reported as a decrease in equity and an increase in the liability contracts with customers. The opening balance refers to warranties and customer support commitments which Tobii has sold in earlier years but has not yet fulfilled as at January 1, 2017. During 2017 the reported revenues were negatively impacted by SEK 6 million, or 0.5% of the Group's revenues. The tables below show the quantitative impact of IFRS 15 on 2017 reported figures on relevant items in the financial reports.

#### January – March 2017 Consolidated statement of comprehensive income

SEK m	Jan-Mar 2017		
	2017 reported	IFRS 15	2017 restated
<b>Net Sales</b>	261.0	-2.2	258.9
Cost of goods and services sold	-76.3		-76.3
<b>Gross profit</b>	184.8	-2.2	182.6
<b>Operating profit/loss</b>	-56.3	-2.2	-58.4
<b>Profit/loss before tax</b>	-62.8	-2.2	-64.9
<b>Net profit/loss for the period</b>	-55.1	-2.2	-57.2

#### Other comprehensive income

Items that may subsequently be reclassified to profit or loss for the period:

Translation differences	2.3	1.1	3.4
<b>Other comprehensive income for the period, net after tax</b>	<b>2.3</b>	<b>1.1</b>	<b>3.4</b>
<b>Total comprehensive income for the period</b>	<b>-52.8</b>	<b>-1.1</b>	<b>-53.9</b>

#### Net profit/loss for the period attributable to:

Parent company shareholders	-55.7	-2.2	-57.8
Non-controlling interests	0.6		0.6
<b>Net profit/loss for the period</b>	<b>-55.1</b>	<b>-2.2</b>	<b>-57.2</b>

#### Total comprehensive income for the period

Parent company shareholders	-53.4	-1.1	-54.5
Non-controlling interests	0.6		0.6
<b>Total comprehensive income for the period</b>	<b>-52.8</b>	<b>-1.1</b>	<b>-53.9</b>

#### March 31, 2017 Consolidated balance sheet

SEK m	March 31 2017		March 31 2017
	reported	IFRS 15	restated
<b>Total assets</b>	<b>1,438.7</b>	<b>0.0</b>	<b>1,438.7</b>
<b>Equity</b>			
Shareholders' equity, Parent Company shareholders	1,165.5	-81.1	1,084.4
Non-controlling interests	0.9		0.9
<b>Total shareholders' equity</b>	<b>1,166.4</b>	<b>-81.1</b>	<b>1,085.3</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Interest-bearing liabilities	0.0		0.0
Other non-current liabilities	26.8	43.5	70.2
<b>Total non-current liabilities</b>	<b>26.8</b>	<b>43.5</b>	<b>70.2</b>
<b>Current liabilities</b>			
Interest-bearing liabilities	0.0		0.0
Other current liabilities	245.5	37.7	283.2
<b>Total current liabilities</b>	<b>245.5</b>	<b>37.7</b>	<b>283.2</b>
<b>Total liabilities</b>	<b>272.3</b>	<b>81.1</b>	<b>353.4</b>
<b>Total equity and liabilities</b>	<b>1,438.7</b>	<b>0.0</b>	<b>1,438.7</b>



January – December 2017 Consolidated statement of comprehensive income

SEK m	Jan - Dec 2017		
	2017 reported	IFRS 15	2017 restated
Net Sales	1,084.3	-5.5	1,078.9
Cost of goods and services sold	-315.7		-315.7
Gross profit	768.6	-5.5	763.2
Operating profit/loss	-185.9	-5.5	-191.4
Profit/loss before tax	-219.6	-5.5	-225.0
Net profit/loss for the period	-186.5	-5.5	-192.0

Other comprehensive income

Items that may subsequently be reclassified to profit or loss for the period:

Translation differences	13.1	5.8	18.9
Other comprehensive income for the period, net after tax	13.1	5.8	18.9
Total comprehensive income for the period	-173.4	-0.4	-173.1

Net profit/loss for the period attributable to:

Parent company shareholders	-186.7	-5.5	-192.1
Non-controlling interests	0.1		0.1
Net profit/loss for the period	-186.5	-5.5	-192.0

Total comprehensive income for the period

Parent company shareholders	-173.6	-0.4	-173.2
Non-controlling interests	0.1		0.1
Total comprehensive income for the period	-173.4	-0.4	-173.1

December 31, 2017 Balance sheet

SEK m	Dec 31 2017 reported	IFRS 15	Dec 31 2017 restated
<b>Total assets</b>	<b>1 342.7</b>	<b>0.0</b>	<b>1 342.7</b>
<b>Equity</b>			
Shareholders' equity, Parent Company shareholders	1 058.1	-79.7	978.5
Non-controlling interests	0.4		0.4
<b>Total shareholders' equity</b>	<b>1 058.6</b>	<b>-79.7</b>	<b>978.9</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Interest bearing liabilities	0.0		0.0
Deferred income	13.5	40.3	53.4
Other non-current liabilities	19.7		19.7
<b>Total non-current liabilities</b>	<b>33.2</b>	<b>40.3</b>	<b>73.5</b>
<b>Current liabilities</b>			
Interest bearing liabilities	0.0		0.0
Deferred income	58.0	39.4	97.4
Other current liabilities	192.9		192.9
<b>Total current liabilities</b>	<b>250.9</b>	<b>39.4</b>	<b>290.3</b>
<b>Total liabilities</b>	<b>284.1</b>	<b>79.7</b>	<b>363.8</b>
<b>Total equity and liabilities</b>	<b>1 342.7</b>	<b>0.0</b>	<b>1 342.7</b>

Opening balance impact Jan 1, 2017, Group

MSEK	Equity	Liability: Deferred income
Opening balance Jan 1, 2017 before change	1,214.8	76.4
Impact of change to IFRS 15	-80.1	80.1
Opening balance Jan 1, 2017 IFRS 15	1,134.7	156.5

January – March 2017 Parent company income statement

SEK m	Q 1 2017	IFRS 15	Q 1 2017
Net Sales	163.8	-0.8	163.0
Cost of goods and services sold	-70.0		-70.0
Gross profit	93.8	-0.8	93.1
Operating profit/loss	-42.2	-0.8	-43.0
Profit/loss before tax	-42.9	-0.8	-43.7
Net profit/loss for the period	-33.6	-0.8	-34.4

March 31, 2017 Parent company balance sheet

SEK m	Mar 31 2017 reported	IFRS 15	Mar 31 2017 restated
<b>Total assets</b>	<b>1,629.9</b>		<b>1,629.9</b>
<b>Equity</b>	<b>1,470.3</b>	<b>-16.1</b>	<b>1,454.2</b>
<b>Non-current liabilities</b>			
Interest bearing liabilities	0.0		0.0
Other non-current liabilities	12.0	8.9	20.9
<b>Total non-current liabilities</b>	<b>12.0</b>		<b>20.9</b>
<b>Current liabilities</b>			
Interest bearing liabilities	0.0		0.0
Other current liabilities	147.6	7.2	154.8
<b>Total current liabilities</b>	<b>147.6</b>	<b>7.2</b>	<b>154.8</b>
<b>Total liabilities</b>	<b>159.6</b>	<b>16.1</b>	<b>175.7</b>
<b>Total equity and liabilities</b>	<b>1,629.9</b>		<b>1,629.9</b>

January – December 2017 Parent company income statement

SEK m	Full year 2017 reported	IFRS 15	Full year 2017 restated
Net Sales	745.1	-2.2	742.9
Cost of goods and services sold	-313.1		-313.1
Gross profit	432.0	-2.2	429.8
Operating profit/loss	-209.4	-2.2	-211.6
Profit/loss before tax	-219.4	-2.2	-221.6
Net profit/loss for the period	-185.9	-2.2	-188.1

December 31, 2017 Parent company balance sheet

SEK m	Dec 31 2017 reported	IFRS 15	Dec 31 2017 restated
<b>Total assets</b>	<b>1,592.6</b>		<b>1,592.6</b>
<b>Equity</b>	<b>1,330.9</b>	<b>-17.5</b>	<b>1,313.4</b>
<b>Non-current liabilities</b>			
Interest bearing liabilities	0.0		0.0
Other non-current liabilities	18.2	8.6	26.7
<b>Total non-current liabilities</b>	<b>18.2</b>		<b>26.7</b>
<b>Current liabilities</b>			
Interest bearing liabilities	0.0		0.0
Other current liabilities	243.6	8.9	252.5
<b>Total current liabilities</b>	<b>243.6</b>	<b>8.9</b>	<b>252.5</b>
<b>Total liabilities</b>	<b>261.7</b>	<b>17.5</b>	<b>279.2</b>
<b>Total equity and liabilities</b>	<b>1,592.6</b>		<b>1,592.6</b>

## Opening balance impact Jan 1, 2017, Parent company

SEK m	Equity	Liability: Deferred income
Opening balance Jan 1, 2017 before change	1,499.8	76.4
Impact of change to IFRS 15	-15.3	15.3
Opening balance Jan 1, 2017 IFRS 15	1,484.5	191.7

## Business combinations

### ACUITY ETS LTD. and ACUITY INTELLIGENCE LTD

On February 28, 2018 Tobii acquired all shares in Acuity ETS Ltd, a company registered in Hampshire, England and Acuity Intelligence Ltd, a company registered in Berkshire, England. Acuity ETS is the largest reseller of Tobii Pro's research tools and Acuity Intelligence, a research and consulting service within neuroscience. The purpose of the acquisition is to strengthen Tobii Pro's direct sales of product and services in the UK.

Below is shown the purchase price for the two companies. The acquisition analysis is preliminary due to final valuation of acquired assets and liabilities.

SEK m	Feb 28 2018
Cash	14.8
Adjustment at completion date	-1.1
Contingent consideration	10.0
Total purchase price	23.7
Fair value of acquired assets and liabilities	-1.5
Goodwill	22.2
<b>Acquired assets and liabilities:</b>	
Intangible assets (excl. goodwill)	0.8
Tangible fixed assets	0.1
Accounts receivable and other receivables	3.5
Accounts payable and other payables	-2.9
<b>Total acquired assets and liabilities</b>	<b>1.5</b>

The total consideration for the acquired net assets amounted to SEK 23.7 million. A cash payment of SEK 14.7 million was paid at acquisition date. The agreed upon contingent consideration relates to Acuity revenue trends during 2018-2020. The total maximum contingent consideration amounts to SEK 19 million. Fair value of the contingent consideration is SEK 10 million because Tobii's management assesses there is a 50% probability that the maximum outcome in accordance with the agreement will be achieved.

Goodwill of SEK 22.2 million is reported in business unit Tobii Pro and refers to the potential to strengthen the business unit through direct sales of products and services in the UK.

The gross amount of acquired accounts receivable is SEK 3.4 million and will most likely be collected.

Revenues from the Acuity businesses during the period from acquisition up to and including February 28, 2018 amounted to SEK 3 million and corresponding operating profit for the same period was SEK 1 million. If the acquisition had taken place on January 1, 2018 the Group's Net sales for the first quarter would amount to approximately SEK 296 million and the operating profit would amount to approximately SEK -36 million.

Transaction costs incurred for the acquisition amounted to approximately SEK 0.4 million and are included in general and administrative expenses in the consolidated income statement.

## Fair value measurement

The contingent consideration related to the Sticky-acquisition is a level 3 financial instrument and is measured at fair value in the consolidated

statement of comprehensive income. During the first quarter of 2018 the fair value of the contingent consideration was valued at SEK 0 after a new forecast shows that the conditions for payment according to the purchase agreement with high probability will not be achieved. The contingent consideration relating to the Acuity acquisition in February 2018 is a level 3 financial instrument and is measured to fair value of SEK 10 million as at March 31, 2018. Change in fair value measurement is shown in the table below.

## Change in contingent consideration

SEK m	March 31 2018
Opening balance January 1, 2018	12.2
Acquisitions during the year	10.0
Change in fair value reported as other operational income/loss	-12.2
Currency differences	0.2
Closing balance March 31, 2018	10.2

## 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 and note 3 of Tobii's 2017 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.

## 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. The key ratios and alternative performance measures that Tobii uses are defined on page 100 of the 2017 annual report.

## Reconciliation of alternative performance measures

This section presents only the reconciliation of alternative performance measures that cannot be calculated from information in financial reports in this interim report.

## Operating profit/loss before depreciation, amortization and impairment, EBITDA

SEK m	Q1 2018	Q1 2017	2017
Operating profit/loss before de- Amortization and impairment	12.5	-26.3	-52.4
Depreciation, amortization and	-44.1	-27.2	-119.4
Operating profit/loss	-5.4	-4.9	-19.6
	-37.0	-58.4	-191.4

Danderyd, April 26, 2018

**Henrik Eskilsson**  
CEO

This interim report has not been audited.

*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, through the agency of the contact person set out below, for publication April 26, 2018 at 8:00 a.m. CET.*

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## Other information

### Teleconference and presentation

A conference call and online presentation will be held in English today at 3:00 p.m. (CET). Go to [www.tobii.com](http://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.

### Contact details

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### Financial Calendar

2018 Annual General Meeting	May 8, 2018
Half-Year Report Q2, 2018	July 20, 2018
Interim report Q3, 2018	October 25, 2018
Interim Report Q4, 2018	February 6, 2019