

Press release

Stockholm, July 21, 2023

Tobii Interim Report for the second quarter 2023

Tobii AB (publ) today announced its results for the second quarter of 2023.

Second quarter April – June

- Revenue increased to SEK 185 million (167), corresponding to organic growth of 5 %
- Gross margin decreased to 77 % (79 %)
- Operating result (EBIT) was SEK -48 million (-50)
- The net result for the period amounted to SEK -38 million (-31)
- Earnings per share amounted to SEK -0.36 (-0.29)
- Cash flow after continuous investments amounted to SEK -67 million (-68)

Significant events during the period

- Tobii received its first automotive driver monitoring systems (DMS) design win, being selected by the world's largest automotive Tier-1 supplier based in Germany to deliver the Tobii software for DMS for a European OEM
- Tobii received three additional design wins with three different customers, all of which were for vision healthcare solutions using our Tobii Ocumen XR software
- Tobii improved its ESG risk rating from Sustainalytics to low risk
- Tobii achieved 12th place out of 361 stock-exchange listed Swedish companies in Allbrights annual gender equality report



Comments from the CEO

Solid overall progress in Q2

Tobii delivered solid overall progress in the quarter, with organic revenue growth reaching 5 percent. This should be seen in the context of tough comparisons in our Integrations segment.

Our Product & Solutions segment was the growth engine in the quarter, delivering a solid 31 percent organic growth. We experienced strong demand from academic research customers and noted a marked increase in activity among our enterprise customers. China continued to grow rapidly and activity in EMEA and the Americas improved significantly.

The Integrations segment faced a very tough comparison quarter and declined 26 percent organically, which was related to large prepurchase of Sony PS VR2 licenses in Q2 2022. Adjusted for this effect, Integrations exhibited robust organic growth, and the gross margin remained at a high level. We were awarded our first automotive design win during this quarter, marking a break through in Automotive DMS. In addition, we added another three design wins for vision assessment applications using our XR software Tobii Ocumen.

Attention computing adoption is accelerating

In June, Apple announced its new spatial computing platform, Apple Vision Pro. The operating system visionOS leverages eye tracking as a central feature for the entire user interface in the operating system. Furthermore, PS VR2 game developers and graphics engine providers are increasingly leveraging attention computing and users are praising the in-game features enabled by eye tracking.

The industry momentum in the second quarter gives us confidence that we are on the cusp of a step change in the adoption of this technology. Apple leaning in will drive innovation around content and devices and help grow the ecosystem of attention computing-enabled software across many technology verticals beyond AR and VR.

Following these developments during the quarter, we saw increased inbound interest and a sense of urgency from AR and VR customers.

Significant recognition of our work on environmental, social and ethical topics

We continue to aim for excellence in our operations and governance. It is in our DNA to strive for business success without compromising our broader responsibilities from a social, ethical, and environmental perspective. This quarter, we received further external recognition in an upgraded ESG risk management score from Sustainalytics. Allbright also green listed and recognized Tobii once again as a leader in its gender equality ranking. This ranking now places Tobii at 12th place of 361 companies. I am proud of our team's continuous efforts to make progress in these regards.

Encouraging early signs warranting cautious optimism

The second quarter showed encouraging signs for most part of our business and I am happy with the progress we are making. We continued to expand engagements with key XR accounts and dig our way into the automotive vertical with additional partner and customer projects.

We are also encouraged with the performance of Product & Solutions in the second quarter. Still, as the macro environment continues to present uncertainty it is too early to say if this is a sustainable improvement in business conditions. The Integration segment will continue to be characterized by quarter-to-quarter lumpiness in revenue. Although we expect to receive license fee revenues related to PS VR2 during the second half of 2023, it is expected to be on a lower level than in 2022.

The strength of our underlying business, and our continuous efforts to manage cost, makes us confident that despite the headwind and uncertainty mentioned above, we will once again be EBIT profitable in Q4 2023.

Webcast

A conference call and online presentation will be held in English today at 10:30 a.m. (CET). The webcast link and presentation material will be available in the [calendar](#) entry on Tobii's website ahead of the webcast. The year-end report and a recording of the webcast will be available on the same page after the publication and webcast. You can also attend the webcast through the following [link](#).

This information is information that Tobii AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out above, on July 21, 2023, at 7:30 a.m. CET.

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About Tobii

Tobii is the global leader in eye tracking and pioneer of attention computing. We are on a mission to improve the world with technology that understands human attention and intent. Creating tech for a better future, our technologies and solutions apply to areas such as scientific studies and research, healthcare, assistive devices, education and training, gaming, extended reality, automotive, and many more. Tobii's eye tracking is used by thousands of enterprises, universities and research institutes around the globe. Headquartered in Sweden, Tobii is listed on Nasdaq Stockholm (TOBII). For more information: www.tobii.com.