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Tobii

Q1 2026



Speakers



Fadi Pharaon
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Operator



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Prepared Remarks

**Operator**

Welcome to Tobii Q1 2026 report presentation. For the first part of the conference call, the participants will be in listen-only mode. During the questions and answer session, participants are able to ask questions by raising their hand or typing them in the form below. I will hand the conference over to CEO Fadi Pharaon and Interim CFO Åsa Wirén. Please go ahead.

**Fadi Pharaon**

CEO | Tobii

Good morning, everyone. This is Fadi Pharaon speaking to you, CEO of Tobii. I am joined today by Åsa Wirén, our Interim CFO, and Rasmus Löwenmo Buckhøj, who leads our communications team. Thank you, everybody, for joining our Q1 2026 earnings call. Let's start with the quarter. Q1 was a quarter with clear areas of progress, but also challenges that we are addressing. As you can see, the reported net sales declined year-on-year with 17%. However, organic sales actually increased by 5%. We additionally had an improved gross margin for the group by 7 percentage points. Furthermore, during and shortly after the quarter, we secured strategically important design wins. All of these developments together show that despite currency and timing-related headwinds, we continue to see underlying momentum in parts of our business. We've continued our disciplined focus on cost reduction and operational efficiency.

**Fadi Pharaon**

CEO | Tobii

During this quarter, we reached SEK 48 million in cost reductions if you compare to Q2 2025. Since that point, we've actually achieved SEK 100 million in total cost reductions, which actually exceeds our previously communicated target of SEK 100 million. Still we have one more quarter to go in that program. If we move to free cash flow, that was positive for the second consecutive quarter now at SEK 17 million. Our cash position stands at SEK 39 million, even after repaying the SEK 39 million of deferred COVID-related taxes and the SEK 47 million of our previously utilized revolving credit facility. We've also agreed on a revolving credit facility with our bank for an amount of SEK 25 million. Let's now review the performance of our three business units.

**Fadi Pharaon**

CEO | Tobii

For those who are new to the call, Tobii have three business units, each addressing different use cases and customer segments. The portfolio ranges or the segment, I would say, ranges from university research labs to enterprises and PC gamers. In Q1 of 2026, Products & Solutions represented 48% of Tobii's net sales. The EBIT for the segment was SEK -12 million. This was partly due to the strengthening of the Swedish krona and partly due to delayed implementation of the Five-Year Plan policy in China, which has affected our sales in that market. At the same time, though, we saw organic growth in EMEA and the U.S. markets as well.

**Fadi Pharaon**

CEO | Tobii

During the quarter, we also launched a new rental model for our wearables portfolio. The aim of that is to lower the initial barrier for customers who want to evaluate how eye tracking and attention computing can actually create value in their operations. In addition, we have launched a Remote Live View for Tobii Glasses X, a feature which I will return to a bit later in the presentation and talk more about. If you go to the second row, which is the Integrations business unit, that unit serves customers who embed Tobii's technology into their own offerings. There you can see segments like assistive and augmentative communication solutions, as well as XR technologies. This business, as we know, can be lumpy. We've seen that bookings and revenue recognition may vary significantly between the quarters.

**Fadi Pharaon**

CEO | Tobii

For Q1 2026, the Integrations represented 25% of Tobii's net sales, and the EBIT was SEK +5 million. After the end of the quarter, we secured a design win with a global technology provider to integrate Tobii's webcam eye tracking software into one of their premium laptops. On the third row, the AutoSense business unit, which develops and provides driver and occupant monitoring solutions to automotive OEMs as well as tier one suppliers. In Q1 2026, AutoSense represented 27% of Tobii's net sales, which actually is a significant increase compared with last year. This was mainly driven by revenues related to the DMS technology licensing agreement, which was signed in Q4 2025. The AutoSense EBIT was SEK -21 million, and this was mainly due to project mix and timing effects. Also, we'll come back to that.



Fadi Pharaon
CEO | Tobii

AutoSense won a new design win, and here we will be providing our driver monitoring system to a premium sports cars European OEM. Additionally, we'll also be extending an existing DMS design to a new commercial vehicle platform. Now, in regards of the Integrations and AutoSense designs wins I just mentioned, we are very pleased to secure deals with globally recognized brands. However, these wins are not expected to be financially meaningful, but they are very strategically important because they demonstrate the continued relevance of Tobii's technology in demanding customer environments. This will strengthen our credibility with other global customers, and it reinforces actually our position as a leading innovator in attention computing. Now, continuing with AutoSense, I'd like to share that we are managing a dynamic and developing sales pipeline, and supported by continued customer engagements and increasing market relevance for driver and occupant monitoring solutions.



Fadi Pharaon
CEO | Tobii

Considering that, let me shed some light on AutoSense staged business model. In the short term, customer programs will or may generate non-recurring engineering, we call NRE funding, which supports custom development and integration and validation work. The larger long-term opportunity typically comes later, that's when the awarded vehicle platforms enter the production. Revenue is then generated through licenses that are tied to vehicles that are using our technology. Good to know that the tenders take place usually two to three years ahead of start of production. With that, I'd like to invite Åsa to walk us through the financials, please.



Åsa Wirén
Interim CFO | Tobii

Good morning, everyone. Let's take a look at Tobii's financials for the first quarter of 2026. I'd like to highlight three areas to start with. Net sales amounted to SEK 164 million, which is a decrease compared to the previous year. However, last year included non-recurring revenue of SEK 27 million. The stronger Swedish krona had a negative impact of SEK 15 million. Adjusted for these factors, we had organic growth of 5%. The gross margin, as Fadi mentioned, increased to 84% compared to 71% last year. Operating profit, EBIT, was SEK -28 million, a decrease of SEK 40 million compared to the same period last year. This decline is not only due to lower net sales, but was also affected by increased depreciation of SEK 20 million and an impairment of SEK 6 million.



Åsa Wirén
Interim CFO | Tobii

Free cash flow for the quarter improved by SEK 31 million despite the lower sales. The main explanations are improved working capital, reduced operating costs, and lower investments. Let's also look at developments over the past two years with AutoSense fully included from the second quarter of 2024. When reviewing performance, looking at net sales, it's important to note that the Swedish krona has strengthened during the period. The quarters from Q2 2024 to Q2 2025 each included a portion of non-recurring revenue linked to the image business following the acquisition of FotoNation. Q2 2025 was affected by the volume transaction with the Dynavox transaction. Turning to EBIT, we also see an impact from other operating income and expenses that vary between quarters.



Åsa Wirén
Interim CFO | Tobii

In Q1 2025, for example, we divested some non-core patents, SEK 15 million, and operating profit in the fourth quarter of 2025 was significantly negatively affected by goodwill impairments. During 2024, 2025, a savings program was executed which reduced non-cash operating costs by SEK 263 million. Furthermore, the savings program launched in the third quarter of 2025 has reduced costs by SEK 120 million over three quarters. Altogether, the company's cost structure has improved significantly over the past two years. For example, administrative costs per quarter have been reduced by approximately SEK 20 million. Today, we see a more right-sized and cost-conscious Tobii. A few words about the Products & Solutions business area. Fadi previously reported on market development, which are reflected in the figures as lower sales compared to the previous year.



Åsa Wirén
Interim CFO | Tobii

The gross margin stands at a strong 71%, thanks in part to a more efficient delivery organization. The savings measures implemented have reduced OpEx by approximately SEK 25 million compared to last year. As a result, EBIT is broadly in line with the previous year, SEK -12 million. As regards Integrations, we see a decline in net sales as last year's quarter included non-recurring revenue of SEK 27 million. Gross margin has increased slightly, and here too, OpEx has fallen by over SEK 10 million. Integrations delivered a positive operating profit of SEK 5 million. The AutoSense business unit reports its highest ever sales, SEK 45 million, thanks in part to the DMS license agreement announced in the Q4 of 2025.

**Åsa Wirén**

Interim CFO | Tobii

Costs have also been substantially reduced but are offset by higher depreciation triggered by license sales. The AutoSense business mainly consists of two different revenue cost models linked to what Fadi previously described. One is the NRE project part, where revenue and costs are recognized as the project advances, so-called percentage of completion. Another part, the product project development, where relevant time and expenses are recorded as assets on the balance sheet. Once license revenue starts coming in, these costs are gradually written off as depreciation, which shows up in the financial results. This also explains the gross margin of 100%. We see the effects of this in the quarter as depreciation increased by SEK 20 million compared to last year, partly as a result of the DMS deal. Finally, let's spend a moment on our cash flow and balance sheet.

**Åsa Wirén**

Interim CFO | Tobii

Free cash flow improved, as mentioned earlier, by SEK 31 million compared to 2025. Our cash balance at the quarter end was SEK 39 million. During the quarter, SEK 39 million was repaid to the Swedish Tax Agency, the COVID related tax reliefs, and the credit facility was repaid by SEK 47 million. After the end of the quarter, an agreement was reached with the company's bank for a credit facility of SEK 25 million. We assess that this is sized according to our operational needs. Given the debt structure in the coming years, there remains a risk that Tobii may not have sufficient financing for the coming 12 months. Addressing this is at our top priority. By that, I'll hand over to Fadi for some final comments.

**Fadi Pharaon**

CEO | Tobii

Thank you, Åsa. Before I go to the final comments, I'll just talk like a little bit about thought leadership and product innovation. I'd like to take a moment to highlight one example of how we continue to expand the practical value of Tobii's technology. We recently launched the Remote Live View for Tobii Glasses X. In simple terms, this capability means that it allows a remote expert or a researcher or a trainer to actually see what the person wearing the glasses sees, and importantly, also understand what that person is actually looking at. It's a distinction that matters because if you look at traditional video, we can show the scene, but when you add eye tracking, it gives that element of attention, and it gives a context to the human behavior in real time, actually.

**Fadi Pharaon**

CEO | Tobii

This feature opens up several important use cases. In remote technical support, a field technician can share both their visual environment and their attention with an expert who's located elsewhere. If you look at the field of auditing and assessment, maybe a facility inspections or insurance claims, we can have a central expert team who can support more accurate documentation and support decision-making remotely. If you go to research or UX studies, we can have distributed teams who can monitor data collection live and help ensure that the quality of the data is maximized. The customer value is quite straightforward. Less need to travel, reduced downtime, and improved operational efficiency. The reason I'm highlighting this example is because it illustrates the range of our offering, from capturing attention data to enabling real-time insight and better decisions in operational workflows.

**Fadi Pharaon**

CEO | Tobii

This is an important part of how we see the long-term value of attention computing. Let me summarize the quarter. Q1 was a quarter with clear areas of progress, but also challenges, which we are addressing. The reported net sales declined, but the organic sales and the gross margins increased, and we continued to see constructive customer dialogues across the business. Our focus now is on converting these dialogues into commercial wins and revenue growth. We also continued to execute on our cost reduction program, and we've exceeded our previously communicated target. The free cash flow, very important for us, was positive for the second consecutive quarter in a row. We've also renewed our revolving credit facility, which gives us continued liquidity flexibility.

**Fadi Pharaon**

CEO | Tobii

Let me address a topic that I know remains important to investors and all stakeholders, which is our debt profile and financing situation. This is in relation to the obligations that we have beginning in 2027 and continuing through 2029. During the quarter, the board and management strategic review has led to concrete discussions with external parties, including evaluation of various structural or transactional alternatives, such as business divestments, partnerships, or capital raising. These discussions are ongoing, and there's no guarantee that this will result in any transaction, decision, or other actions.

**Fadi Pharaon**

CEO | Tobii

I fully respect your eagerness to know more, but we will not be commenting anything more about this topic during the Q&A. Now, as I now have had 100 days in the role as CEO of Tobii, I think it would be a good time to share some of my early impressions of the company. My conclusion is that Tobii has valuable strengths. It has differentiated technology, deep competence in eye tracking and visual computing, and strong positions in customer categories where these capabilities matter. We also operate in a market environment that continues to broaden as we see more categories and customers who actually understand the value of attention, behavior, and human machine interaction through eye tracking and related technologies. We believe that this relevant can expand further with the increasing adoption of AI and robotics.

**Fadi Pharaon**

CEO | Tobii

Once you have a better understanding of human attention and intent, that actually could help make human machine interaction more natural, efficient, and effective. From a strategic standpoint, I believe Tobii is well-positioned in an area that is seeing increasing relevance. At the same time, we have to be clear about where we are today. Our reported sales declined, and that's clearly not where we want to be. This means we need to improve how we convert our strengths into commercial results. We need better sales execution, sharper prioritization, and a higher pace of product renewal. We need to bring the right products to market faster and execute with greater consistency in how we capture the demand. This is a core priority for me and the leadership team. In the near term, our focus is very straightforward.

**Fadi Pharaon**

CEO | Tobii

Improve the execution, continue improving on the cash profile of the business, maintain our cost discipline, and prioritize the areas where we see the strongest potential to create customer and shareholder value. In the longer term, our ambition is for Tobii to translate its technological leadership and market relevance into a stronger, more scalable, and more sustainable business. I believe the opportunity is real, and we have to earn the right to capture that opportunity by delivering better outcomes. Thank you very much. Rasmus, I hand over to you so we can open the Q&A, please.

**Rasmus Löwenmo Buckhøj**

Head of Communications | Tobii

Thank you, Fadi. Thank you, Åsa. Before we open for questions, I would like to briefly set expectations for the Q&A. We, of course, welcome your questions as always, and we will aim to be as transparent and helpful as possible in our answers. At the same time, there are certain areas we will not be able to provide detailed information, such as individual customer relationships, specific project revenues, or other commercially sensitive details. This is to respect our confidentiality commitments and to ensure that we communicate in a consistent and fair manner to all stakeholders. Where we cannot go into that level of detail, we will do our best to provide relevant context at an aggregated level. With that, we're happy to take your questions.

Q&A

**Rasmus Löwenmo Buckhøj**

Head of Communications | Tobii

We will begin going through the written questions that have been submitted, and we will start with a question from [Jeppe]: The AutoSense SCDO design win date back to when Xperi still owned AutoSense. Given the lack of new OEM design wins for SCDO, should this be interpreted as an indication that competitive intensity is higher than expected, with peers offering solutions that match or even exceed yours?

**Fadi Pharaon**

CEO | Tobii

Thank you for the question, [Jeppe]. I think very important to bear in mind that Tobii AutoSense is not an SCDO unit. Tobii AutoSense is a DMS and OMS provider. Single camera and SCDO is one of the innovations we've had. As we just released this morning with the quarter, we received actually a new DMS win and extended another one with an existing customer. It is for sure a competitive market, but it's also a market that is quite big to absorb multiple players. If I look at SCDO in particular, which is part of our offering, it's been, you know, quite successful in the premium segment. It's been validated in the market.

**Fadi Pharaon**

CEO | Tobii

As I mentioned a bit earlier, we're seeing quite a lot of buzz now in the pipeline post the launch of SCDO in the market from other potential customers that we are working with. We are working as hard as we can to ensure that we translate that pipeline into further steps into what everybody would like to see, which is of course a contracted end or design win.

**Rasmus Löwenmo Buckhøj**

Head of Communications | Tobii

Thank you. Another question also from [Jeppe]: Tobii often emphasizes that single-camera interior sensing delivers very high value. Since competitors such as Seeing Machines and Smart Eye also have single-camera interior sensing in production, I don't see that AutoSense has any clear advantage. Could you elaborate on this?

**Fadi Pharaon**

CEO | Tobii

I see the advantage of Tobii AutoSense in our capabilities with visual computing. This is where we have the algorithms. This is where we have the capability to create fantastic data collection and ensure that there are as few false alarms as possible. Single camera is an innovation that we are very proud of, and it's one kind of delivery systems. We are also open to work with multiple cameras. Single camera advantage is that when it fits the OEM's choices for the use cases, it can actually translate in quite significant cost savings, because then you don't need other types of sensors, for instance. Of course you save money on the amount of cameras that needs to be put up. We are not defined only by the single camera innovation we have put forward on the market.

**Fadi Pharaon**

CEO | Tobii

Again, if you look at the majority of our existing contracts, they are actually DMS and these work with multiple cameras.

**Rasmus Löwenmo Buckhøj**

Head of Communications | Tobii

Thank you. Question from [Pehr B.]: Which are the top three risks of not meeting the Tobii objectives you see going forward, and how will you mitigate?

**Fadi Pharaon**

CEO | Tobii

Thank you, [Pehr]. Well, I mean, the most obvious first risk is, of course, that we wouldn't have a strong enough operational cashflow to sustain our business operations, and that risk has been mitigated for two years now. Clearly a large part of that comes from our cost and operational efficiencies, which to date have yielded an accumulated savings, I would say, about SEK 380 million by now. As you can see, I mean, we are very proud of the fact that we have now two consecutive quarters of positive cashflow. Mitigations are in place. More important for us in the mitigation is also to continue increasing the sales. We don't see that cost efficiencies is what will determine the future of Tobii, but rather our growth in an expanding market.

**Fadi Pharaon**
CEO | Tobii

The second risk I would bring up is, of course, the debt obligations that we have starting 2027 and run to 2029. I've already commented that in my previous input. I cannot add anything up to that.

**Rasmus Löwenmo Buckhøj**
Head of Communications | Tobii

Thank you. Another question from [Jeppe]: While Tobii has surpassed 1 million vehicles on the road, its competitor Seeing Machines reported today that its Q1 2026 deliveries alone exceeded that number. How can a small player compete in the automotive industry?

**Fadi Pharaon**
CEO | Tobii

Yeah, absolutely. I mean, we are a challenger in the automotive industry, we have never claimed otherwise. I think, where we are really focusing on is the strength of our innovation that was proven by single camera, for instance. Coming back to what the talent that we have in visual computing and data collection and data management is where we'd like to continue delivering. If you could look at the track record, we've been doing well in the premium segments. Of course, with the previous large win with the premium automotive player in Europe, the one we announced this morning, it's premium sports car deliver.

**Fadi Pharaon**
CEO | Tobii

We are actually living up to very high and technically stringent and quality requirements. This is where we would like to place our future and work with anybody who see a way to bring in-cabin sensing to have more value to their own customers.

**Rasmus Löwenmo Buckhøj**
Head of Communications | Tobii

Thank you. We have a question from [Jakob]: Has the majority of the DMS licensing deal been recognized during Q1 2026? Or is there an equally big part in Q2 2026? How should we think?

**Åsa Wirén**
Interim CFO | Tobii

Thanks for the question, [Jakob]. Since we don't mention the exact numbers, I can say it will be about the same in Q2 as in Q1.

**Rasmus Löwenmo Buckhøj**
Head of Communications | Tobii

Thank you. We have a question from [Emil]: Why does AutoSense have no hardware revenue, and should investors expect that to remain the model going forward?

**Fadi Pharaon**
CEO | Tobii

Thank you, [Emil]. Our focus and our strength lies in developing software that accumulates visual computing and that can actually work with different sets of hardware that's out there in the industry. Of course, compatibility with the chipset platform that the OEM chooses and the ECUs that are in the car. This is our forte, and this is where we see the largest, you know, expansion for us considering what we are doing. Yes, we are continuing to focus on providing software stacks, and we of course in that collaborate and partner with relevant hardware providers who can act as well as partners in enlarging our own pipeline.

**Rasmus Löwenmo Buckhøj**
Head of Communications | Tobii

Thank you. A question from [Pehr B.]: Where do you see Tobii in five years? Still as an independent company or acquired by a larger player?

**Fadi Pharaon**
CEO | Tobii

I would like to see that Tobii succeeds with all of the plans that we have in motion. I think an incredible amount of development, positive development, has been done on the metric of cost efficiency and operational efficiencies. Very important for us in the leadership team is to focus on our sales conversion, ensuring that we bring that, you know, sales growth that we all want to see, and that we grab a larger share of a growing and expanding market.

**Rasmus Löwenmo Buckhøj**

Head of Communications | Tobii

Thank you. A question from [Emil]: How much of the Q1 AutoSense revenue was recurring or license-based versus one-off engineering or milestone revenue?

**Åsa Wirén**

Interim CFO | Tobii

Thank you, [Emil], for the question. Not going into too much details in this call, I refer to page nine in the quarterly report where you can see the split between hardware, software, services, and by time of sales category. You can find the details not only for AutoSense, but for all the segments on page 10.

**Rasmus Löwenmo Buckhøj**

Head of Communications | Tobii

Thank you. Looking to see if we have any additional questions. We have a question from [Bo Engvall von Schéele]: How many AutoSense design wins totally are from SCDO?

**Fadi Pharaon**

CEO | Tobii

Thank you, [Bo Engvall]. SCDO has been our prime initiative, and we have one large European premium European auto manufacturer who has adopted that. We've done the homologation, it's been installed, and the models are actually going up in the market, so it's valid. If we remember, I would say by summer last year, there was skepticism in the industry about getting a single camera DMS and OMS to work because nobody had done it before. With the support of our premium automotive, that has actually proven to work. It is launched, and that has garnered us now much more interest, and that's why I was referring to the pipeline that we are working upon and building to a pyramid.

**Fadi Pharaon**

CEO | Tobii

Of course, our focus is to conclude more deals, be it DMS on single camera or DMS and OMS on multiple cameras. For sure, single camera is now of interest in many parts of the pipeline.

**Rasmus Löwenmo Buckhøj**

Head of Communications | Tobii

Thank you. We have a question from Emil: When will investors get a concrete outcome from the strategic review?

**Fadi Pharaon**

CEO | Tobii

I've already referred to the statement, and as I said before, we will not be adding any more, you know, flavor to that.

**Rasmus Löwenmo Buckhøj**

Head of Communications | Tobii

A question from [Anders]: Could you elaborate on the smart glasses business, and if possible, give Tobii's effort in this segment?

**Fadi Pharaon**

CEO | Tobii

Of course, smart glasses is a multiple parts of the industry are looking at that, a lot of ideas. What's important for us is to understand how eye tracking plays a role. There are multiple use cases one could think of, but we are interested to ensure that we find use cases that can scale. We are of course in, clearly through the XR business, that's what we do every day, in dialogues with different, you know, providers of smart glasses. Once something materialize into a commercial deal, of course, we will communicate that at that point.

**Rasmus Löwenmo Buckhøj**

Head of Communications | Tobii

Thank you. Are there any additional questions? There does not appear to be any additional questions. We will therefore hand over to Fadi for closing.



Fadi Pharaon

CEO | Tobii

I would like to thank the entire team of Tobii and the board of Tobii for all the incredible support and for the hard work that's been put. As a relative newcomer to the company, I'm extremely excited. Lots ahead of us and the transformation we're doing. I'd like to thank all of our shareholders and people who have also called in today for all their support in that journey as well. With that, we wish you an excellent day.