

We improve
the world with
technology that
understands
human attention
and intent.



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We are the global leader in eye tracking and pioneer in attention computing.

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This is Tobii

We are the global leader in eye tracking and pioneer in attention computing. We are passionate about leveraging technology for a better future. Our journey began more than 20 years ago when we delivered the world's first plug-and-play eye tracker. Every day since, we have advanced our mission of improving the world through attention computing—our name for the technology that understands human attention and intent.

Artificial intelligence, machine learning, and advanced signal processing lie at the heart of what we do. We decode head and eye movements, translate subtle gestures, and generate insights to understand what captures a person's attention and reveal their intent—no matter who, no matter where.



Attention computing has essentially limitless applications. It helps scientists understand the brain and market researchers optimize the customer experience. It empowers educators to automate reading assessments and offer immersive learning experiences. It helps manufacturers improve productivity, training, and safety. It helps people with disabilities interact with their devices in a more accessible manner. It enables safer cars that can understand if the driver is alert and paying attention. And it supercharges devices like PCs with intuitive interaction and VR and AR-headsets with an immersive, next-generation extended reality experience.

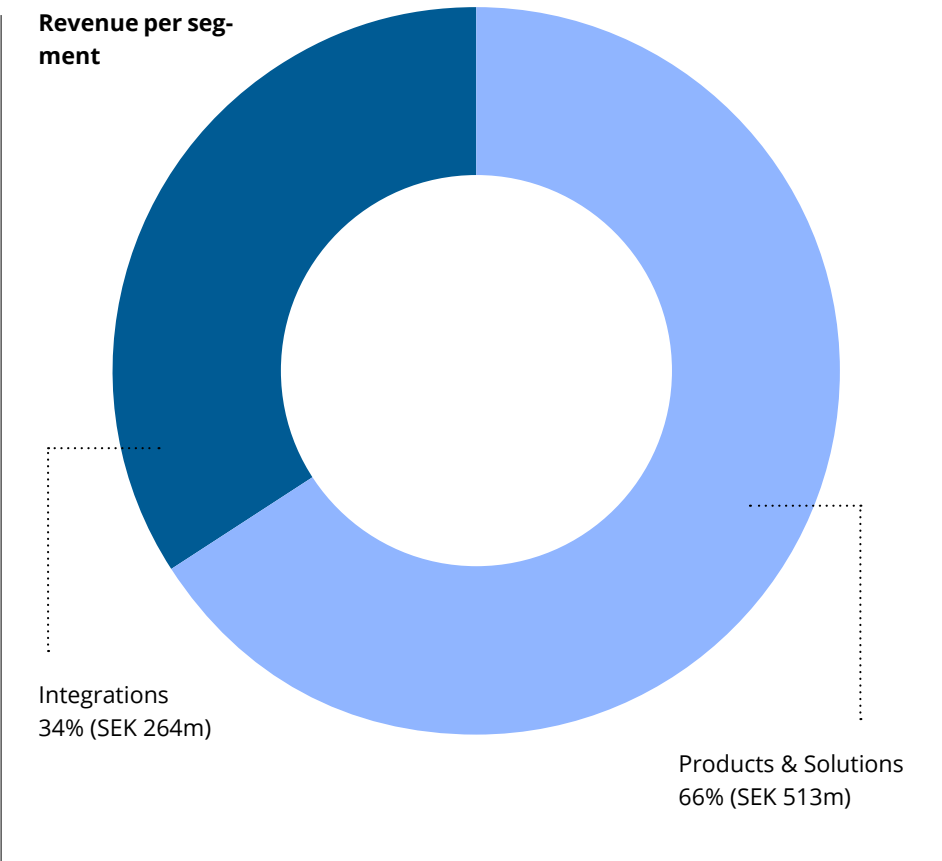
Today, we work with thousands of enterprises, including many of the world's leading tech and automotive original equipment manufacturers (OEMs), as well as research institutes across the globe. This includes 99 of the world's top 100 universities. Tomorrow, we will continue our quest

to better understand and leverage attention and intent, building technology that works in harmony with human behavior.

We are Tobii. We change the way humans interact with machines by creating technology that works in harmony with human behavior. We create tech for a better future.

We create tech for a better future

Financial overview 2022



776

Revenue, SEK m

14%

Organic growth

76%

Gross margin

674

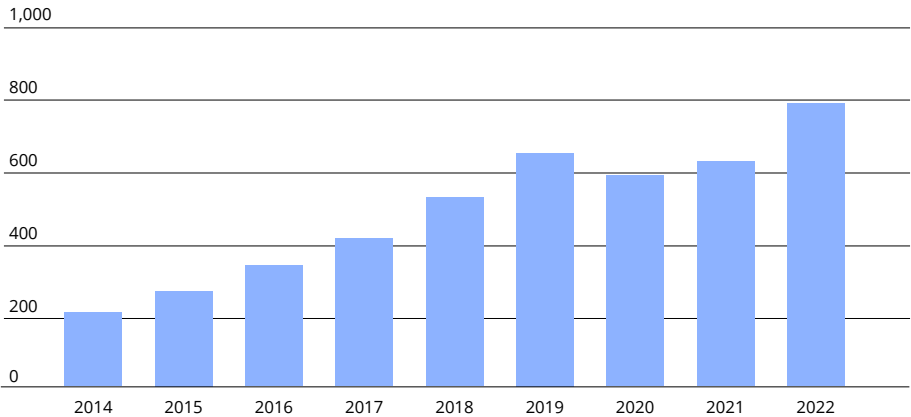
Employees, including
120 consultants

Key figures, SEK m

	2022	2021	2020
Revenue	776	616	578
Gross profit	590	444	411
Gross margin	76%	72%	71%
EBIT	-122	-186	-230
EBIT margin	-16%	-30%	-40%
Net profit/loss for the year	-99	3,147*	-134

*Tobii Dynavox AB was distributed to Tobii AB's shareholders, resulting in an gain of SEK 3,301 million.

Revenue, SEK m



2014–2020 are based on unaudited proforma numbers, which excludes Tobii Dynavox revenue.

Our global presence

Tobii has a global presence through its offices in America, Europe and Asia. Sales are conducted directly in primary markets and through resellers in other countries.



01

Introduction

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Global leader in eye tracking

This was an exciting year for Tobii. We expanded our reach significantly. Our extended, virtual and augmented reality (XR) business grew dramatically, highlighted by Tobii securing a partnership with Sony to provide eye tracking technology for the PlayStation VR2. For the first time we were able to demonstrate to future customers and the public our driver monitoring system, powered by our latest innovative deep-learning approach to eye tracking. The positive feedback we've received in these and in several other key business areas indicate successful execution against our strategic plan. In the pages that follow, we're excited to share a recap of 2022 and preview what you can expect from us in 2023.

 Market leader in eye tracking and attention computing	 Global presence and offices in 12 countries
 Growth company targeting break-through to profitability in Q4 2023 and SEK 1.5 billion revenue in 2025	850 Nearly 850 patents approved or pending
	 Over 600 Tobians

2022 in review

Tobii took important steps forward in 2022 with improved profitability, accelerated growth, and several significant achievements. Here’s a look back at some of the major milestones and accomplishments of 2022:

1,000,000

Our technology was integrated into more than 1 million devices over the course of the year.



We were awarded 19 design wins, ranging from kitchen appliances and autism spectrum disorder assessment tools to VR headsets and laptops.



Sony integrated our technology in its PlayStation VR2, which will bring eye tracking to millions of consumers.



HeadVantage, a U.S. company working with NBC Sports and Sky Sports, will equip athletes with our eye tracking technology, allowing sports fans to see through athletes’ eyes. This innovation will improve the fan experience while helping athletes gain a competitive edge through improved spatial awareness and attention.



We publicly demonstrated our disruptive Tobii DMS to automotive customers for the first time, generating significant interest and stellar feedback on its performance.



We introduced Tobii Pro Spark, our next generation entry-level research-grade eye tracker and fastest-ever ramping screen-based eye tracker.

SPARK

NeuroSync and Novasight, two customers in health-care, received FDA clearance to use our eye tracking technology in diagnosing traumatic brain injury and treatment for amblyopia.



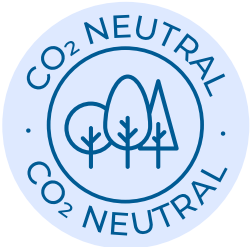
Our continuing work on sustainability paid off as Tobii's rating was raised to "A" by MSCI, and we continued progress towards our goal of being carbon neutral by 2030.



A new collaboration with Samsung resulted in the introduction of drowsiness monitoring based on heart rate in their latest Samsung Galaxy watches.

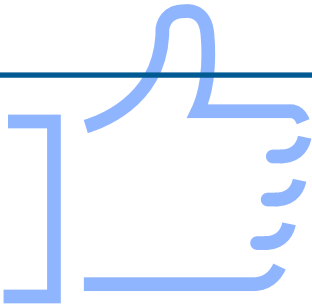


Tobii was listed as a top-ranked Swedish company, and in the top three among tech companies in the Allbright report on gender equality in management positions.



Tobii achieved carbon neutrality for its Stockholm office.

Tobii achieved profitability in Q4, marking our first quarter of profitability since the IPO in 2015.

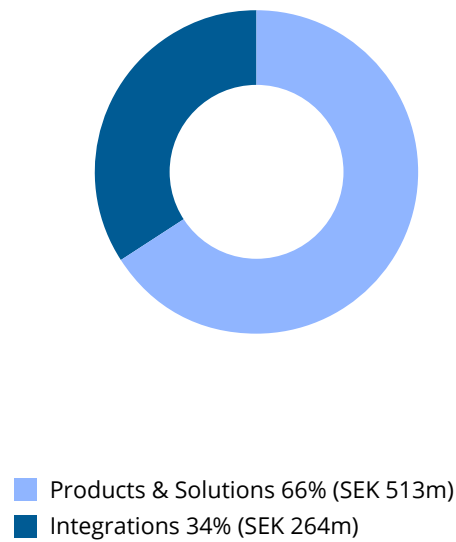


ISO 27001

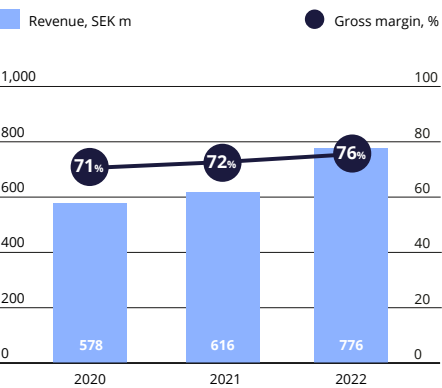
We received the ISO 27001 certification for our information security and privacy standards.

2022 in review

Revenue per segment



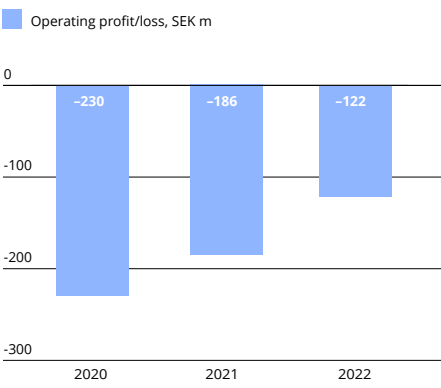
Revenue and gross margin



Tobii's revenue increased by 26% in 2022 to SEK 776 million. Organically, the increase was 14%, driven by our Integrations segment. The pandemic, global supply chain disruptions, and the macro-economic softening had a dampening effect on sales.

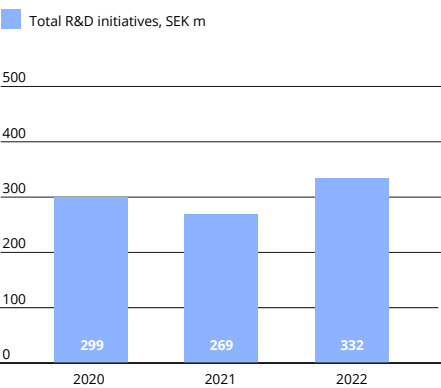
The gross margin increased to 76% (72%), driven by a mix shift from hardware to software licenses.

Operating profit/loss (EBIT)



The operating result improved to SEK -122 million and the operating margin improved 14 percentage points to -16%, driven by the healthy organic growth and positive product mix shift.

Research and development (R&D)



Our R&D expenses increased to SEK 332 million, reflecting a demand driven ramp-up of R&D activities in XR and Automotive.

A pivotal year in the history of Tobii

Tobii is on an ambitious journey of discovery and innovation aimed at revolutionizing technology to work in harmony with human behavior. From the moment I joined this journey in 2019, the disruptive power of eye tracking was clear. The idea of using this technology for good and harnessing its powerful potential to make a real impact is what drew me to Tobii. I saw how this technology was going to change human-computer interaction while serving as a catalyst for digging deeper into the understanding of human health and behavior.

In just a few years, I have seen some of the significant advances we have made while navigating a challenging backdrop. Looking back at my first full year as CEO, I am very pleased that we hit an important milestone. In Q4 of 2022, Tobii was profitable for the first time since our IPO in 2015, demonstrating we are fully on track to deliver our promise of bringing the company to a financially self-sustaining position. We achieved this despite continuing significant investments in innovation for long-term growth, enabled by us leveraging our R&D investment across several market segments.

This is an achievement that serves as a testament to the value generated by our innovative solutions and by the dedicated efforts of our employees to reach profitability.

A year of achievements

In 2022, Tobii took large steps forward on our long-term strategic priorities in technology leadership, business expansion, and customer relations.

Our technology was integrated into more than one million devices and we received 19 design wins, ranging from kitchen appliances to autism spectrum disorder assessment tools to VR headsets. We saw the integration of eye tracking in Sony's PS VR2, which will introduce our technology to millions of new consumers. I am also pleased to say we demonstrated our disruptive automotive Driver Monitoring System (DMS) publically, generating a lot of interest and stellar feedback on its performance. In this breakthrough year, we reaccelerated our innovation efforts and have now accumulated close to 850 patents approved or pending.

Maybe most importantly, we've seen our customer satisfaction scores continue to improve from already high levels. Furthermore, in 2022, our ESG-rating was raised to "A" by Morgan Stanley Capital International and we scored among the top three tech companies in Sweden on equality in management positions, as listed in the Allbright report.

All of these achievements were made while weathering a challenging economic environment that caused soft performance in our Products & Solutions segment, not to mention continued challenges in the wake of the pandemic, continued supply chain disruptions, and the war in Ukraine. I am incredibly proud of my colleagues and all we have achieved while navigating this turmoil.



»In Q4 of 2022, Tobii was profitable for the first time since our IPO in 2015, demonstrating we are fully on track to deliver our promise of bringing the company to a financially self-sustaining position«

Looking to the future

Looking ahead to 2023 and beyond, it is clear that our industry is entering an era of accelerating adoption and proliferation of our technology.

Tobii aims to build on its position as an innovator, technology leader, and customer champion in this industry. We will accomplish this through continual investment in our core and next-gen technologies, and by always pushing to make our technology more accessible and easier to integrate.

In addition to impacting the world positively with our products, we remain committed to continual improvement as a corporate citizen when it comes to our environmental, social, and governance-related responsibilities and ambitions. In 2023, among other things, we aim to raise the level of ambition in our policies regarding the environment and ethics and by placing higher demands on our subcontractors.

Despite all the macroeconomic challenges the world faces, we enter 2023 with optimism based on our strengthened underlying business fundamentals. The combination of increased top-line revenue alongside a focus on controlling costs will enable us to deliver further improvements in profitability in 2023. To that end, we are confident and fully committed to reaching EBIT profitability again in Q4 2023 and hitting a topline of SEK 1.5 billion by 2025.

Anand Srivatsa
CEO

Mission, vision, and values


Mission:

We improve the world with technology that understands human attention and intent.



Vision:

A world where all technology works in harmony with human behavior.



VALUES

Amaze our customers

Happy and successful customers are the key to our own long-term success. We combine a profound understanding of their needs with an ambition to deliver amazing products and services, in every detail.

Make it real

We want to create a better reality. We each take responsibility for bringing our ideas to life. We have the freedom and the courage to make decisions. We dig in and do the hard work needed.

Succeed together

Success is always a joint effort. We work as one team with a common purpose in a flat, open, and informal organization where helping one another is a natural part of life.

Beat yesterday

Challenging the status quo is what Tobii does. We do this by relentlessly improving every detail of what we do, every day.

Share passion

Our passion and positive energy are contagious. By sharing them, we make our adventure together even more fun, exciting, and meaningful.



This is attention computing

Removing the barriers between people and technology

Attention computing is a set of technologies that enable machines and devices to understand people by interpreting how we move, our facial expressions, and what captures our attention.

Attention computing is a part of the next generation of human-computer interaction, which today relies on keyboards, mice, and touchscreens but is shifting toward intuitive communication using our attention, gestures, and movement.

To interact without friction and understand each other, humans rely on their five senses to gather information. Then, our brains process this information and facilitate a response. To enable technology that works in harmony with human behavior, it also needs to understand us, rely on sensors to gather information, and interpret data rapidly. This is what attention computing is about -- leveraging this sensor data and deep learning to create insights and end user values.

Enabling technology to understand people is a significant challenge, but the rewards are far-reaching. Tobii projects that attention computing technology will be integrated into more than one billion devices and that the long-term, total addressable market opportunity exceeds SEK 60 billion. We are only getting started!

Attention Computing

Hardware

Optics
Processing

Core signals

Eye tracking
Head pose
Human presence
Facial features
Hands & body

Feature signals

Attention to display/region
Object selection
Foveation
Drowsiness
Distraction
Cognitive load
Stress
Emotions
Shoulder surfing detection
Avatar animations
Identity

User values

Privacy & security
Power save
Video conferencing
Streaming
Intuitive interaction
Assistive technology
Foveated rendering
Glasses-free 3D displays
Wellness
Medical assessments
Reading assistance
Drug influence
Immersive gaming
Consumer research
Psychology research
...many more



Attention computing is a part of the next generation of human-computer interaction.

02

Our business

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Five trends benefiting us

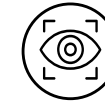
Tobii benefits from a solid foundation in many diverse markets that are characterized by favorable secular growth trends.



Deep learning and sensor technology

Deep machine learning and computer vision give us a new understanding of human behavior based on neural networks and an immense amount of data. Many companies are making large investments in developing sophisticated AI solutions to leverage the insights gained from this technology. Encounters with smart speakers, semi autonomous driving, and digital assistants are already the status quo, so we're focused on what's next in this space. The reality is that eye tracking and attention computing will play a significant role in helping to evolve embedded and multimodal machine learning. Tobii's eye tracking and attention computing technologies will be key enablers for a broad range of artificial intelligence solutions in the future.

As the movement to incorporate AI into an increasing number of products continues, so does the trend of storing and potentially transferring the personal data these devices capture. Therefore, developing deep learning and new sensor technologies must always be considered in conjunction with privacy and transparency. Tobii is committed to protecting user control over personal data and will work to strengthen these protections as we continue to drive innovation with our technologies.



Seamless interaction with technology

At Tobii, we believe machines will communicate with humans – in human terms. Over the past two decades, more natural user interfaces have become the norm. The way we interact with technology has developed steadily, with simple and intuitive touch-screen smartphones changing the way the world connects forever. Now, we are poised for another watershed moment as technological advancements are unlocking new, innovative input methods.

The more our technology can cater to our natural human behavior, the more intuitive and helpful our technology becomes. We know that for truly seamless interaction with technology, machines will need to understand eye movements, facial expression, body positioning, and more. All of these are essential components of attention computing. As Tobii works to provide valuable innovation to the attention computing space, we know that as a result we are aiding products in better understanding what we want to see, know, and do, and providing them with the ability to react accordingly.





The battle for our attention

The concept of an “attention economy” was conceived in the 1990s by the Nobel Prize-winning economist Herbert Simon. The idea assumes that time and attention are the primary limited resources in a modern, digitized world where many of our basic needs are met, and we have free access to nearly unlimited information. Simon posited that companies that best capture the limited attention of their customers would become the most successful. As consumers have become more acclimated to digital advertising, they’ve also become more adept at ignoring advertisements or engaging with them to the minimum required degree to protect their limited attention. This phenomenon makes traditional audience attentiveness metrics like clicks and impressions less valuable and underscores the need for new ways to assess attention.

Tobii is a driving force behind innovation in this area and provides solutions which enable in-depth understanding of consumer attention and behavior. Tobii has served more than 5,000 academic and enterprise customers who have harnessed the power of eye tracking technology to advance consumer research and user experience design.



Digitalization of healthcare and education

Technological advancements in education and healthcare environments are essential to the wellbeing of our global population. Technology can lower barriers to entry and allow more people to access educational and medical resources faster than previously possible, as well as introduce brand new instruments and methodologies for instruction, assessment, and treatment. We continue to see a large business opportunity here, with our eye tracking and attention computing technologies equipped to make significant improvements to the remote healthcare and education experience for clinicians, patients, teachers, and students.

Tobii is focused on expanding the application of eye tracking and attention computing to aid in the development of new methods to capture quantifiable data, conduct more complex diagnoses, and create personalized healthcare teaching experiences. We will continue working with existing and potential customers in these industries to ensure our products and services are making a positive impact.



Rapid evolution of gaming and the metaverse

The rapid evolution of XR technology is driving consumer demand for immersive digital entertainment experiences. As XR devices gradually become more affordable and the potential use cases for this technology continue to grow, we expect to see this trend accelerate. Tobii technology is at the forefront of many of these advancements, in both full VR/AR immersion and the immersive screen-based entertainment of today. As such, Tobii is enabling a link between the static screen-based computing and the next step in interactivity. Our company is working with tier-one OEM clients to provide the technology to bring cutting-edge experiences and devices to more consumers.

Tobii’s technology is raising gaming experiences to the next level. As an industry leader in this space, we will continue innovating for PC products and XR integrations by developing solutions that allow for immersive and accessible digital entertainment experiences that are more lifelike than ever before.

Markets

The variety of use cases for attention computing is vast and provides a major opportunity for growth and positive impact on society. While we already support the use of attention computing technology in many contexts, we have identified the following six focus areas that fit our growth strategy and are poised to adopt this technology on a wide-scale basis.



Behavioral studies and research

- Over 3,500 enterprise customers use our eye tracking solutions to understand consumer behavior and optimize customer experience.
- Over 2,500 academic research institutions use our products to get insights into human behavior, and 99 of the world's 100 top-ranked universities are Tobii customers.
- The market for behavioral studies and research is still in its infancy with large opportunities for expansion of its use, primarily through more specialized and easier to use software catering for specific circumstances.



Extended reality (XR)

- Eye tracking brings significant device performance and user experience enhancements to virtual and augmented reality (VR/AR) devices.
- Our core technology is already integrated into a number of consumer VR headsets, and most recently, was integrated into the Sony PlayStation VR2, which was released in February 2023.
- Eye tracking is becoming significantly more common in new VR/AR headsets, and we expect it will reach mass adoption and become a standard feature over the coming years. We will continue to position the company to take full advantage of this trend.



Healthcare

- The healthcare industry's adoption of eye tracking technology has been a catalyst for innovative, data-driven medical solutions that deliver new insights for detecting and treating diseases.
- The small form factor of our technology allows it to be embedded into many types of medical devices, from small tablets to x-ray machines to surgical robots.
- Eye tracking technology has been shown to be beneficial in detecting and treating brain related injuries and diseases, such as Alzheimer's and Parkinson's, and learning disabilities like dyslexia.
- Two of Tobii's integration customers are among the first companies to receive the U.S. Food and Drug Administration (FDA) approval for eye tracking-based solutions. One for eye tracking-based treatment for amblyopia (lazy eye) and an eye tracking-based assessment for concussions and other traumatic brain injuries.



Education and training

- Using eye tracking in a teaching environment allows educators to see what students are looking at in real time and provide immediate feedback. This can be applied to many different kinds of education scenarios — from classroom instruction to sports coaching to surgical training.
- Eye tracking is already being used in a variety of industries to capture tacit knowledge from skilled and experienced staff to develop optimized training programs for new employees.
- Researchers across a range of disciplines use Tobii solutions to conduct innovative research on everything from reading development in schools to sports and work task performance.



Gaming

- Eye tracking and attention computing make gaming a more immersive experience.
- Game studios have embraced the benefits of eye tracking and have already integrated our attention signals into more than 170 games, including some of the most prominent game franchises in history.
- Gaming hardware manufacturers embrace our technology as well. We continue integrating our eye tracking capabilities into many of the newest gaming laptops, so users are ready to harness the power of attention computing right out of the box.
- Our gaming solutions have rapidly grown this year. As consumers come to expect this functionality in new games and hardware, we expect this trend to continue.



Automotive

- Attention computing delivers critical value to automotive manufacturers, suppliers, and research institutes throughout the vehicle lifecycle — from research, UX/design, and production to the driver experience.
- Our technology enables researchers to understand driving behavior and gather insights that help improve traffic safety and driver attentiveness.
- Our driver monitoring system (DMS) assesses the driver's ability to operate the vehicle safely by providing data points that can help evaluate the level of distraction, drowsiness, stress, cognitive load, and more.
- New regulations set by the European Union will make DMS mandatory in all new production road cars by 2026. This will further spur innovation and adoption of our technology in this space.

Segments

Products
& Solutions

66%

Share of the group's total revenue

69%

Gross margin

513

Revenue, SEK million

Tobii serves a variety of business-to-business customers and individual consumers with a portfolio of hardware, software, and services-based attention computing solutions. We continue to innovate in these areas to provide best-in-class, easily accessible solutions.

Hardware

Our suite of world-class hardware includes our gold standard research instruments for academic and enterprise customers, and the consumer-grade Tobii Eye Tracker 5, which is optimized to give PC gamers unrivaled immersion and control.

Tobii's line of professional eye tracking hardware includes:

- The wearable Tobii Pro Glasses 3, which allow scientists to conduct behavioral research in a wide range of real-world settings.
- The high-performance, Tobii Pro Spectrum, which can capture gaze data up to 1,200 times a second.
- The Tobii Pro Fusion, a powerful mid-range solution.
- The Tobii Pro Spark, an entry-level research eye tracker at an accessible price point.



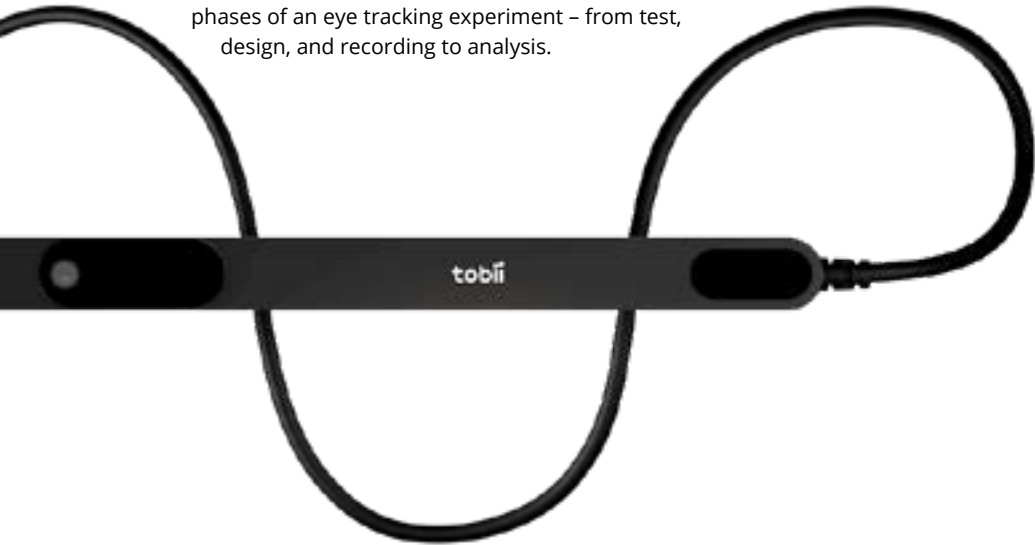
Tobii Pro Glasses 3 is one of Tobii's flagship products. It allows researchers to conduct behavioral research in a wide range of real-world settings.

Software

Tobii continues to lead the industry in attention computing software by actively leveraging our software products to create additional value for our customers. Tobii offers two software solutions to assist our customers in extracting valuable insights: Sticky by Tobii and Tobii Pro Lab. Sticky by Tobii is an online survey tool that focuses on the needs of enterprise clients to analyze how their content is being received by a target audience. Sticky allows Tobii clients to see the impact of ads, packaging, and videos on real people across the globe, in isolation and in context, to ensure they receive the greatest possible return on their creative investments.

Tobii Pro Lab is designed to be a complete solution for behavior research using Tobii hardware. Pro Lab provides a visual user interface and dedicated software features that efficiently guide and support the researcher through all phases of an eye tracking experiment – from test, design, and recording to analysis.

**Tobii Eye Tracker 5
increases the realism
and immersion for
PC gamers.**



Tobii Insight

Insight is Tobii’s bespoke research service, which provides fully customizable, expert-managed research services directly to enterprise customers. Tobii Insight assists enterprise clients with the research process ranging from study design and participant recruitment to data collection and analysis. Whether you are looking to conduct user experience research or assess the effectiveness of employee training, Tobii Insight experts are ready to guide you to your “Aha!” moment.

Examples of use

To illustrate Tobii’s comprehensive eye tracking and attention computing offerings, consider the following three use cases, which capture only a fraction of the possible ways Tobii’s technology is adding value to our customers.

RESEARCH

Thousands of companies, institutions, and universities, use our best-in-class solutions to power research in a number of fields, including user experience and user interface research, ophthalmology, psychology, linguistics, and neuroscience.

ADVERTISING

Companies rely on our solutions to better understand how consumer attention changes when they interact with advertisements, websites, and brick-and-mortar stores. This data allows for optimization on advertising spend and conversion rates.

GAMING

Our gaming products contribute to an improved user experience through increased immersion, realism, and natural controls. These features afford gamers a more interactive experience and another way to control the games, so they can do more at once.

2022 in review

Products & Solutions grew 3% organically in 2022. Revenue contracted in Japan and North America, mainly related to a general “belt tightening” from customers. This was compensated by strong growth in China and for our gaming peripheral Eye Tracker 5. We introduced Tobii Pro Spark, our next generation entry-level research-grade eye tracker and fastest-ever ramping screen-based eye tracker. Furthermore, the segment has continued to evolve its software suite with new and improved functionalities, and introduced simplified online purchasing and subscription services.

Direction ahead

In 2023, Tobii remains committed to being the industry-leading supplier of research solutions for eye tracking. We will drive innovation, complement and broaden our portfolio to make our research products more accessible for entry-level users and to expand features and functionality. In order to maintain the strong growth for our game accessory, we will continue to work for increased awareness of the product as well as integrations into additional simulator games.

In order to sustain and accelerate our growth, expansion of our sales and marketing channels will continue to be a core focus for us in 2023.

Tobii Products & Solutions

Tobii Pro Glasses 3



Tobii Pro Lab Software



Sticky by Tobii



Tobii Pro Spectrum



Tobii Pro Fusion



Tobii Eye Tracker 5

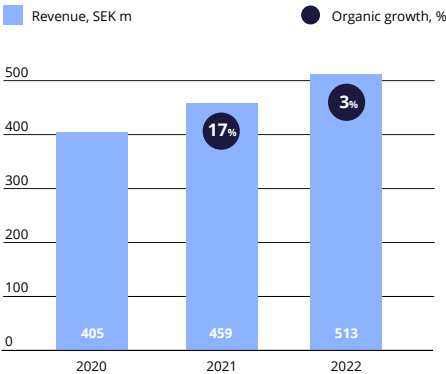


Tobii Pro Spark



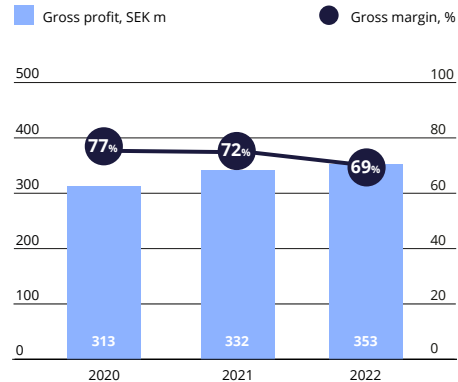
Products & Solutions | Financial performance

Revenue and organic growth



Revenue for Products & Solutions increased by 13% to SEK 513 million, corresponding to organic growth of 3%. The primary growth drivers were the gaming peripheral Eye Tracker 5 and strong growth in China for our behavioral studies and research solutions. Organic growth was hampered by a contraction in Japan and North America, related to a general

Gross profit and gross margin



Products & Solutions' gross margin declined by 6 percentage points to 69%. The gross margin decline was explained by higher component and freight costs, and a product mix shift from research instruments and software to our PC gaming peripheral Eye Tracker 5.



Tobii Pro Glasses 3 delivers robust eye tracking and accurate gaze data while giving users the freedom to move and interact naturally.

Segments

Integrations

34%

Share of group's total revenue

89%

Gross margin

264

Revenue, SEK million

Our Integrations segment provides Tobii's attention computing technology for integration into device manufacturers' (also known as original equipment manufacturers, or OEMs) products.

Product offering

Tobii's core expertise ranges from component design — such as custom processors, cameras and illuminators, and platform design — to algorithms and end-user application software. This means we can offer a versatile array of OEM integration products, including software, hardware components, system reference designs, services, and intellectual property licenses. This allows Tobii to provide solutions capable of addressing a wide range of product-specific

problems. Our broad set of offerings and expertise allows flexibility and versatility for customers, which makes us an attractive supplier. Our customers can choose to buy different combinations of solutions suited to their specific needs:

Tobii's integration platforms for screen-based devices have a modular design with unique sensor technology and image processing, along with a suite of software tools and patented algorithms. This includes the compact Tobii IS5 platform, which is optimized for power consumption and high performance at a low cost. The more powerful IS5XT platform is optimized for fast and accurate eye tracking in a small form factor.



During 2022, Tobii's eye tracking technology was selected for integration in the Sony PlayStation VR2 headset.

Tobii also offers two webcam-based software suites designed to complement the native integration of our technology into mainstream computers at a lower cost: Tobii Horizon and Tobii Aware. Horizon is a head tracking software powered by a laptop's built-in camera that supercharges the gaming experience. It is intended to be an intermediate step between the static, PC screen-based gaming experience and a fully immersive VR experience. Horizon also gives gamers increased control and greater immersion in AAA games such as Far Cry and Microsoft Flight Simulator, among others.

Aware has a suite of features powered by a standard webcam that leverages Tobii technology to make devices more secure and productive. Tobii Aware offers continuous ID authentication, auto-locking, and shoulder surfing detection to prevent unauthorized access to a person's laptop or device.

Tobii's XR integration platforms offer seamless and robust eye tracking technology. Designed for wearable devices, such as VR and AR headsets, these platforms have a low power consumption and a small form factor while utilizing standardized low-cost components.

The newest addition to Tobii's suite of integration products is our driver monitoring system, Tobii DMS. This state-of-the-art solution leverages our latest deep-learning approach to hardware-agnostic attention computing and eye tracking to enhance traffic safety.

Our technology is used in a number of different applications, here are some examples:

- **XR:** Eye tracking is quickly becoming an essential component of VR, as was made clear by the multiple top-of-the-line headsets released with this technology in 2022. Eye tracking capabilities enable improved user interaction, enhance performance of the device itself, and deliver key insights for developers and users.

- **Automotive:** Our driver monitoring systems (DMS) will save lives by perceiving if the driver is too drowsy or distracted to operate the car safely. Through the use of attention computing, the car can deliver real-time feedback on what the driver is looking at, or if the driver is drowsy or distracted.
- **PC:** OEMs integrate our software in laptops to enhance their value proposition through increased privacy, IT security, power performance, and convenience. It also enables more immersive gaming in PCs.
- **Education:** Our eye tracking products assist teachers in evaluating reading comprehension and allow students to work from personalized education plans that give them a better chance of succeeding in school at their own pace.
- **Healthcare:** Our technology allows for the early, non-biased detection of illnesses so that its users can be instructed to seek medical intervention before the onset of serious disease. Eye tracking can even be used to treat some disorders and conditions. For doctors performing surgery, eye tracking allows for hands-free interaction with machines as well as provides a safety feature for items, like a gamma laser that turns off when the surgeon is not looking at the screen.

2022 in review

The Integrations segment enjoyed strong growth and business progress throughout 2022. The integration of Tobii's technology into the Sony PlayStation VR2, which was released on February 22, 2023 was a major win for the business, but the segment earned 18 other design wins across primarily the PC, education, and healthcare industries. Importantly, 2022 showed Tobii's ability to collaborate with a company like Sony and comply with high-quality demands on the integration while executing to their precise

VR

The megatrends towards the metaverse and advanced driver assistance systems (ADAS) are positive for Tobii, and drive demand for our technical solutions.

standards. This achievement was the result of many years of focused and systematic work that opened the door for state-of-the-art technology to be used in widespread commercial settings.

Direction ahead

Looking ahead to 2023 and beyond, our core focus in the Integrations segment is to drive the adoption of our solutions into more commercial and consumer uses, securing strong positions in our key industry verticals. We will continue to invest in innovation and expansion around our core capabilities to further strengthen our position.

To continue accelerating the adoption of attention computing technology and expand our ability to drive a plethora of integration projects, the key focus of our R&D efforts will be related to improving integration convenience, decreasing costs and hardware form factor, and increasing power efficiency.

Tobii DMS makes the roads safer by for example letting the car for example understand when the driver is distracted or tired.



Integrations

- Components
- System designs
- Platforms
- Algorithms
- IP licensing
- Software

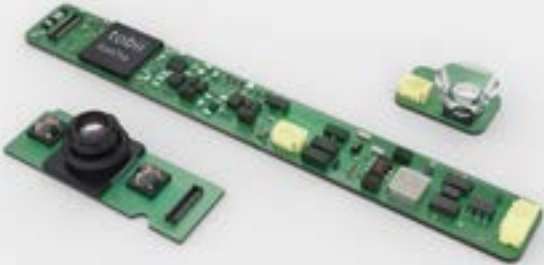
Acer
Veriton Z



MSI Summit and Prestige



IS5 platform & Tobii EyeChip



Sony PS VR2



Lenovo Legion 7

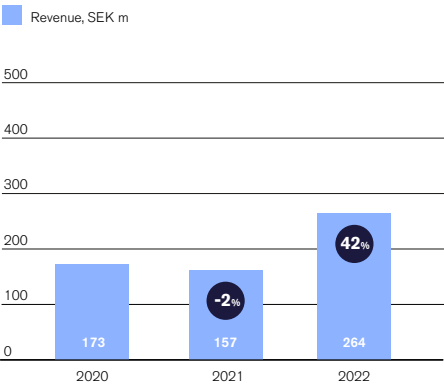


MSI Pro and MSI Modern



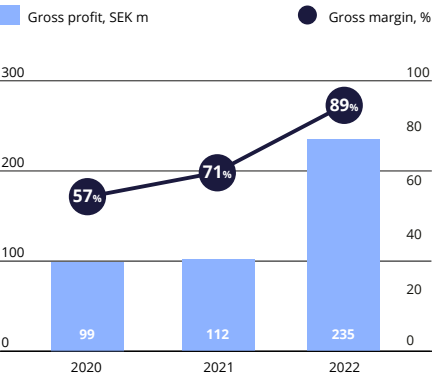
Integrations | Financial performance

Revenue and organic growth



Integrations’ revenue grew by 64% to SEK 264 million, corresponding to an organic growth of 42%, resulting from strong growth mainly in license revenues.

Gross profit and gross margins



Integrations’ gross margin improved by 26 percentage point to 89%. The improvement in gross margin was related to a mix shift from hardware to software licenses.

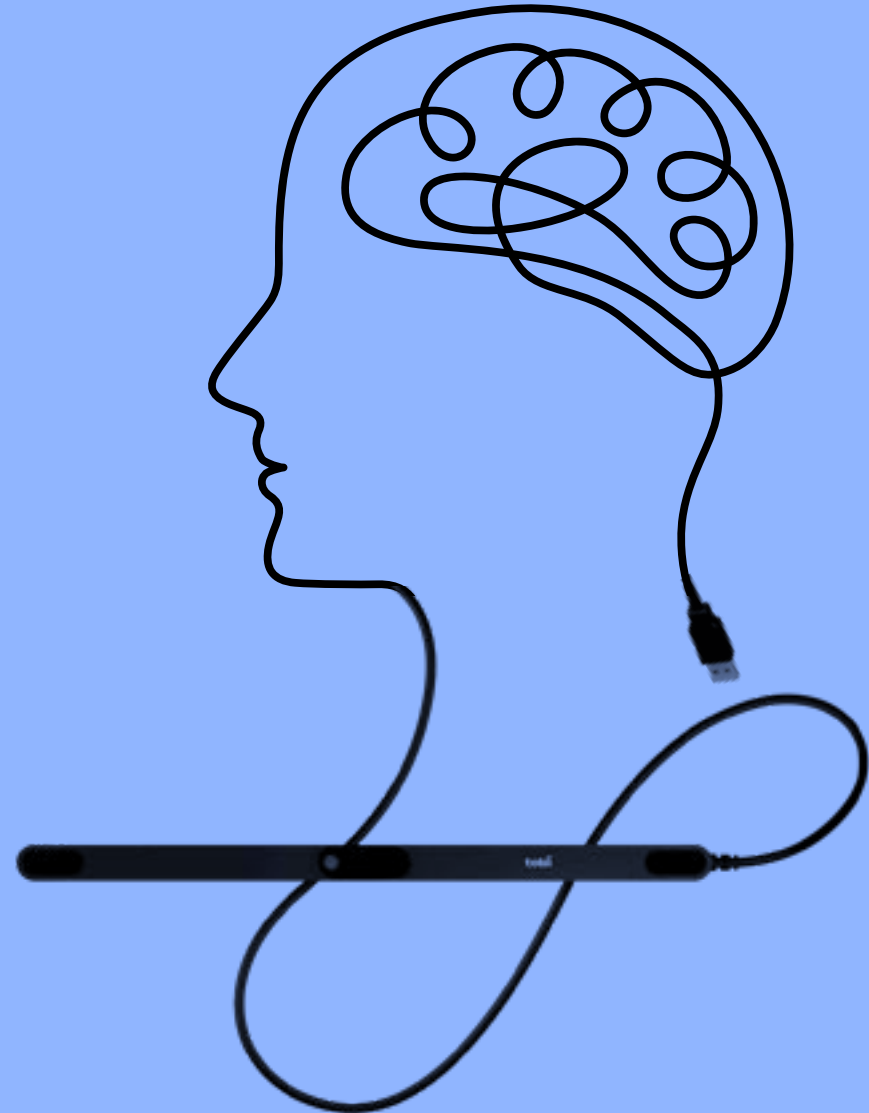


During the year, Tobii’s driver monitoring system has been demonstrated to several customers with very positive feedback.

Strategy

Tobii is a growth-focused company. Our plan for expanding and evolving remains focused on positioning the company to capture opportunities in six main verticals: behavior studies and research, gaming, automotive, virtual/augmented reality, healthcare, and training and education.

While we have our sights set on driving the future of attention computing, we are determined to deliver on this with a profitable growth strategy. Currently, we are on track to reach our target to breakthrough to profitability again in Q4 2023 and to reach SEK of 1.5 billion in revenue by 2025. To deliver on these ambitions, Tobii's strategy is focused on three key priorities: —>



Tobii’s strategy is focused on three key priorities

Priority

Innovation, technology, and patent leadership



We aim to constantly build on our leading market position through fast-paced innovation and technological development. This will drive our success and protect our market position. However, we are also making sure that we defend our innovation through a strong IP-protection strategy.

In 2022, we made great progress on this priority, reaching nearly 850 patents approved or pending which will help us sustain or expand our market share in our focus verticals. In healthcare, a big win was that multiple customers who have integrated our technology received FDA approvals for tools aiding or assisting in diagnosis, assessments, or treatment of disorders or conditions.

We also had success with the development of our driver monitoring systems (DMS). Due to a new approach to eye tracking and attention computing in DMS, we have taken huge leaps in developing an entirely new, next generation eye tracking technology platform. This will dramatically lower the barriers to the adoption of attention computing in other verticals as well.

We continued to consolidate our leadership with the win of Sony PS VR2 and deepened engagements with several other key virtual reality customers. In Products & Solutions, we had our fastest ramping launch ever of a screen-based eye tracker and made great progress in our efforts to make our research products more accessible.



Priority

Expand reach and prioritize customer satisfaction



Innovation and technological leadership are of little consequence if not backed up by strong sales and a customer satisfaction focus. Therefore, customer satisfaction and our ability to scale sales of our products through increased reach and stronger sales execution are key priorities for Tobii. Recent metrics show that we are continuing to improve on this front. Tobii’s net promoter score (NPS), the standard for customer satisfaction and loyalty to a company, continued to go up from already high levels.

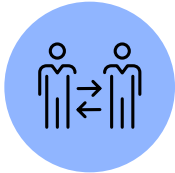
Tobii works to strengthen all of our customer relationships, from end-users to some of the largest companies in the world. To continue to improve in this regard, we have developed services focused on driving customer success through reaching higher utilization, faster learning, and increasing the simplicity of using our technology.

Tobii also aims to continuously improve customer relations and our reach. We do this through expanding our direct sales presence in key markets and through indirect sales with reseller partnerships.

During 2022, to further improve our sales reach, efficiency and effectiveness, we streamlined our two previously separate sales and marketing organizations around common ways of working and we added more integration sales capabilities in new regions.

Priority

Strengthen platform with acquisitions and partnerships



To augment Tobii’s current assets, strengthen our position, and drive stronger growth we are actively looking for acquisitions and partnership opportunities in several areas of interest. Our M&A strategy is focused on unlocking opportunities to deliver more value to customers through adjacent technologies, to accelerate our product roadmaps, and to leverage our existing assets.

The 2021 acquisition of Phasya served as a good example of this. It added state-of-the-art technology and competence around drowsiness and cognitive states which is key in automotive driver monitoring systems. In addition to cars, Phasya’s solutions can also be deployed in aviation, rail, consumer electronics, and research, providing opportunities to generate customer value and revenue in some of our other verticals as well.

To achieve our product visions and maximize end customer value, Tobii also works actively with partnerships. By developing close collaborations with companies building supplementary products or addressing the same buyers, we can enable cross-selling and a stronger total solution for our customers.

»We aim to constantly build on our leading market position through innovation and technology development. This will drive our success and protect our market position«

Value creation

At Tobii, we are constantly innovating our technology and developing new products to provide more value to both our customers and stakeholders. Here are a few areas where these efforts are making real progress:



1.

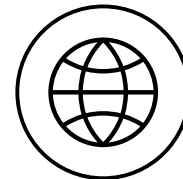
Solutions for a better world

Tobii's technology enables improved quality of life and contributes to a safer and more inclusive world.

Attention computing helps advance medical research, pushing the frontiers of science, easing communication for people with disabilities, improving education by enabling new applications and assessment methodologies, increasing employee productivity, reducing road accidents, and spreading joy through more realistic and immersive entertainment.

In 2022, we saw advances in most of the above-mentioned areas. Here are a few highlights:

- Two companies using our technology to disrupt the healthcare industry, NeuroSync and Nova-sight, secured FDA approval for their products for traumatic brain injury diagnosis and amblyopia therapy.
- We announced our first deal with MSI to integrate our Aware software in their educational laptops.
- We had multiple design wins for medical applications and a screen-based medical application.



2.

Sustainable business & positive impacts

The way we conduct our business can contribute to a more sustainable society. This is true from an environmental perspective, but also from a business ethics and integrity perspective. Given the urgent need to address climate change, we remain guided by the principles of the UN Global Compact, but also have ambitions going beyond regulatory requirements. For example, we aim to be completely carbon neutral by 2030. We work to minimize our negative impact on the ecosystem and are continuously evolving our environmental sustainability efforts.



Our business conduct is guided by rigorous ethics and integrity standards. We are actively working to promote industry best practices that encourage responsible use of our technology.

Tobii promotes better, more responsible business practices with our behavior and we encourage our suppliers, customers, and partners to do the same.



3.

A world-class employer

At Tobii, we strive to be a world-class employer offering our employees a work environment that helps them thrive. We promote a diverse, inclusive, and gender equal environment free from any form of harassment or bias; a workplace that enables flexibility and a sound work-life balance. This is a key factor in attracting the best talent possible, which is essential to our long-term success.

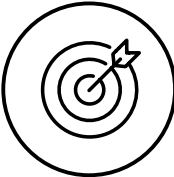
Our company's recent Albright rating showcases Tobii as green listed and ranked 22nd out of 361 organizations, with a top three ranking among technology companies.



4.

Increasing shareholder value

The total market opportunity for attention computing-related applications exceeds one billion units per year. Products based on our core technology will continue to grow, underpinning our own growth and value creation over time. As we continue building strong positions in core markets characterized by robust secular growth trends, we are setting the scene for healthy revenue and profit growth over time, laying the foundation for increasing shareholder value.



Sustainability strategy

As a global technology company, Tobii can have a meaningful impact through the way we do business and how our products and solutions affect the world. Because of this, we have an obligation to act responsibly. That's why environmental, social, and governance (ESG) sustainability and corporate social responsibility (CSR) guide our business strategy and are integral to our success. We are committed to being a sustainable employer and business partner, conducting our business guided by the highest ethical standards. Currently, our efforts are focused in two strategic areas: —>



TECHNOLOGY AS FORCE FOR GOOD

Tobii’s mission is to improve the world through technology that understands human attention and intent. Our products are driving new research and medical breakthroughs by helping scientists better understand human behavior and improve accessibility and inclusion by empowering people with disabilities. From creating individualized learning plans for students to improving automobile safety by diagnosing traumatic brain injuries, we are focused on making a difference.

We know that this innovation in AI comes with a great deal of responsibility regarding the collected data.

We strongly believe that eye tracking data must be handled in a transparent and responsible way to protect personal privacy and security. This is why we have implemented the Tobii Eye Tracking Data Transparency Policy. This policy requires that all application software that stores or transfers eye tracking data from Tobii’s eye tracking devices implement an Active User Acceptance. This means that all vendors of such software need to implement functionality that in a consistent format clearly ask the user for their permission before the software to stores or transfers eye tracking data. It also needs to state the exact purpose of storing the data and confirm that it will not be used for any other purpose.

Tobii is working actively to get the entire eye tracking industry to adopt and stand behind these concepts. We want these core principles adopted by the entire ecosystem of eye tracking companies — starting with ourselves.

Some of the ways through which we contribute value to society are

- **Enable** thousands of researchers to push the frontier of science.
- **Advance** medical research that can lead to improved diagnostics and treatments.
- **Empower** individuals with special needs to communicate by supplying them with great eye tracking tech.
- **Improve** education by enabling innovation in applications and reading assessment tools.
- **Reduce** fatalities and injuries in road accidents with leading technology for driver monitoring.
- **Ensure** we, alongside our partners, adhere to our policy for Eye Tracking Data Transparency.
- **Restrict** use-cases and markets for Defense & Law Enforcement.



Connection to UN SDG:s

3

GOOD HEALTH AND WELL-BEING

8

DECENT WORK AND ECONOMIC GROWTH

10

REDUCED INEQUALITIES

12

RESPONSIBLE CONSUMPTION AND PRODUCTION

THE WAY WE RUN
OUR BUSINESS

Sustainable employer

We believe everyone should have the fundamental right to a safe and healthy work environment. This means that the workplace is free from discrimination and harassment, has fair and flexible terms that enable work-life balance and quality of life, and provides equal opportunities for all.

We know that the more Tobii invests to empower and energize our colleagues, the more creative, productive, and successful the organization will be. Therefore, Tobii is committed to caring for all our own and our suppliers' employees and their families.

To accomplish this, we are committed to:

- Fostering a culture that encourages Tobiians to collaborate and promote each other's personal growth.
- Nurturing a learning culture and providing strong opportunities for learning, development, and innovation.
- Ensuring a safe and healthy work environment, promoting work/life balance and good mental health.
- Offering strong employment terms and conditions, with a right to a living wage.
- Supporting and respecting universal human rights within our sphere of influence, including zero-tolerance to forced and child labor in Tobii's workforce and beyond.

Environmental responsibility

Tobii embraces its environmental responsibilities fully, going beyond minimum regulatory compliance. We demonstrate this commitment through our ENVIRONMENTAL POLICY.

Ultimately, our goal is to reduce and minimize the negative environmental impact of our business, and to become carbon neutral on the corporate level by 2025 for scope 1 and 2 emissions, and to become carbon neutral by 2030 for the remaining categories in scope 3. For Tobii, carbon neutral means reducing GHG emissions as much as possible, influencing decisions where we do not have operational control, and compensating for emissions beyond our direct control.

To accomplish this, we are committed to:

- Nurturing awareness and integrating environmental responsibility in business strategy and operations.
- Securing a strong environmental management system to measure, monitor, and regularly report on performance.
- Ensuring compliance with applicable environmental laws, regulations, and other obligations.
- Proactively identifying key environmental issues, risks, and opportunities; setting environmental objectives to minimize emissions, releases, and waste; and conserving natural resources and energy.
- Promoting resource efficiency and minimizing environmental impact throughout our products' life cycles and in operations.

Ethical conduct

We believe that ethically responsible business practises are paramount for the betterment and welfare of both society as a whole and individual businesses. A high bar for business integrity promotes trust from key stakeholders, such as employees, investors, and customers, ultimately reducing business risks and promoting business success. At Tobii, we are committed to conducting our business in alignment with the highest ethical standards and applicable laws, and creating a culture of involvement and responsibility, as well as respecting and caring for other people.

To accomplish this, we are committed to:

- Respecting fair competition by prohibiting anti-competitive practices and adhering to lawful competition.
- Responsible sourcing practices and elimination of conflict minerals.
- Zero-tolerance of corruption, bribery, extortion, and money laundering.
- Avoiding conflicts of interests and adhering to strict compliance with insider trading rules and regulation (MAR).
- Securing responsible trade, marketing and pricing practices with zero tolerance of deceptive business practices.
- Providing accurate, reliable, relevant, complete, and timely financial reports in accordance with legal and financial reporting requirements.

Connection
to UN SDG:s



THE WAY WE RUN
OUR BUSINESS

Managing our supply chain

Tobii recognizes that most of our impact and large risks with regards to above mentioned framework resides in our supply chain. Therefore, we are actively working to maintaining a supply chain that adheres to equally high standards as Tobii. We have enumerated our expectations for our supply chain partners in the Tobii Supplier Code of Conduct, and we expect all of our suppliers to read, understand, and abide by this policy.

Our Supplier Code of Conduct stipulates that all suppliers and their subcontractors assume environmental and ethical responsibility, that working conditions are safe and fair, and that workers are treated with respect and dignity. Tobii has zero tolerance for all forms of unethical financial transactions, and as such, this is a core component of the Code. The Supplier Code of Conduct also requires all suppliers to respect human rights in the spirit of internationally recognized standards, including the International Labor Organization's Declaration on Fundamental Principles and Rights at Work, and the United Nations' Universal Declaration of Human Rights.

Based on a risk assessment by geographical location, production type, and by portion of Tobii's purchasing, our suppliers are audited and evaluated to ensure these expectations are being met. We work closely with any supplier that does not meet our standards to solve issues impacting compliance. Tobii is also committed to ensuring that our work does not directly or indirectly finance violent conflicts or human rights violations. Our supplier expectations and audit extend beyond our direct partners to include subcontractors and other indirect partners throughout our supply chain. This allows us to ensure the company does not purchase or use conflict minerals in its products.

In our efforts to continuously improve our business operations from an ESG and CSR perspective, as well as secure compliance with our efforts, Tobii has enabled a whistleblower channel that is available to both internal and external stakeholders on our website. Through this channel we aim to uncover potential irregularities in our operations and supply chain.



Data transparency, privacy and protection

Tobii cares about the rights of the individual and therefore places high demands on our partners

As a tech company with the ability to collect user data via attention computing, we believe strongly in user data protection. We address this through three separate initiatives: transparency, privacy, and protection.

Transparency

- For eye tracking data, we firmly and rigorously subscribe to the principles of transparency and active user acceptance. When software intends to store or transfer eye tracking data, it shall present the user with clear, simple, and easy-to-understand information about what is happening, for what purpose and provide a choice to accept or reject it. We also believe software should have a visual indicator to show when eye tracking information is stored or transferred.
- We are implementing these principles under a Responsible AI initiative we call the Tobii Eye Tracking Data Transparency Policy. We apply it in our products, and we require partners to adhere to the policy. In addition, we are constantly reaching out to our customers, partners, and trade organizations to further implement and discuss this policy.

Privacy

- Across our company, our routines and procedures are compliant with the General Data Protection Regulation (GDPR).
- We have appointed a data protection officer to be responsible for administering the program and answering questions related to it.
- The Tobii Data Privacy Policy, updated in 2020 to comply with the California Consumer Privacy Act (CCPA), mandates how we handle personal data.



»All employees and consultants shall participate in global training for information security«

- Employees are required to report suspected data security breaches to a group of our legal and IT experts. This group evaluates the situation and escalates issues as needed.
- Data privacy training is a part of new employee onboarding, and all employees and consultants handling European personal data must participate in an e-learning course.

Protection

- We have an INFORMATION SECURITY RISK MANAGEMENT policy in place and have implemented an information security management system in line with ISO 27001: 2014 and certified through an external agency in 2022.
- All employees and consultants shall participate in global awareness training for information security.

An employer making a difference

Tobiians make Tobii

We have become the established global leader in eye tracking and pioneer of attention computing thanks to our amazing people — the Tobiians. Our team's brilliant and inventive minds, coupled with their relentless drive, fuel our exciting growth and expansion into new markets. Our work environment promotes wellbeing, enthusiasm for our brand and vision, and the freedom to apply skills to innovation and development.

Working together to make the world a better place

We are a company with heart and soul, shared by all Tobiians who work to make the world a better place, from large projects for the greater good—such as advancing health-care or improving personal safety in driving—to everyday collaboration and teamwork. To have a global impact, we must start by looking inward and ensuring our Tobiians feel valued, stimulated, and enthusiastic about being part of our team. We strive to provide a work environment that reduces stress and promotes wellbeing.



Creativity and learning fuel our innovations

Tobiians thrive on creativity. We relish maker nights, hackathons, workshops, and new feature demo sessions, as well as the thrill and spontaneity of coming up with new ideas and capturing inspiration when it strikes. Creative minds require constant stimuli and input. This is part of daily life at our company, where colleagues can rotate among projects which stimulates transfer of ideas and knowledge.

Additionally, we propel these creative minds into innovative thinking by providing platforms, such as our research and development conference Develop Beyond, to share knowledge, passion, and succeed together. We also gather all Tobiians to meet once a year, digitally or in person, if possible, to share our ideas, knowledge, and passion.

Professional development for individual success

Through dialogue between employees and managers we identify, address, and follow up on the various training needs we have. Part of this is our learning platform, TobiiUni, where we offer tailored training to the organization. To ensure we are a top-performing employer and attract the best talent, we put a high focus on recruiting, retaining, and developing strong managers with exceptional leadership capabilities. Therefore, succession planning is vital for us, and our Leadership Program allows us to foster long-term development for a variety of skill set needs and prerequisites. If relevant for the line of work, we support and provide flexibility for employees across the entire organization to pursue further education and certifications. Every year we support numerous C/D/E-thesis projects and a handful of doctoral thesis projects.

Diversity and inclusion

At Tobii, we care about creating an inclusive and welcoming environment that values and embraces diversity. Our teams

are diverse and more than 50 different nationalities are represented in our head office alone. We believe our differences strengthen us and affect our creativity and innovative spirit in a positive way, knowing that we make each other better and talent does not come in one shape or form. Our vision is that every Tobiiian should be able to go to work knowing they will be treated equally by others, regardless of gender, age, ethnicity, sexual orientation, gender identity or expression, disability, religion, or other beliefs. In November of 2022, Tobii ended up as number 22 out of 361 listed Swedish companies and top three among technology companies on Allbright's list for gender equal management teams. Our focus is to continue to strengthen our commitment to diversity and inclusion by setting clear diversity targets for gender equality, increasing awareness around this topic, and offering bias free recruitment training, and mentorship programs.

All employees agree to follow the Diversity & Inclusion Policy by agreeing to our Code of Conduct and they are informed of how to report discriminatory or bias-related incidents. We also have a locally adapted Work Environment Policy involving work safety, bullying, victimization, or sexual harassment, available in multiple languages, to make sure everyone is updated on our policies, and nobody is left out.

Wellness and fun at work

Creating a supportive, healthy, fun, and engaging workplace is a continuing priority. We equally value honesty and openness when reporting issues and problems. You can always speak your mind at Tobii, and we have outlined a detailed whistleblower policy and reporting channel to empower our employees to speak up and ensure their safety and protection. In Sweden, you must work systematically with Occupational Health and Safety by law, and we are proud to go beyond our legal obligations. We are continuously investigating, carrying



»Through dialogue between employees and managers we identify, address, and follow up on the various training needs we have«

out, and following up on activities to prevent health issues and accidents at work. We fully support a sustainable working environment for all employees working from home and in the office as well. Our event committee Tobii Social encourage employees' wellbeing. In addition, we have a broad range of benefit schemes and programs across our company to support work-life balance and employee health. With respect to employee health, we provide medical, dental and vision insurance benefits, gym, and recreation credits, as well as paid parental leave. In 2022, we have re-introduced our global hybrid working policy, based on our learnings on the benefits of working remotely. We strive to strike the right balance between encouraging our employees working in the office, while also allowing more flexibility to work from home than before the pandemic.

Responsible business

Business integrity and ethical behavior are non-negotiable at Tobii.

We are all connected by a technology ecosystem that can be used for good or for bad. As a company rooted in technology building the future of attention computing, our responsibility is to take a strong and public stand on what we believe is the right and ethical way to do business. It is the correct thing to do, but it also serves our best interests. Data privacy and sustainability must be a priority in tech. At Tobii, we are committed to conduct business to a high ethical standard and build trust in our technology. One of the key decisive factors governing which suppliers we work with is whether they commit to our Code of Conduct.

At a high level, we are committed to making the world a better place through our products and through the way we conduct business. We have dedicated ourselves to producing technologies that can make the world a better place and improve the long-term prospects for our planet. As such, we follow the Responsible Business Alliance (RBA – formerly the EICC) Code of Conduct, which is an industry standard for companies in the electronics industry and we have defined our requirements from the RBA and aligned our policies accordingly. The SVP of Operations is responsible for our supply chain management performance and development.

»We are committed to making the world a better place through our products and through the way we conduct business«

ISO14001

At Tobii, the environmental responsibility related activities stem from our environmental management system (ISO 14001).

Environmental responsibility

At Tobii, environmental responsibility-related activities stem from our environmental management system (ISO 14001). The system was implemented first in 2018 and has continued to mature ever since. The scope of ISO 14001 certification is limited to Stockholm operations; however, the policy is applicable globally and attracts actions globally. We migrated to GHG protocol in 2021 to account, monitor, and understand our scope emissions. Through policy decisions and other processes, we seek opportunities to reduce energy, emissions, and waste generation and promote recycling. Our journey began with the Stockholm office in 2022, and

we expanded our organization boundary to include three more locations, Switzerland, Japan, and China into the GHG framework. Furthermore, the baseline year for GHG comparison has been moved to 2021 from 2018.

Product design lifecycle management and circular business model

We are committed to reducing the environmental impact of our products throughout their lifecycle, from manufacturing to use and disposal. As a result, we built the required competence in eco-design and product lifecycle management to meet our long-term objectives in this area.



Materials play a major role in how users perceive our products. When choosing materials, we aim to improve, the lifetime, usability of the product, user experience, as well as minimize the environmental impact and improve our material efficiency. The choice of materials is defined in the early phase of product design and development. We ensure compliance with the regulations for consumer electronics in the European Union and in relevant markets and use only materials and components that meet the RoHS and REACH standards. We continuously monitor the current trends in the regulatory landscape related to our products to remain compliant with all the applicable regulatory requirements.

It is essential for our customers that our products maintain their high quality, functionality, and product safety. Our management systems ensure we meet customer requirements, have efficient processes and improve the environmental aspects. For 2023, our focus area is to further strengthen the integration of environmental design thinking into our product development processes by creating comprehensive supporting guidelines to provide a general framework, and following up with measurable actions during the product development cycle. We are a member of various compliance schemes for collecting, recycling, and re-using of electronic waste (WEEE), batteries, and product packaging under producer responsibility. We have partnered with local organizations within the European Union to avoid unnecessary transport of electronic waste and batteries for recycling, and impart awareness to consumers through labeling and information on the website. Customers are given a choice to return products to our Stockholm office if they wish to dispose of the end-of-life products in our system.

At all our offices, we sort and recycle product waste, electronic waste, other office waste and follow up on the recycling data.

We encourage circularity of materials and prolonged use of products through rental and subscription services for our products, where customers have an option to rent the products and then return them to us at the end of their rental period. These products go through the production flow to ensure that quality is not compromised before entering the next rental cycle. Around 2% of the total revenue came from a circular business model approach in 2022. This contributes to the circular economy and reduces the rate of resource extraction and waste generation.

CO₂ emission and energy consumption

Part of our environmental impact comes from energy use in our offices. We have already introduced 100% renewable energy on the premises where we have our own contracts and the rental spaces through a green contract in Stockholm and Switzerland. Though most of our offices are shared spaces, we systematically monitor energy consumption and work to improve our energy efficiency. We have implemented sustainability office guidelines for Stockholm to improve environmental performance in offices, minimizing the impacts. We are carbon neutral for the Stockholm office, by offsetting unavoidable emissions through gold standard projects selected with proper due diligence.

For 2022, our most significant environmental impact regarding CO₂ emission remains transportation of our products, business travels, and presumably manufacturing of our products. The emission from products is added based on qualitative assessment and the data compilation is planned for 2024. Due to the Covid-19 pandemic, our business travel substantially decreased in the last three years. However, with the restoration of normalcy, business travel emissions have reached their pre-Covid value. We continue to actively spread awareness through our policies and guidelines. For



»For 2023, our focus area is to further strengthen the integration of environmental design thinking into our product development processes«

the IT products we use internally in Stockholm, we have partnered with an external service provider who repurposes and extends the life span of our end-of-life IT equipment.

In 2021, we changed the default choice of our deliveries from air to truck service within the European Union and changed to only conduct road transports within Sweden (domestic transportation). There was no change in the proportion of shipments, 36% of the shipments were done through ground transportation and 64% by air due to global supply chain challenges attributed to multiple factors, including the Covid-19 pandemic. While there was an increase of 11% in the number of shipments compared to last year, the total emission were reduced by 24 tons CO₂e compared to 2021. We have compensated for 76% of the total emissions associated with our shipments to and from Stockholm in 2022. Within the scope of our operational control, we are investigating the possibility of increasing the use of sea shipments for large and less time-critical shipments. In 2022, an

increasing share of sea shipment enabled us to reduce CO₂e emissions by 55 tons.

Our focus area for 2023 is sustainability management – continue the implementation of a sustainability management tool that facilitates strong platform for sustainability data control, transparency, and increased quality and accuracy.

Anti-corruption

Risks of bribery and corruption are tackled as part of the risk analysis conducted by the executive management team with the Board of Directors every year. Our Supplier Code of Conduct also stipulates zero tolerance of all forms of bribery, corruption, extortion, and embezzlement. The Tobii Board of Directors has approved an Anti-Corruption Policy which is an integral part of our Code of Business Conduct and Ethics.

To protect against illegal bribes given indirectly, we investigate the reputation and experience of business partners, such as prospective resellers, agents, and other representatives who will have contacts with government officials or others on our behalf. The business partners must be informed of our anti-corruption policies, and they have an obligation to comply with the general principles and prohibitions of these policies, including all applicable anti-bribery laws, when engaged in activities on our behalf. Supplier relations are covered through the Supplier Code of Conduct and the Code of Conduct for suppliers. By signing the Code, suppliers ensure all business dealings are conducted with the highest ethical standards and implement procedures to secure compliance with anti-corruption laws. Training is provided to new employees during the onboarding and the information is available in local languages when necessary.



»Together with our suppliers and partners, we work to maintain high business ethical standards and good social conditions for employees, as well as to reduce the consequences of our business on the environment.« - Jonas Jakstad, VP Operations»

Supplier sustainability program

We are a global company with suppliers spread across different geographic areas. Most of our components and products are manufactured by our suppliers. We have a high volume in Asia and a low-mid volume in Europe regarding direct supply chains. As a vital part of our sustainability work, we strive to ensure our suppliers and subcontractors conduct business to the highest applicable standards regarding social, environmental, and governance (ESG). The supplier program stretches from the selection, qualification, periodic assessments of new suppliers and the engagement covers the entirety of the contract period. We strive to manage long-term relationships through specific governance plans set for each supplier.

Suppliers are qualified based on several factors such as quality management systems, environmental management systems, requirements in the Code of Conduct, and the level of risk associated with information security and business continuity among other things. Before engagement, they are mandatorily assessed on social factors such as zero tolerance to child labor and forced labor, and benchmarked on environmental factors such as handling of hazardous waste and energy management. Sustainability expectations are clearly stated in the Supplier Code of Conduct, aiming to ensure that all suppliers and their subcontractors assume environmental and ethical responsibility, that working conditions are safe and fair, and workers are treated with respect and dignity. Our Supplier Code of Conduct requires all suppliers to respect human rights in the spirit of internationally recognized standards, including the ILO Declaration on Fundamental Principles and Rights at Work and the UN Universal Declaration of Human Rights.

Human and labor rights and supplier environmental management

Following our Supplier Code of Conduct, suppliers must continually adopt measures to ensure labor rights are respected. Our Code prohibits working weeks longer than 60 hours, except in emergencies or unusual situations. To secure fair working conditions, our Supplier Code of Conduct also stipulates workers' freedom to associate and the right to collectively organize themselves without any risk of retaliation. Two key environmental risk areas for our suppliers are energy consumption and waste management. The Supplier Code of Conduct stipulates suppliers should continuously strive to reduce their environmental impact over time, with respect to the use of materials, energy consumption, and manufacturing, as well as all transport-related pollution through their environmental management systems. In addition to direct suppliers, we have also broadened the scope to include indirect suppliers of material and services, since these constitute a significant part of the external spend. These suppliers and business partners are often located in Europe and in the US, with a lower risk profile in traditional labor right areas. However, we still believe it is critical to assess and secure their compliance with our high standards when it comes to ethics and the environment. While it is mandatory for all new suppliers to sign the Supplier Code of Conduct, not all suppliers have signed. We are working actively to attain signatures from all supplier and have improved confirmation of the adherence to this policy in 2022.

In 2022, the percentage of direct suppliers with more than SEK 50k spend in compliance with the Code of Conduct was improved from 51% to 95%. The Code of Conduct coverage for indirect suppliers with similar criteria was initiated and

expected to continue in 2023. In 2022, the Covid situation made severe the existing challenge with respect to overwork and/or lack of rest issues, which Tobii plans to address this through continued and improved communications with our suppliers.

Controversial sourcing

Tobii recognizes the risks connected with certain minerals originating from high-risk areas and the link to conflict funding and human rights violation. Our Supplier Code of Conduct promotes responsible purchasing of tantalum, tin, tungsten, and gold to ensure conflict minerals do not directly or indirectly finance or otherwise stem from controversial sources, favor conflicts, or violate human rights. The Code further requires the suppliers to secure compliance in their respective supply chain. The program aims to improve the sustainability of our existing supplier base, and a lot of effort is directed towards improvements by engaging suppliers, rather than terminating business relations. Tobii had no essential issues or controversies regarding human rights in 2022.

Supplier audit program driving continual improvements

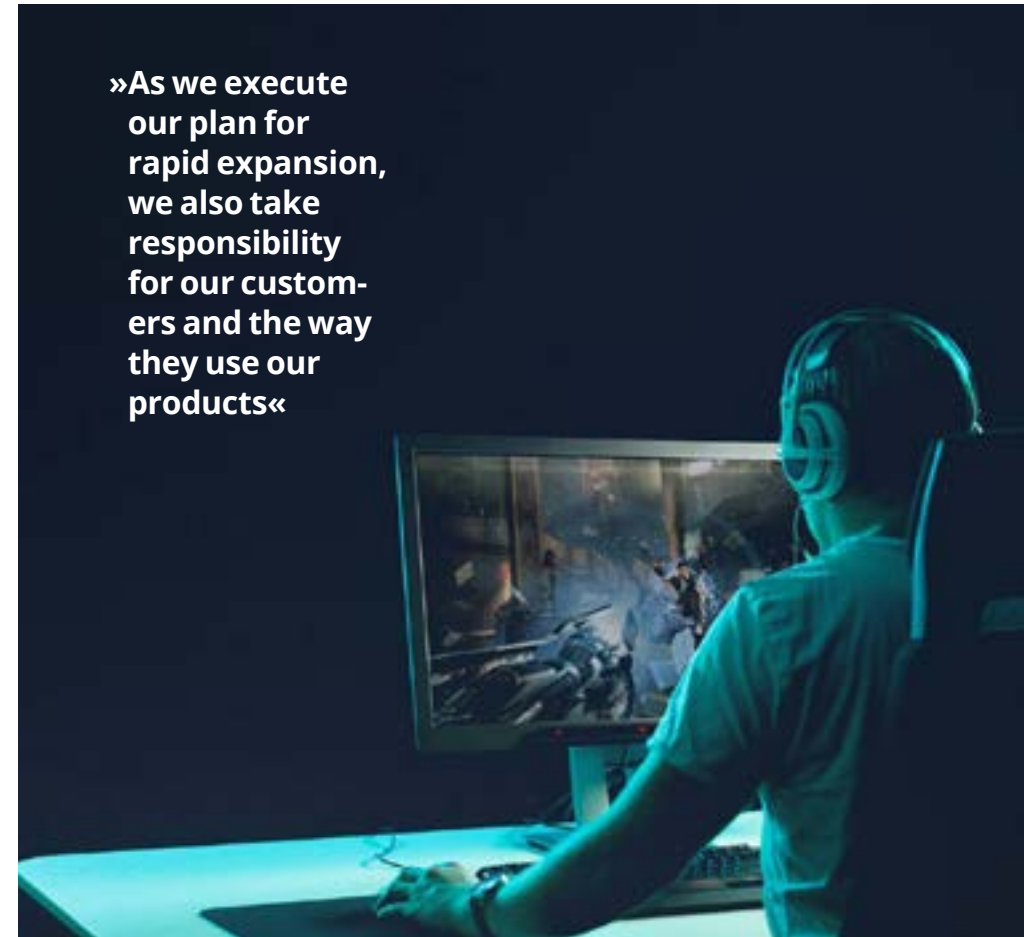
Within our audit program, we conduct assessments annually to indicate which suppliers need to be audited and when. The audit plans are based on mapping and risk assessment of suppliers. The evaluation incorporates geographical location (country risk analysis), industrial analysis (type of production), and the supplier's proportion of our purchase.

Our employees always aim to visit the supplier and conduct an on-site assessment before embarking on a partnership. We audit both its in-house and sub-supplier supply chain using both internal and external resources. We

strongly believe that by working closely with suppliers and encouraging continuous improvement, we can indirectly address risks further down the supply chain. In case of any deviation observed during the audit program, we ensure that the deviations are communicated, and the suppliers address the issues. For 2022, 100% (5 out of 5) of the planned audits were completed amidst the challenge with Covid in China. Since the launch of the audit program in 2017, we have seen a positive, sustained, and progressive trend over time, with increased compliance with the Code of Conduct in suppliers' supply chains, salaries in contracts, and freedom of association. When it comes to environmental performance, suppliers reported improvements in waste/hazardous substance handling, restricted materials management as well as established plans to reduce energy, waste, and water consumption.

As we execute our plan for rapid expansion, we also take responsibility for our customers and the way they use our products. Our powerful technology can have many applications. As a result, we have adopted a strict policy for how our eye tracking can be sold and used within the defense sector. While this policy may limit us from pursuing potential business and customers, it is more important for us to ensure our technology is used to help rather than harm.

»As we execute our plan for rapid expansion, we also take responsibility for our customers and the way they use our products«



Q&A with Tobii's Chairman of the Board

How would you summarize your first year as chair?

It has been a fun, high paced and an educational year. In the initial phases of taking on this new role, I focused on getting to know the team, the company, its products, and processes. The board has together with management continued to evolve Tobii's strategy and has actively been assisting management in establishing the new organizational structure following the merge of Tobii Pro and Tobii Tech. Among other things, we have assisted in navigating the belt tightening from customers in the research and behavioral studies business, secured a business readiness plan to make sure that Tobii has the agility to rapidly adapt in the face of potential further deterioration of the macroeconomy.

Was there anything that surprised you in your new role?

I knew going into this role that Tobii is a rare mix of being a highly innovative and entrepreneurial company. The pace and level of creativity in the company is impressive. Despite its highly entrepreneurial aura, Tobii's acts like a mature company in terms of the quality of its operations. I have come to better understand Tobii's competitive edge, the strengths of its market leadership, and the immense potential for this technology.

What are the most important priorities for the board in the coming years?

The board's current focus is supporting management and providing it with the best possible toolbox to deliver profitability again in Q4 2023, as well as to reach its goal of SEK 1.5 billion revenue in 2025. These are well balanced and achievable yet challenging goals to reach. As a cornerstone of hitting these targets, we are working with management on breaking through with more key accounts in XR and reinvigorating growth in Products & Solutions, while at the same time secure a prudent cost control. Succeeding in Automotive DMS is also a key focus area, which however is expected to contribute to our results mainly after 2025. Besides continued active capital allocation between organic investment opportunities, the board also sees attractive opportunities to strengthen and grow our business through M&A.

How will the board work to progress Tobii's work on sustainability in 2023?

It was rewarding to see Tobii receive a top ranking in Sweden for its gender equality and its improved ESG ratings. Tobii's solutions have the power to contribute positively to the world, and we will continue to push, enable, and incubate solutions that create value for society at large. Tobii's work on sustainability is led and monitored by a sustainability

»The board's current focus is supporting management and providing it with the best possible toolbox to deliver profitability again in Q4 2023«



steering group, in which the board is represented.

This group has an active agenda focused on advancing and improving our operations and governance to secure that Tobii continuously become an increasingly sustainable organization.

What do you think makes Tobii attractive as an investment?

Tobii has established a solid foundation in markets characterized by strong long-term secular growth trends. As a world leader in this industry and with a systematic strategy to brick-by-brick strengthen its position across markets, Tobii is well positioned to benefit from the underlying growth trends.

Supported by a business model built with an inherent ability to generate strong operating leverage from increasing volumes, Tobii has a potential to become a highly profitable company. We aim to take large steps in that direction in 2023, with the goal of reaching profitability again in Q4 2023.

Per Norman
Chairman of the Board

The share and the shareholders

The Tobii share has been listed on Nasdaq Stockholm since April 24, 2015, where it is traded under the TOBII ticker. At the end of 2022, Tobii's market capitalization amounted to approximately SEK 1,771 million (3,850) and the share price decreased during the year by 54 percent to SEK 16.72 (36.72).

Share class and number of shares

There are two share classes, ordinary and C-shares. Ordinary shares carry entitlement to one vote per share at shareholders' meetings, while the C-shares carry entitlement to one vote per ten shares. The sole purpose of the C-shares is to facilitate settlement of Tobii's long-term incentive programs. The C-shares are always held on Tobii's balance sheet and Tobii is not allowed to exercise the voting rights related to these shares. Hence, in practice there is only one share class exercising its voting rights and available for trading in Tobii's free float. The number of outstanding shares on December 31, 2022 was 107,260,072 (105,665,201), of which 1,342,373 (814,000) were C-shares held on Tobii's balance sheet. Fully diluted, the number of shares were 106,248,832 (110,459,647). The dilution is attributed to the outstanding warrants, employee stock options, and restricted stock units and is based on the share price by the end of

the period. The subscription price for these options varies depending on when the option series are issued. The series with the lowest subscription price entitles holders to subscribe at SEK 10.84 per share and the series with the highest subscription price entitles holders to subscribe at SEK 35.85 per share, see note 8.

Price trend

During 2022, the share price reached a 52-week high of SEK 38,98 and a 52-week low of SEK 15,65. During the year, the share price declined by 54 percent from SEK 36.72 at the end of 2021 to SEK 16.72 at the end of 2022, corresponding to a decrease in market capitalization of 46 percent from SEK 3,850 million to SEK 1,771 million. In 2022, 97,316,074 (242,149,138) Tobii shares were traded on Nasdaq Stockholm, which corresponds to an average daily turnover per trading day of 384,649 (949,604) shares.

Ownership structure

On December 31, 2022, Tobii had around 24,300 known shareholders. The ten largest shareholders' accounted for 41.9% of shares. The Board of Directors and Executive Management had 4.8% of the shares in the company. The proportion of foreign-owned shares was 12.0%, Swedish ownership was 78.2%, and anonymous ownership was 9.2%.

Dividend policy

The ordinary shares carry the right to dividends; C-shares do not. The Board of Directors intends to continue to give priority to Tobii's development and expansion plans over shareholder dividends over the next few years.

Share data

Marketplace	Nasdaq Stockholm
Listed	April 24, 2015
Segment	Mid cap
Sector	Technology
Ticker	TOBII
ISIN code	SE0002591420
Currency	SEK
Number of shares (Dec 31, 2022)	107,260,072
52-week high 2022	SEK 38.98
52-week low 2022	SEK 15.65
Closing rate 2022	SEK 16.72
Share performance 2022	-54%

Analysts

ABG Sundal Collier	Daniel Thorsson
Carnegie	Mikael Laséen
SEB	Erik Larsson
Handelsbanken	Daniel Djurberg

Source: Euroclear and Modular Finance.

10 largest shareholders

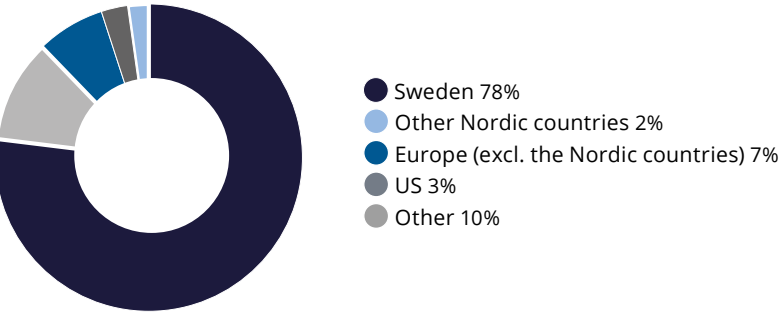
Shareholder	Number of shares	Share, %
Handelsbanken Fonder	9,136,122	8.5
Lannebo Fonder	6,069,333	5.7
Öhman Fonder	5,977,181	5.6
Swedbank Robur Fonder	5,058,967	4.7
Indecap	4,769,498	4.4
Henrik Eskilsson ¹⁾	4,535,952	4.2
Invesco	3,051,079	2.8
Avanza Pension	2,429,922	2.3
Carnegie Fonder	2,053,419	1.9
Mårten Skogö	1,820,000	1.7
Total ten largest shareholders	44,901,473	41.9
Other shareholders	62,358,599	58.1
Total	107,260,072	100.0

¹⁾Including 2,835 shares owned by Henrik Eskilsson AB, a company wholly owned by Henrik Eskilsson.

Shareholder structure

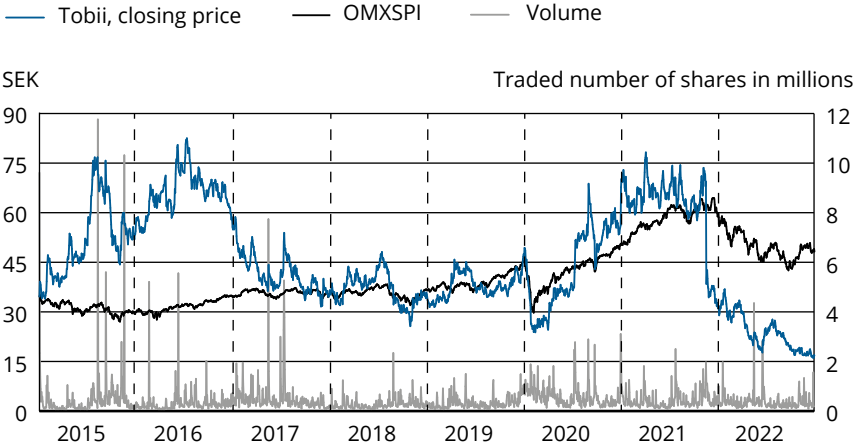
Shareholding	No. of shareholders	Number of shares	Capital/votes, %	Market value, SEK m
1-500	18,091	2,322,852	2.2/2.2 %	39
501-1,000	2,544	2,019,309	1.9/1.9 %	34
1,001-10,000	3,221	9,463,940	8.8/8.9 %	158
10,001-100,000	388	10,378,293	9.7/9.8 %	174
100,001-500,000	35	7,944,181	7.4/7.5 %	133
500,001-1,000,000	9	5,860,096	5.5/5.5 %	98
1,000,001-5,000,000	16	32,517,523	30.3/29.5 %	544
5,000,001-	4	26,291,603	24.5/24.8 %	440
Anonymous ownership	n.a.	10,462,275	9.7/9.8 %	175
Total December 31, 2022	24,308	107,260,072	100.0 %	

Holding by region

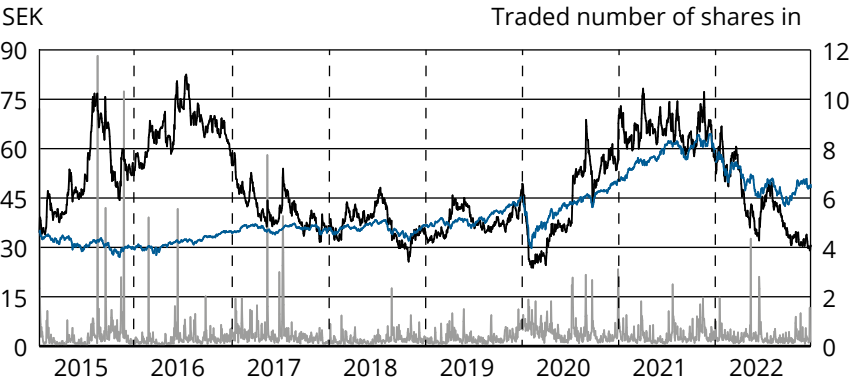


Source: Euroclear and Modular Finance.

Share price April 1, 2015 – December 31, 2022¹



The share price drop December 6, 2021 was a result of the dividend distribution of Tobii Dynavox to the shareholders of Tobii.



The chart above describes the share price assuming reinvestment of the dividend distribution of Tobii Dynavox to the shareholders in Tobii on December 6, 2021.

Risks and risk management

We are exposed to various risks that can influence the Group’s business, profit, or financial position. Through our global risk management process, risks are identified, assessed, and managed according to the assessed risk level.

Internal risk reporting is carried out by risk managers who take up-to-date and appropriate measures to minimize exposure to and manage risks. Below is a summary of the most important operational risks and how they are managed. The risk description does not claim to be exhaustive, but only addresses a selection of the risks to which the Group is exposed or may become exposed. A description of financial risks and risk management, in addition to those described below, is presented in note 3.

Significance ↑	14. Insurance coverage in the event of liability 20. Business ethics 21. Impairment of intangible assets		01. Financing 02. Rapid technological changes 03. Global market trends and changed market conditions
	15. Acquisitions 16. Quality problems and warranty claims 17. Disputes and damages in legal proceedings 18. Personal injury	06. Dependency on key personnel 07. Intellectual property 08. Regulatory compliance 09. Customer dependency 10. Fraud 11. People turnover 12. Changing environmental sustainability reporting requirements 13. Information security	04. Sourcing 05. Increased competition
	22. Tax 23. Personal integrity	19. Currency	
			Probability →



Risk	Management
1. Financing	
Inadequate access to financing for investments could lead to limited growth opportunities.	Good transparent communication to the stock market and lenders, as well as focus on cost efficiency within the Group. Regular and careful financial planning.
2. Rapid technological changes	
The markets in which we operate are characterized by a high pace of technological changes. Consequently, our ability to predict technical advances and market needs, and to adapt our products accordingly, is critical for the continued success of the Group as a whole.	Close dialogue with customers, monitoring of market and technology trends, and investments in the development of core technology and products.
3. Global market trends and changed market conditions	
The Group is continuously exposed to both local and global macroeconomic fluctuations, unforeseen events, and unrest (e.g. natural disasters, operational disruptions, and pandemics). Should the Group incur additional costs and/or reduced revenues due to local fluctuation in supply and demand or prices, this could have a material negative impact on the Group's operations, profitability, and financial position.	Regularly monitor changes in areas such as economic growth trends, geopolitical structures, and unexpected discrepancies in deliveries. Continually update contingency plans and escalation processes to adapt operations to current circumstances. Make relevant analysis and propose potential changes in our business models or further mitigating actions.
4. Sourcing	
Single source supply, (e.g. when only one supplier is used when volumes are low), exposes the Group to different risks. Sometimes compelling circumstances or a monopoly situation may arise in which certain high-tech products must be produced by a sole source using special methods, resulting in additional vulnerabilities. Additionally, global supply chains are increasingly vulnerable to both unforeseen and expected disruptions as a result of trade policy decisions and the emergence of climate-related or social events, affecting deliveries, operating costs, and raising the need for major structural changes in supply chains.	Regularly assess and map risks related to single and sole source supply and the established supply chains. Actively work with Business Continuity Planning and closely manage the relationship with concerned suppliers and partners. Keep a safety stock on key products and secure a second source when justified by volumes in single-source cases. Continual monitoring of global trade policy developments and ensure compliance to our Export Control Policy and international trade laws. Take immediate action according to contingency plans in the event of disruptions.



Risk	Management
5. Increased competition	
If our competitors or new players develop technologies and products that offer a better price and performance, there is a risk that they will take market share from us. We offer specialized products that encounter competition from simpler and less expensive products. There is a risk that this trend will continue and impact more product categories.	Investments in R&D, with a focus on developing technology that offers performance at a lower cost, as well as investments in a strong patent portfolio can provide important competitive advantages as the business moves toward broader applications in larger volumes. Continue to develop clearly differentiated products and solutions that enable us to offer high quality solutions at competitive price levels.
6. Dependency on key personnel	
We are dependent on a variety of expert competencies and key individuals. If we fail to retain senior executives and key personnel or are unsuccessful in recruiting new highly skilled personnel, this could hamper the Group's future expansion.	Offer market terms and conditions, personnel incentives and development programs, and implement initiatives to maintain and develop our "employer brand" and appeal as a workplace.
7. Insufficient protection of intellectual property rights	
We believe that the importance of intellectual property will increase in pace with the establishment of eye tracking in volume markets. If patent protection does not provide the market benefits that we expect, or if we are sued for infringement of the intellectual property of others, it could lead to costly legal and administrative processes, claims, licensing fees, or sales stops of our products.	Map patents within new product areas. Further development of our patent portfolio.
8. Regulatory compliance	
Irregularities in our regulatory compliance and routines can expose us to considerable financial risks, market risks, or operational risks. We must comply with applicable laws and standards regarding matters such as product safety, the environment, and personnel in the markets in which we operate.	Ongoing review of certifications and other laws and regulations in the markets where we are established, as well as follow-up of procedures regarding handling of personal data. When new rules are created, they must be analyzed and, if necessary, appropriate measures taken to ensure compliance.
9. Customer dependency	
We enter certain contracts with large integration customers without binding volume commitments or guarantees. Additionally, long maintenance agreements are signed with customers, with long lead times and thereby uncertainties before value can be derived. There is a risk that customers might choose not to implement planned integrations, or for other reasons generate lower sales than expected, which results in major negative impacts on the Company's earnings.	Close collaboration with key customers and cultivate relationships with more integration customers. Collaborate with customers in several different sub-segments.

Risk	Management
<p>10. Fraud</p> <p>There is a risk that the Group will be subject to unforeseen financial or material costs as a result of internal or external fraudulent conduct such as intentional inaccuracies, or omission of important financial events or sensitive information, possibly resulting in financial and reputational loss.</p>	<p>All cases of fraudulent conduct shall immediately be reported, investigated, and, where appropriate, be subjected to legal sanctions. Internal control measures to identify fraud-related risks shall be maintained.</p>
<p>11. People turnover</p> <p>Failure to attract, retain, and develop the required capability and to embed our values in our culture results in an impact on the delivery of our purpose and business performance. A skilled workforce, strong culture embedded with our values, and healthy ways of working are essential for the continued success of our business.</p>	<p>Offer market terms and conditions, personnel incentive and development programs, and implement initiatives to maintain and develop our employer brand and appeal as a workplace.</p>
<p>12. Changing environmental sustainability reporting requirements</p> <p>There is a risk that the products provided by the Group will be subject to additional environmental laws and regulations or that additional taxes or fees will be imposed. Stricter and/or new environmental requirements and permits place higher demands on compliance, as well as increased demand from investors and regulatory bodies for clearer disclosures related to sustainability reporting.</p>	<p>The Group maintains an action plan based on its sustainability strategy, which imposes environmental requirements on suppliers, products, and services. The sustainability strategy is continuously monitored and updated in accordance with current environmental laws and regulations.</p>
<p>13. Information security</p> <p>An external intrusion or an intrusion by a malicious insider may result in theft and/or exposure of sensitive data. This can concern intellectual property, financial information, business plans, strategies and personal data of employees, customers, or end-users. The impact could be significant regulatory fines, loss of customer confidence, negative brand impact, copy-cat solutions or other advantages to competitors.</p>	<p>Support and monitor the Information Security Management System. Quarterly review of each risk. Support information security awareness program within the entire Group and audits for IT services.</p>
<p>14. Inadequate insurance coverage in the event of liability</p> <p>We have insured our businesses against loss and/or potential liability in case of third-party claims relating to, among other things, property damage, business interruption, occupational injuries, product liability, or product recall. There is a risk that our insurance coverage may not fully reimburse us for any liability.</p>	<p>Continue regular review of coverage and, when needed, alter it accordingly.</p>

Risk	Management
<p>15. Acquisitions</p> <p>We evaluate potential acquisitions in line with our acquisition strategy and there is a risk that we will fail to carry out acquisitions because of, for example, competition from other participants or lack of adequate financing. In addition, the strategy will require that we continue to purchase suitable companies at sound multiples and integrate acquired companies successfully. Because of our leading position in specific markets, competition law could pose obstacles.</p>	<p>Meticulous acquisition analyses and integration planning, analyses of market conditions, and compliance with applicable rules and legislation.</p>
<p>16. Quality problems and warranty claims</p> <p>Defects in our products or the components that we supply to integration customers could lead to considerable warranty claims, costly recall programs, and lowered confidence in us as well as our products.</p>	<p>Comprehensive quality program during the product development process and control of sub-contractors.</p>
<p>17. Disputes and damages in legal proceedings</p> <p>There is a risk that we will be involved in unforeseen disputes. For example, customers, suppliers, or other counterparties may initiate legal proceedings. An unfavorable decision could have a crucial impact on our reputation, and could also result in damages, fines, legal costs, negative publicity, and disruptions to the continuity of the business.</p>	<p>We enter into written agreements with our customers and partners. Disseminate knowledge within the organization to promote rapid reporting to corporate counsel for appropriate and fair handling of disputes and disagreements.</p>
<p>18. Personal injury</p> <p>If faults in our products would cause personal injury, it could lead to substantial damage claims, costly recall programs, negative impact on our reputation, or that the product may no longer be sellable.</p>	<p>Comprehensive quality program during the product development process and verification and certification of the products against current standards.</p>
<p>19. Currency</p> <p>Since we have large parts of our business and primary revenue in geographic markets outside Sweden, there is a risk of negative impact from currency fluctuations.</p>	<p>Tobii continuously assesses the impact of the trends of the most important currencies. Presently the Group does not use any currency hedge.</p>

Risk	Management
20. Business ethics	
Compliance with our business ethics principles, as well as laws and regulations are important for our continued success. Failure to comply would involve both specific business risks and the risk of a negative impact on our reputation.	Through our Code of Conduct, which also includes our Supplier Code of Conduct, all employees and suppliers sign in agreement with our business ethics principles and zero tolerance for all forms of bribery and corruption. Recurrent training for employees, as well as risk analysis and review of suppliers.
21. Impairment of intangible assets	
A large part of our R&D expenditures is capitalized as intangible assets. If our technology and product development initiatives result in products that do not fulfill our high standards nor the requirements of the market and therefore do not become commercial successes, this may lead to significant impairments.	Regularly perform impairment tests through analysis of future expected earnings related to the projects and brands that are included in the balance sheet. For more information, see note 2 and 15.
22. Tax	
Our sales are realized primarily through subsidiaries in several countries. Transactions between subsidiaries are carried out in accordance with the Group's Transfer Pricing Policy. If local tax authorities make an assessment of transfer pricing that is deviated from our business, there is a risk of higher tax costs. There are also risks associated with managing taxes locally in the various markets in which we operate.	Annual review of tax risks together with external tax experts. Adjust tax appropriations based on this review.
23. Personal integrity	
In several of our products, services, and internal administrative processes, we handle data and information that may be sensitive from the perspective of personal integrity. If we do not handle such information properly, our reputation is at risk and there is a potential for interruption in the delivery of products and services. If eye tracking data is used incorrectly and irresponsibly (by us, by our customers, or by suppliers that provide software that uses eye tracking data), there is a risk that consumer confidence in eye tracking as a technology will be negatively impacted.	We have established a framework for GDPR handling of personal data, which is applied to our products, services, and internal processes. We are actively working to define and establish principles and legal frameworks to responsibly establish regulations for the management of eye tracking data in ways that take far-reaching responsibility for personal privacy. We also collaborate actively with competitors and other players in the ecosystem on these issues.

03

Corporate governance

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Corporate Governance Report

Tobii AB (publ) is a Swedish public limited liability company with its registered office in Danderyd, Sweden. The Company's shares have been listed on Nasdaq Stockholm since April 24, 2015. Tobii's Corporate Governance Report, examined by the Group's auditors, is presented below. The report describes the division of responsibility between the Company's three decision-making bodies — the Annual General Meeting, the Board of Directors, and the CEO — and how they act and interact in accordance with applicable laws, regulations, and internal processes.

Principles for Tobii Corporate Governance

Governance of the Company and the Group is based on Tobii's Articles of Association and external regulations such as the Swedish Companies Act, Nasdaq Stockholm's Rule Book for Issuers, and the Swedish Corporate Governance Code ("The Code"). In addition, Tobii applies internal regulations and policies. The responsibility for governance and control is divided among the shareholders at the Annual General Meeting, the Board, and the CEO. An overview of the Group's governance and control, including internal and external governance instruments, is presented in the illustration below.

Compliance with the Swedish Corporate Governance Code

Since the first day of trading on Nasdaq Stockholm (April 24, 2015), Tobii has applied the Code and, as of December 1, 2016, Tobii applies the revised Code. The Code is applied in all Swedish companies with shares listed on a regulated market in Sweden. The Code is based on the "comply or explain" principle, which means that the

Code itself allows room to deviate from the rules, under the condition that all such deviations and chosen alternative solutions are explained and that the reasons for the deviations are detailed in the corporate governance report. At the May 2022 AGM, a decision on an incentive program was taken, leading to a deviation from clause 9.7 in the Swedish Code of Corporate Governance as the vesting period for part of the incentive program is less than three years. The reason for the deviation is that the proposed incentive program and its vesting periods of two, three, and four years as a whole is considered a well-balanced incentive for the participants, and will also be value accretive for the company and its shareholders.

Internal rules

To ensure compliance with the applicable laws and rules and to fulfill Tobii's demands on its own operations, Tobii also applies internal rules and policies that include:

- Tobii's own Articles of Association and the Board of Directors' Rules of Procedure.
- Tobii's Code of Conduct and Business Ethics and policy framework, which covers all employees, regardless of position or stationing, as well as consultants and others who have been commissioned by the company.
- Tobii Group-wide governance document and manuals, as well as ISO and FDA certifications.

Authorized personnel can access Tobii's governance documents on the Company's intranet. All policies are reviewed regularly and updated as needed.

Articles of Association

The current Articles of Association were adopted May 12, 2020. The Articles of Association stipulate that the Company's business is to conduct research, development, and sales of software and computer-related hardware, as well as any other activities compatible therewith. The Articles of Association also define the rights of the shareholders, the number of Board members, and auditors, that the Annual General Meeting is to be held once a year within six months after the end of the fiscal year; how notice of the Annual General Meeting ("AGM") is to be issued, and that the registered office of the Company's Board is in Danderyd, Sweden. The current Articles of Association are available on Tobii's website.

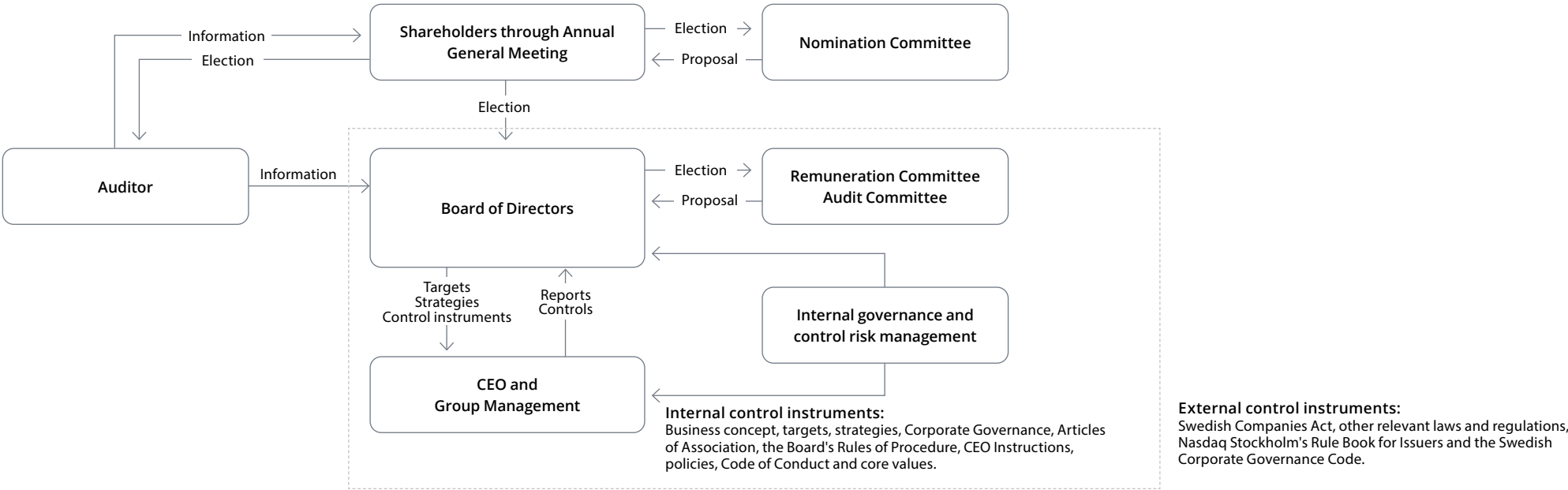
Shareholders

For information regarding ownership structure and the largest shareholders, refer to pages 44–46 in this Annual Report.

Voting rights

There are two share classes, ordinary- and C-shares. Ordinary shares carry entitlement to one vote per share at shareholders' meetings, while the C-shares carry entitlement to one vote per ten shares. The sole purpose of the C-shares is to facilitate settlement of Tobii's long-term incentive programs. The C-shares are always held on Tobii's balance sheet and Tobii is not allowed to exercise the voting rights related to these shares. Hence, in practice there is only one share class exercising its voting rights.

Corporate governance structure



General Meeting of Shareholders

Shareholders exercise their right to decide on Tobii's affairs at the Annual General Meeting, which is the Company's highest decision-making body.

The Annual General Meeting must be held in Danderyd or Stockholm within six months from the close of the fiscal year. General meetings of shareholders are to be convened by publication of the convening notice in the Swedish National Gazette (Sw. Post- och Inrikes Tidningar) and on the Company's website. When the notice is published, an announcement that it has been issued is to be published in Svenska Dagbladet. At the Annual General Meeting, decisions are made regarding the adoption of the Company's income

statements and balance sheets; appropriation of the Company's earnings; granting discharge from liability for the Board of Directors and CEO; election of Board members, Chairman of the Board and auditors; adoption of remuneration to the Board and auditors; as well as other issues that are a matter for the meeting in accordance with the Swedish Companies Act, the Articles of Association, or the Code. Extraordinary General Meetings are held when the Board deems it necessary in accordance with the Swedish Companies Act. The Articles of Association contain no separate rules regarding the meeting's amendment of the Articles of Association.

Tobii's 2022 Annual General Meeting

At the 2022 Annual General Meeting held on May 25, 2022, it was decided that the Company's Board should comprise seven ordinary members, and no alternate board members.

The Annual General Meeting re-elected Heli Arantola, Henrik Eskilsson, Charlotta Falvin, Jörgen Lantto, and Jan Wäreby as members of the Board of Directors, and Mats Backman and Per Norman were elected as members the Board of Directors. Per Norman was elected Chairman of the Board of Directors. Henrietta Segenmark was appointed to serve as the responsible auditor from PwC.

In addition, the Annual General Meeting granted discharge from liability for the Board of Directors and the CEO, adopted the income

statements and balance sheets in the annual report, and resolved in accordance with the Board's and the CEO's proposed appropriation of non-restricted equity. The Meeting also passed a resolution to authorize the Board to decide, during the period up until the next Annual General Meeting, on the issue of new shares corresponding to an increase of a maximum of 10%. The Annual General Meeting resolved in accordance with the Nomination Committee's proposal for fees to the Board of Directors. For more information, see "Remuneration to the Board of Directors and Committees" below. The Annual General Meeting resolved in accordance with the Board's proposed guidelines for remuneration to the CEO and other senior executives, see below under "Remuneration to the CEO and other senior executives."

The minutes from the meeting are available on Tobii's website.

2023 Annual General Meeting

Tobii AB will hold its Annual General Meeting on May 26, 2023 in Stockholm, Sweden. The convening notice is available on Tobii's website.

Nomination Committee

The Nomination Committee's primary task is to submit proposals to the Annual General Meeting regarding the composition of the Board of Directors, which is then resolved by the Annual General Meeting.

The work of the Nomination Committee begins with reviewing the evaluation of the work of the Board that the Board has commissioned. The Committee then submits proposals in respect of Board member candidates and Chairman of the Board for the pending mandate period. Furthermore, the Nomination Committee submits proposals regarding the election of auditors and remuneration to the Board and auditors.

Composition of the Nomination Committee

The Extraordinary General Meeting held on March 9, 2015 resolved that prior to every Annual General Meeting, the Nomination Committee is to comprise representatives from the three largest shareholders listed in the shareholders' share register maintained by Euroclear Sweden as of September 30 each year, together with the Chairman of the Board. In total, the Nomination Committee is to comprise four members. Should any of these shareholders opt to waive the right to appoint a representative, the right shall pass to the largest shareholder next in line, and so on. As long as the three founders Henrik Eskilsson, John Elvesjö, and Marten Skogo together own shares in the Company, directly or indirectly, that make them one of the three largest owners, they have the right to jointly nominate one of the three shareholder representatives in the Nomination Committee. The member representing the largest shareholder is to convene the first meeting of the Nomination Committee and be appointed Chairman of the Nomination Committee unless the Committee unanimously appoints someone else. However, the Chairman of the Board may not serve as Chairman of the Nomination Committee. Ahead of the 2023 Annual General Meeting, the Nomination Committee was appointed in accordance with the above principles. Öhman Fonder waived their right to elect a representative and the largest shareholder next in line, Lannebo Fonder, opted to elect a representative. The Nomination Committee has had four recorded meetings in the fall of 2022 and two in the winter of 2023. Tobii's Nomination Committee fulfills the requirement for independence. The following table presents the members of the Nomination Committee and the owners who appointed them.

Nomination Committee ahead of the 2023 Annual General Meeting

Member	Appointed by	Share of votes (per Sept 30, 2022)
Helen Fasth Gillstedt	Handelsbanken	8.59%
Kent Sander	Tobii's three founders	7.05%
Robin Nestor	Lannebo Fonder	5.52%
Per Norman	Director serving as Chairman of the Board	Not applicable

Contact the Nomination Committee

Tobii's Nomination Committee can be contacted via email at valberedning@tobii.com.

The Board of Directors

The Board of Directors is responsible for Tobii's organization and the management of the Company's affairs.

Composition of the Board of Directors

According to Tobii's Articles of Association, Board members elected by the Annual General Meeting are to comprise a minimum of three and a maximum of nine, with no alternate members. At present, the Company's Board of Directors comprises seven ordinary members. The requirement to achieve diversity and breadth, as well as an effort to achieve an even distribution of gender, have been considered in the composition of Tobii's Board of Directors. The Board members have vast experience from relevant industries and expertise in both technology and international business. For more information about the Board members, see page 60. The Articles of

Association contain no separate rules regarding the appointment or removal of Board members. The composition of the Board fulfills the Code’s stipulation concerning independent members. Independent assessments for each Board member are presented in the table below.

The Board’s Rules of Procedure

The Board adopts Rules of Procedure for its work every year. The Rules are adopted in conjunction with the statutory Board meeting and are amended thereafter as needed. The Rules of Procedure describe the responsibilities and duties of the Board and its Committees, the internal division of duties and practices, as well as the division between the Board members and the CEO. The current Rules of Procedure were adopted on May 25, 2022.

Work of the Board

According to the Rules of Procedure, Tobii’s Board is to convene a minimum of six times in addition to the statutory meeting. Normally, the Company’s CFO serves as secretary at the Board meetings. The Board held 22 recorded meetings in 2022, one of which was the statutory Board meeting. The key issues in the meetings involved strategy, business plans, general follow-up of financial reporting, reporting routines and procedures. The Board’s work year is illustrated in the diagram on the following page.

Evaluation of the work of the Board

According to the Board’s Rules of Procedure, the Chairman of the Board is to ensure that the work of the Board is annually evaluated through a systematic and structured process aimed at developing the Board’s processes and efficiency. In 2022, this evaluation was conducted in November and was supported by a comprehensive software evaluation tool.

Board Committees

The Board has established two committees: the Audit Committee and the Remuneration Committee. The Committees have no decision-making authority but are tasked primarily with presenting proposals and conclusions to the Board.

Audit Committee

On behalf of the Board, the Audit Committee, without prejudice to the Board’s responsibilities and tasks, must monitor the following:

- the Company’s financial reporting
- the effectiveness of the Company’s internal controls
- internal auditing and risk management
- the audit of the annual accounts and consolidated financial statements
- the impartiality and independence of the auditors
- whether the auditors are providing other services besides audit services to the Company

Moreover, the Audit Committee is to assist in the preparation of proposals for the Annual General Meeting’s election of auditors, regularly meet with Tobii’s auditors, and report to the Board of Directors when required. The Audit Committee is appointed annually by the Board. Prior to the 2022 AGM, the audit committee was made up of Heli Arantola, Chair, Nils Bernhard, and Charlotta Falvin. After the 2022 AGM, the Committee was made up of Mats Backman, Chair, and members Charlotta Falvin and Heli Arantola.

The Audit Committee held seven recorded meetings in 2022, three with Heli Arantola as Chair and four with Mats Backman as Chair.

Composition of the Board of Directors, Committees and meeting attendance

Board members elected by the AGM	Year elected	DOB	Independent		Attendance		
			in relation to the Company	in relation to the largest shareholders	board meetings	audit committee ¹	remuneration committee
Per Norman, chair	2022	1964	yes	yes	15/15 ²		X
Charlotta Falvin	2018	1966	yes	yes	22/22	X	
Heli Arantola	2016	1969	yes	yes	20/22	X	
Henrik Eskilsson	2021	1974	no	no	21/22 ²		
Mats Backman	2022	1968	yes	yes	15/15 ¹	X	
Jan Wäreby	2016	1956	yes	yes	21/22		X
Jörgen Lantto	2019	1963	yes	yes	21/22		X
Board members until general meeting 2022							
Nils Bernhard	2004	1947	yes	yes	6/7	X	
Kent Sander, chair	2014	1953	yes	yes	6/7		

¹ In conjunction with the 2022 AGM, Mats Backman replaced Nils Bernhard in the Audit Committee and assumed the role as chair of the audit Committee.
² Per Norman and Mats Backman were elected to the Board of Directors in conjunction with the Annual General Meeting May 2022.

The Board’s work year



Remuneration Committee

The Remuneration Committee is tasked primarily with addressing issues concerning guidelines for remuneration, salaries, variable compensation, incentive programs, pensions, and other forms of remuneration payable to Group Management. In 2022, the committee was made up of Kent Sander, Chair, and members Jörgen Lantto and Jan Wäreby until the Annual General Meeting in May 2022, after which Kent Sander was replaced by Per Norman as committee chair. The Committee held seven recorded meetings in 2022.

Remuneration to the Board of Directors and Committees

Remuneration to the Board of Directors is decided at the Annual General Meeting. The 2022 Annual General Meeting resolved that Board fees would amount to SEK 2,285,000 to be allocated as SEK 725,000 for the Chairman of the Board and SEK 260,000 each for

other Board members. As Henrik Eskilsson is working operationally in the company and consequently receives no compensation for work on the board, the board fees amounted to SEK 2,025,000 in practice. Fees for Committee work are as follows: SEK 120,000 to the Chair of the Audit Committee; SEK 60,000 each to the other two members of the Audit Committee; SEK 40,000 to the Chair of the Remuneration Committee; and SEK 25,000 each to the other two members of the Remuneration Committee. The remuneration has been determined and decided in accordance with applicable remuneration guidelines. Remuneration to the Board is presented in detail in Note 8.

CEO and Group Management

The CEO is responsible for the day-to-day management of Tobii in accordance with the Board’s guidelines and instructions. The current CEO’s instructions were adopted by the Board on May 25, 2022. The CEO is tasked with compiling information and decision-making documents ahead of the Board meetings. The CEO is assisted by Group Management consisting of the Chief Financial Officer, the Senior Vice President of Engineering, the Senior Vice President Segments & Products, Executive Vice President Sales & Marketing, and the Senior Vice President Operations. The executive management team holds weekly meetings, at which both strategic as well as tactical and operational issues are discussed and decided on. A more detailed presentation of the CEO and the Group Management Team is available on page 61.

Remuneration to the CEO and Senior Executives

The Board has decided on the current remuneration levels and other employment conditions for the CEO and other senior executives. To the extent it is possible, agreements regarding retirement benefits are to be based on defined contributions and coincide with the levels, practices, and collective agreements that apply in the country where the senior executive is employed. The CEO has

an employment agreement with a mutual period of notice up to six months and the right to six months of severance pay if the Company is the party giving notice of termination. Other senior executives have employment agreements with a mutual period of notice of up to four months, with up to four months severance pay. The CEO and other senior executives are not entitled to any additional remuneration in conjunction with the termination of their employment. In 2022, total remuneration to the CEO and senior executives amounted to approximately SEK 18,7 million. In 2022, there were no deviations from the guidelines adopted by the Annual General Meeting in May 2022 (see Tobii’s Annual General Meeting 2022 above). Remuneration to the CEO and other senior executives is presented in detail in Note 8.

Auditor

Tobii’s auditor reviews the annual report, the consolidated statements, the Corporate Governance Report and accounting, as well as the management of the Board of Directors and the CEO. The auditor follows an audit plan and reports his/her observations to the Audit Committee. The auditor participates in the Annual General Meeting to present the Auditors’ Report, which describes the audit process and the observations made. Furthermore, the auditor normally participates in one Board meeting each year. The Company’s audit firm, PricewaterhouseCoopers AB, was re-elected at the 2022 Annual General Meeting through to the 2023 Annual General Meeting. The responsible auditor elected was authorized public accountant Henrietta Segenmark.

Remuneration to the Auditor

The 2022 Annual General Meeting decided that the auditor’s fee should be paid on account. Remuneration to the auditors is presented in detail in Note 7.

Internal control and risk management regarding financial reporting

Internal control and risk management regarding financial reporting is a central component in Tobii's corporate governance. The process is intended to provide reasonable certainty in terms of the reliability of the interim reports, year-end statements and annual reports, and that these statements are prepared in accordance with applicable laws, accounting standards, and other regulations. Since the Board's decision in November 2016, Tobii's risk management and internal governance and control is based on the Internal Control – Integrated Framework launched by the Committee of the Sponsoring Organizations of the Treadway Commission (COSO) in 2013. According to COSO, internal governance and control is a process that involves the following components: control environment, risk assessment, control activities, information and communication, and monitoring.

Control environment

Control environment is the foundation of the internal control and risk management within Tobii and comprises the values and culture on the basis of which the Board and management communicate and operate, together with the organizational structure, leadership, delegation of authority, decision-making paths, and employee expertise. A number of internal control documents, adopted by the Board, are associated with this. The Board has the overall responsibility for internal control and reporting, and has appointed an Audit Committee tasked with and responsible for overseeing Tobii's financial reporting and monitoring the efficiency of this process. For more information, refer to the section under the "Audit Committee" heading above.

Risk management

The significant risks that influence internal control in terms of financial reporting are identified and managed at Group level, segment level and subsidiary level. In the Board, the Audit Committee is responsible for identifying and managing significant financial risks or risks for errors in the financial reporting to ensure correct financial statements. Particular priority is given to identifying processes

in which the risk for material errors is higher in relative terms, due to the complexity of the process or in contexts involving substantial values. For more information, see "Risks and risk management", pages 47–54.

Control activities

The risks identified regarding financial reporting are managed via the Company's control activities. Control activities are intended to prevent, uncover, and correct misstatements and deviations. This is managed through manual controls in the form of reviews and inventories, as well as automatic controls through the IT system. Detailed financial analyses of the results and follow-up against budget and forecasts complement the operations-specific controls and provide an overall confirmation of the reporting quality.

Information and communication

The Board has prepared an Information Policy for the dissemination of information externally that will ensure that the market receives relevant and reliable information about the Company's development and financial position. The Board has also prepared an Insider Trading Policy aimed at safeguarding the integrity of the dissemination of information. The Company's internal steering instruments in the form of policies, guidelines, and manuals concerning internal and external communication are regularly updated and communicated internally via relevant channels, including internal meetings, email, and the Company's intranet.

Monitoring

Risk assessment and implementation of the control activities are monitored regularly. This includes both formal and informal routines used by those responsible at each level. Procedures include monitoring results against budget and plans, analyses, and key ratios. The Board regularly receives reports on the Group's financial position and development. After each quarter, the Group's financial situation is addressed, and Group Management analyzes

the financial reports in detail every month. The Audit Committee monitors the accounts at its meetings and receives reports from the auditors regarding their observations. Tobii does not have an internal audit function. The Board of Directors has determined that the follow-up of internal control carried out by the Board of Directors and the management serves as an adequate audit function considering the operations and size of the Company.

Events and activities 2022

Tobii completed a statutory merger of Tobii Tech AB and Tobii Pro AB to Tobii AB, per April 1, 2022.

Board of Directors



Per Norman

Chairman of the Board

Elected: 2022

DOB: 1964

Education: MSc in Mechanical engineering and MBA, International business

Main assignments and experience: Chairman of the Board of H.O.L.M Security Sweden AB, Learnster AB, Cool Company Skandinavien AB. Board member of Sveriges Television Aktiebolag, GLHF Group AB. Previous Chairman of the board of Leo Vegas, CEO Mr Green & Co AB (Publ.), CEO Boxer TV-Access AB, CEO SES Sirius AB, VP/CTO Modern Times Group MTG AB.

Shareholding in Tobii*: 63,680 shares.



Heli Arantola

Elected: 2016

DOB: 1969

Education: Doctor, Economic Sciences

Main assignments and experience: CEO of A-lehdet Group. Member of the board of directors in S-Bank Plc., and Midsona AB. Previously CEO of Leipurin Plc, EVP Categories and Concepts at HKScan Plc, CEO of Fazer Kvarn, and many years of experience from executive positions in the Fazer Group and Sonera.

Shareholding in Tobii*: Holds no shares or warrants in the Company.



Mats Backman

Elected: 2022

DOB: 1968

Education: BSc in Business Administration

Main assignments and experience: Operating partner Triton Partners. Board member and Chairman of the Audit Committee in Gränges. Previous group CFO Trustly, CFO and EVP Veoneer, Inc. CFO at Autoliv, Inc. Various management positions within Sandvik Group, including CFO and Executive Vice President.

Shareholding in Tobii*: 20,000 shares.



Henrik Eskilsson

Elected: 2021

DOB: 1974

Education: MSc in Industrial Engineering & Management

Main assignments and experience: Head of Corporate Development of Tobii. Co-founder and CEO of Tobii from 2001 until 2021. Serial entrepreneur. Board member Tobii Dynavox.

Shareholding in Tobii*: 4,535,952 shares and 405,995 warrants and restricted stock units.



Jan Wäreby

Elected: 2016

DOB: 1956

Education: MSc in Electrical Engineering

Main assignments and experience: Chairman of the Board of RISE AB and Obelixus AB. Board member of Exportkreditnämnden (EKN), Kebni AB, Defen-try AB, Wineally AB and Agapi Boating AB. He has extensive experience from leading positions at the Ericsson Group, including Senior VP of Sales, Senior VP of Business Unit Multimedia, and VP and Head of Sales and Marketing at Sony Ericsson.

Shareholding in Tobii*: 60,000 shares.



Charlotta Falvin

Elected: 2018

DOB: 1966

Education: MSc in Business and Economics

Main assignments and experience: Experience from leading positions in IT and telecom, e.g. COO at Axis, CEO at Decuma and TAT. Chairman of the board at Skåne Startups. Board member at Net Insight, Bure Equity, Nel ASA, Tobii Dynavox, and Malmö based incubator Minc. Previous board member of e.g. Axis, Doro, and Sinch.

Shareholding in Tobii*: Holds no shares or warrants in the Company.



Jörgen Lantto

Elected: 2019

DOB: 1963

Education: Technical college graduate, telecommunications

Main assignments and experience: CEO of Fingerprint Cards and prior to that, more than 25 years of experience from leading positions within the Ericsson group. Chairman of the board of Cambridge Mechatronics Ltd and Zwiipe AS. CEO and board member of Milepost AB. Board member of Bromma Tech Consulting AB.

Shareholding in Tobii*: 45,000 shares.

* As of December 31, 2022.

Executive Management



Anand Srivatsa
CEO

Elected: 2019

DOB: 1978

Education: MSc in electrical engineering from Stanford University, US.

Experience: Vice president of the Client Computing Group and general manager of Intel's Desktop, Systems and Channel Groups. Various senior positions in Intel within sales and marketing in the US and Taiwan, including responsibility for some of Intel's largest customers.

Shareholding in Tobii*: 88,307 shares and 601,250 warrants and restricted stock units.



Magdalena Rodell Andersson
CFO and Executive Vice President

Elected: 2021

DOB: 1966

Education: MBA from Stockholm School of Economics, specializing in Accounting and Finance.

Experience: 30 years of experience primarily from retail companies; her three most recent positions were CFO of OKQ8 Scandinavia, CFO and Deputy CEO of Plantasjen AS Group, and CFO of Filippa K.

Shareholding in Tobii*: 21,000 shares and 77,443 restricted stock units.



Ann Emilson
Executive Vice President Sales & Marketing

Elected: 2021

DOB: 1965

Education: MSc in industrial engineering and management from Linköping University, Sweden.

Experience: Extensive experience from the tech industry and was head of business of the largest B2B customers at Telia Sverige prior to joining Tobii. She has worked at CGI and held several leading positions during her 27 years at Ericsson.

Shareholding in Tobii*: 21,000 restricted stock units.



Gunnar Troili
Senior Vice President Engineering

Elected: 2001

DOB: 1979

Education: MSc in engineering physics from the Royal Institute of Technology in Stockholm, Sweden.

Experience: Senior vice president of Engineering at Tobii since 2016. He was Tobii's first algorithm developer in 2001, when the company was a garage start-up. During his long tenure at the company, he has held different roles within R&D and algorithm development.

Shareholding in Tobii*: 317,508 shares and 78,215 warrants or restricted stock units.



Jonas Jakstad
Senior Vice President Operations

Elected: 2016

DOB: 1972

Education: MSc in welding and vehicle engineering from the Royal Institute of Technology in Stockholm, Sweden.

Experience: He has contributed to Tobii's business since 2016, when he first joined as Global Operations Director. Before joining Tobii, he was the chief operating officer at Maquet Critical Care AB, Getinge, and prior to that various leading positions within the automotive industry at GM Powertrain.

Shareholding in Tobii*: 4,115 shares 39,655 and warrants or restricted stock units.



Emma Bauer
Senior Vice President Segments & Products

Elected: 2014

DOB: 1975

Education: MSc in industrial engineering & management from the Royal Institute of Technology in Stockholm, Sweden.

Experience: Vice president Segments & Products at Tobii since April 2021. For the past 7 years she has contributed to Tobii's business as vice president of a segment as well as vice president of product management. Before joining Tobii, Emma has held various senior positions at product and consultancy companies related to high-tech, business-, organization-, and product development.

Shareholding in Tobii*: 6,432 shares and 44,939 restricted stock units.

* As of December 31, 2022.

Auditor's report on the Corporate Governance Statement

To the general meeting of the shareholders in Tobii AB (publ), corporate identity number 556613-9654.

Engagement and responsibility

It is the board of directors who is responsible for the corporate governance statement for the year 2022 on pages 53-61 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination has been conducted in accordance with FAR's auditing standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

Opinions

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act.

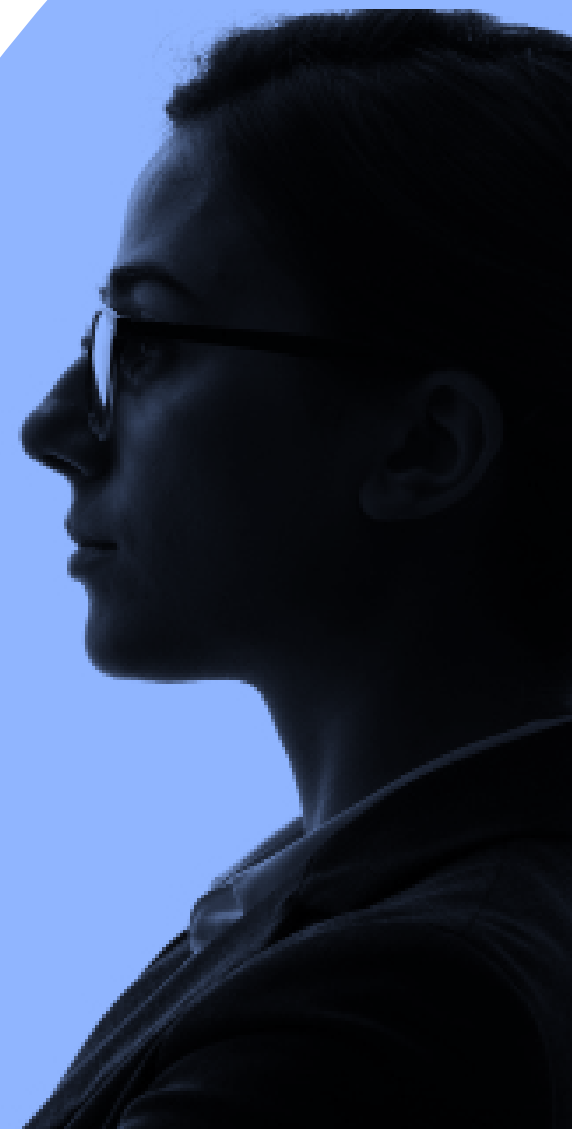
Stockholm 24 April 2023
PricewaterhouseCoopers AB

Henrietta Segenmark
Authorized Public Accountant

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Directors' report

The Board of Directors and CEO of Tobii AB (publ) (corp. ID no. 556613-9654) hereby presents the following annual report and consolidated financial statements for fiscal year January 1, 2022 to December 31, 2022. The Company's registered office is in Danderyd, Sweden. The Company's shares have been listed on Nasdaq Stockholm since April 24, 2015.

THE GROUP'S OPERATIONS

Tobii AB (publ) and its subsidiaries ("the Group") are global market leaders in eye tracking solutions and a pioneer in attention computing. Attention computing is the use of sensor technologies that a machine or a device can leverage to understand a person's attention and intent. It is an advanced level of human-computer interaction that generates core signals such as gaze direction, eye openness, head position or presence, and high-level attention signals such as awareness, intent, and cognitive state. This information can be used to design natural and effective user interfaces for computers and other devices, or to gain deep insights into human behavior.

The Group conducts its business in two segments, separated by the type of products and underlying business dynamics.

- Products & Solutions serve B2B customers and consumers with a portfolio of eye tracking solutions including hardware products, software products, and services. These products include Tobii's range of wearable and screen-based research instruments and specialized research software, the gaming peripheral Tobii Eye Tracker 5, and the integrations in advanced medical applications.
- Integrations provides attention computing hardware, services, and IP to technology-related original equipment manufacturers.

CHANGES IN THE STRUCTURE OF THE GROUP

The previous divisions of Tobii Pro and Tobii Tech were merged into one operational entity in July 2021. Following this merger and as of April 1, 2022, Tobii has completed a statutory merger of the legal entities Tobii AB, Tobii Pro AB and Tobii Tech AB.

REVENUE

The Group's revenue increased by 26% in 2022 to SEK 776 million (616). Organically, the increase was 14%, driven by our Integrations segment. The pandemic, global supply chain disruptions, and the macro-economic softening had a dampening effect on sales.

Revenue for Products & Solutions increased by 13% to SEK 513 million (455), corresponding to organic growth of 3%. The primary growth drivers were the gaming peripheral Eye Tracker 5 and strong growth in China for our behavioral studies and research solutions. Organic growth was hampered by a contraction in Japan and North America.

Integrations' revenue grew by 64% to SEK 264 million (161), corresponding to an organic growth of 42%, resulting from strong growth mainly in license revenues.

The North American market accounted for 27% (26%) of consolidated revenue, the European market 27% (31%), and the rest of the world 46% (43%).

RESULTS

The Group's gross margin was 76% (72%).

Products & Solutions' gross margin was 69% (75%). The gross margin decline was explained by higher component and freight costs, and a product mix shift from research instruments and software to our PC gaming peripheral Eye Tracker 5.

Integrations' gross margin was 89% (63%). The improvement in gross margin was related to a mix shift from hardware to software licenses.

The operating loss for the Group was SEK -122 million (-186).

Other operating income, which consist of exchange rate differences and other income, had an impact on operating result of SEK 23 million.

PROFIT/LOSS BEFORE TAX

Net financial items amounted to SEK 24 million (6) and included SEK 29 million (21) in currency translation effects on balance sheet items and SEK -6 million (-16) of interest expenses primarily related to finance leases under IFRS 16 and interests due to temporary COVID tax reliefs.

Pretax profit was SEK -99 million (-181).

NET PROFIT/LOSS AND EARNINGS PER SHARE

Profit/loss from discontinued operations was SEK -1 million (3,330). The net profit for the period was SEK -99 million (3,147) and diluted earnings per share reached SEK -0.94 (29.88).

CASH FLOW, LIQUIDITY, AND FINANCIAL POSITION

Cash flow from operating activities before changes in working capital amounted to SEK 41 million (-34). Cash flow from changes in working capital amounted to SEK 96 million (11), positively affected by a net effect of SEK 129 million in temporary COVID related tax reliefs from the Swedish tax authorities.

Investments in intangible, tangible, and financial fixed assets amounted to SEK 169 million (129), of which SEK 172 million (124) in capitalization of R&D costs. Free cash flow was SEK -32 million (-152).

Cash flow from financing activities amounted to SEK -8 million (156), for 2022 consisting mainly of changes in IFRS 16 leasing debt.

At the close of the period, Tobii had SEK 402 million (438) in cash. Consolidated net cash totaled SEK 334 million (344), of which SEK -52 million (-77) in IFRS 16 finance leases.

RESEARCH AND DEVELOPMENT

To preserve and further strengthen the Group’s leading position, Tobii invests significant resources in research and development (R&D). Of the Group’s 680 Tobiians as per December 31, 2022, which included 120 consultants, nearly 260 worked in R&D. The Group’s total R&D expenditure increased by SEK 63 million to SEK 332 million (269), of which SEK 172 million (124) or 52% (46%) was capitalized on the balance sheet, while R&D amortization decreased by SEK 6 million to SEK 118 million (124). Consequently, R&D expenses recognized in the income statement increased to SEK 278 million (270), corresponding to 36 % (44%) of revenue.

PERSONNEL

The average number of employees in the Group in 2022 increased by 3 to 515 (512). The number of employees recalculated to full-time equivalents at the close of the period was 533 (521). Compared to the same time in the previous year, the number of full-time equivalent employees increased by 12, or 2%, mainly due to a increase in the R&D and sales organization. Guidelines for salaries and remuneration to the Group’s senior executives resolved by the General Meeting are presented in the Corporate Governance Report on pages 53–61. The 2022 Annual General Meeting adopted updated guidelines for remuneration of senior executives. Details about the actual amounts paid in 2022 are presented in Note 8.

SUSTAINABILITY

In 2022, Tobii’s sustainability group worked with the various functions of the organization to further strengthen, monitor, measure, and set targets for the Group’s sustainability work. The Board of Directors approved the Group’s sustainability report for 2022. A description of Tobii’s sustainability efforts can be found in the sustainability report on pages 32–42 and 112–133 of this annual report. The sustainability report for 2022 has been prepared in accordance with GRI Standards at the Core level.

THE PARENT COMPANY

The Parent Company, Tobii AB (publ) with around 280 employees, is involved in procurement, manufacturing, technical support, administration, human resources, and IT. The Parent Company’s revenue during the full year totaled SEK 615 million (158) and the operating profit was SEK -133 million (-243). The revenue increase is primarily a result of the merger of the legal entities Tobii AB, Tobii Pro AB and Tobii Tech AB, which was carried out during the year. At the end of the period, the Parent Company had SEK 352 million (284) in cash and cash equivalents.

CHANGES IN THE BOARD

At the Annual General Meeting on May 25, 2022, Charlotta Falvin, Heli Arantola, Henrik Eskilsson, Jan Wäreby, and Jörgen Lantto were re-elected as members of Tobii’s Board of Directors. Kent Sander and Nils Bernhard declined re-election. The General Meeting resolved, in accordance with the nomination committee’s proposal, to elect Mats Backman and Per Norman as new members of the Board of Directors. Per Norman was elected as Chairman of the Board and Mats Backman was appointed as chairman of the audit committee.

EVENTS AFTER THE REPORTING PERIOD

There have been no significant events after the end of the reporting period. See Note 33.

OUTLOOK

Tobii estimates that the long-term market potential for the Group is good. Tobii has announced its ambition to reach profitability for the group during Q4 2023 and to reach SEK 1.5 billion in revenue by 2025. In the short-term, the macroeconomic environment continues to cause uncertainty on demand, the stressed global supply chains continued to elevate supply chain risks and create volatility on the

prices for input materials and services.

DIVIDENDS

The Board of Directors’ proposal for the financial year 2022 is that no dividend should be paid to shareholders.

PROPOSED APPROPRIATION OF NON-RESTRICTED EQUITY

Non-restricted equity in the Parent Company at the disposal of the Annual General Meeting:

	SEK
Share premium reserve	1,991,081
Retained earnings	-1,296,095
Profit/loss for the year	-91,000
Total	603,986
The Board of Directors proposes that the following amount be carried forward:	603,986

Multi-year overview¹⁾

SEK m	2022	2021	2020	2019	2018
Net sales, SEK m	776	616	578	1,501	1,278
EBITDA, SEK m	27	-27	-97	32	-28
Operating profit/loss (EBIT), SEK m	-122	-186	-230	-138	-189
Net profit/Loss for the year, SEK m	-99	3,147	-134	-171	-174
Gross margin, %	76	72	71	69	71
EBITDA margin, %	4	-4	-17	2	-2
EBIT margin, %	-16	-30	-40	-9	-15
Cash flow from operating activities, SEK m	137	-23	-39	-13	-13
Free cashflow, SEK m	-32	-152	-130	-262	-238
Earnings per share, SEK	-0.94	31.36	-1.36	-1.73	-1.79
- whereof continuing operations	-0.94	-1.83	-2.67	-	-
Earnings per share, diluted, SEK	-0.94	29.87	-1.36	-1.73	-1.79
- whereof continuing operations	-0.94	-1.83	-2.67	-	-
Equity per share, SEK	7	8	6	7	9
Working capital, SEK m	-102	-9	-65	-6	-30
Total assets, SEK m	1,224	1,224	1,655	1,630	1,325
Net cash (+)/net debt (-), SEK m	334	344	-143	-204	192
Equity, SEK m	754	842	556	676	835
Equity/assets ratio, %	62	69	34	41	63
Net debt/equity, %	neg	neg	26	30	neg
Return on total equity, %	-13	571	-23	-23	-20
Average number of shares, million	106	100	99	99	98
Number of outstanding shares at period-end, million	106	105	99	99	99
Average number of employees	515	512	560	1,003	917

¹⁾ Numbers for the years 2020-2021 have been restated for the divestment of Tobii Dynavox in accordance with IFRS 5, where the profit for Tobii Dynavox is presented on a separate line; Profit/loss from discontinued operations. For the years 2017-2019, the numbers have not been restated for the divestment of Tobii Dynavox.

Multi-year overview, segments

SEK m	2022	2021
Net sales		
Products & Solutions	513	459
Integrations	264	157
The Group	776	616
Gross profit		
Products & Solutions	353	332
Integrations	235	112
The Group	588	444
Gross margin, %		
Products & Solutions	69	72
Integrations	89	71
The Group	76	72

The breakdown of revenue and gross margin between the segments have been changed for Q1 and Q2 2021 compared to the numbers presented in the year-end report for 2021 and 2022.

Consolidated statement of comprehensive income

SEK m	Note	2022	2021
Continuing operations			
Net sales	5	776	616
Cost of goods and services sold		-186	-172
Gross profit	5	590	444
Selling expenses		-313	-253
Research and development expenses		-278	-271
Administrative expenses	7	-144	-124
Other operating income and operating expenses	11	23	17
Operating profit/loss	6, 7, 8, 9, 10	-122	-186
<i>Profit/loss from financial items</i>			
Financial income	12	30	33
Financial expenses	12	-7	-27
Total financial income and expenses		24	6
Profit/loss before taxes		-99	-181
Taxes	13	0	-3
Profit/loss for the year, continuing operations		-99	-184
Profit/Loss from discontinued operations	33	-1	3,330
Profit/loss for the year		-99	3,147
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange rate differences		-19	-24
Other comprehensive income, net after tax		-19	-24
Total comprehensive income for the year		-119	3,123
<i>Profit/loss for the year attributable to:</i>			
Parent company shareholders		-99	3,147
Non-controlling interests		0	0
Total profit/loss for the year		-99	3,147

SEK m	Note	2022	2021
<i>Total comprehensive income attributable to:</i>			
Parent company shareholders		-119	3,123
Non-controlling interests		0	0
Total comprehensive income for the year		-119	3,123
Earnings per share for the year, basic, SEK	14	-0.94	31.36
- whereof continuing operations	14	-0.94	-1.83
Earnings per share for the year, diluted, SEK	14	-0.94	29.87
- whereof continuing operations	14	-0.94	-1.83
Average number of outstanding shares, (thousands)	14	105,689	100,323
Average number of outstanding shares, diluted, (thousands)	14	108,538	105,328

Consolidated balance sheet

SEK m	Note	Dec 31, 2022	Dec 31, 2021
Non-current assets			
Goodwill	15	80	78
Capitalized product development costs	15	309	254
Trademarks	15	0	0
Other intangible assets	15	33	34
Property, plant and equipment	16	8	13
Right-of-use assets	16	52	66
Financial and other non-current assets			
Deferred tax assets	13	66	65
Other financial fixed assets		5	18
Total non-current assets		555	528
Current assets			
Accounts receivable	18	132	132
Inventories	19	65	55
Other receivables		23	40
Prepaid expenses and accrued income	20	47	30
Cash and cash equivalents	21	402	438
Total current assets		669	696
Total assets		1,224	1,224

SEK m	Note	Dec 31, 2022	Dec 31, 2021
Equity			
Share capital	23	1	1
Other paid-in capital		1,996	1,976
Reserves	24	-40	-21
Retained earnings including profit/loss for the year		-1,205	-1,116
Total equity attributable to parent company's shareholders		752	840
Non-controlling interests		2	2
Total equity		754	842
Non-current liabilities			
Interest-bearing loans	27	16	17
Leasing liabilities	27	25	49
Deferred tax liabilities	13	0	0
Provisions	26	1	2
Other non-current liabilities	27	32	20
Total non-current liabilities		73	88
Current liabilities			
Leasing liabilities	27	28	28
Accounts payable	27	62	90
Other liabilities	27	197	71
Accrued expenses and prepaid income	28	110	106
Total current liabilities		397	294
Total liabilities		470	382
Total equity and liabilities		1,224	1,224

Consolidated statement of changes in equity

MSEK	Note	Attributable to parent company shareholders					Non-controlling interests	Total
		Share capital	Other paid-in capital	Reserves	Retained earnings	Total		
Opening balance, Jan 1, 2021		1	1,639	3	-1,088	555	1	556
Profit/loss for the year					3,147	3,147	0	3,147
Other comprehensive income				-24		-24		-24
Comprehensive income for the year				-24	3,147	3,123	0	3,123
New share issue		0	294			294	0	294
Dividend					-3,184	-3,184		-3,184
Sale of warrants, incentive program			42			42		42
Sale of own shares					3	3		3
Equity-settled share-based payment transactions under IFRS 2	8				7	7		7
Closing balance, Dec 31, 2021		1	1,976	-21	-1,116	840	2	842
Opening balance, Jan 1, 2022		1	1,976	-21	-1,116	840	2	842
Profit/loss for the year					-99	-99	0	-99
Other comprehensive income				-19		-19		-19
Comprehensive income for the year				-19	-100	-119	0	-119
New Share issue		0						
Exercise of warrants, incentive program			21			21		21
Sale of own shares					2	2		2
Equity-settled share-based payment transactions under IFRS 2	8				8	8		8
Closing balance, Dec. 31, 2022		1	1,996	-40	-1,205	752	2	754

Consolidated cash flow statement

SEK m	Note	2022	2021
Cash flow from operating activities			
Profit/loss after financial items, continuing operations		-99	-181
Adjustment for items not included in the cash flow	30		
Amortization and write downs on intangible assets	9	119	125
Depreciation and write downs on property, plant and equipment and right-of-use assets	9	30	35
Unrealized exchange rate differences		-29	-21
Changes in provisions		-1	1
Other items not affecting the cash flow		22	8
Taxes paid		-1	-1
Cash flow from operating activities before change in working capital		41	-34
Cash flow from change in working capital			
Increase (-)/Decrease (+) in inventories		-9	-7
Increase (-)/Decrease (+) in operating receivables		6	-92
Increase (+)/Decrease (-) in operating liabilities		99	110
Cash flow from operating activities		137	-23
Investing activities			
Investments in intangible assets		-172	-123
Investments in property, plant and equipment		-2	-6
Investments in financial assets		5	0
Free cashflow		-32	-152
Business disposals and acquisitions		-	-172
Cash flow from investing activities		-169	-300
Cash flow after investing activities		-32	-323

SEK m	Note	2022	2021
Financing activities			
Bond issues and other borrowings		-1	-450
New share issue, net of costs		-	294
Exercise of warrants, incentive program		21	42
Instalments of leasing liability IFRS 16		-27	-25
Other financing activities, net ¹⁾		-	294
Cash flow from financing activities		-8	156
Cash flow for the year, continuing activities		-40	-167
Cash flow for the year, discontinued operations	33	-1	188
Cash flow for the year, total		-41	21
Cash and cash equivalents at the beginning of the year		438	410
Foreign currency translation, cash and cash equivalents		5	7
Cash and cash equivalents at year-end		402	438

1) Other financing activities, net 2021, includes transactions with Tobii Dynavox and primarily relates to repayment of loans.

Parent company income statement

SEK m	Note	2022	2021
Net sales		615	158
Cost of goods and services sold		-164	-27
Gross profit		451	131
Selling expenses		-199	-7
Research and development expenses		-278	-8
Administrative expenses	7	-129	-159
Other operating income	11	79	287
Other operating expenses	11	-57	-1
Operating profit/loss	5, 6, 7, 8, 9,10	-133	243
Profit/loss from financial items			
Financial income	12	45	52
Financial expenses	12	-4	-28
Total financial income and expenses		41	24
Profit/loss after financial items		-91	266
Group Contributions		0	0
Profit/loss before taxes		-91	266
Taxes	13	0	0
Profit/loss for the year		-91	266

The parent company has no items in 2022 or 2021 reported in Other comprehensive income. The profit/loss for the year for the parent company is thus also the year's comprehensive income. Therefore, the Parent Company does not present a separate "Statement of comprehensive income."

Parent company balance sheet

SEK m	Note	Dec 31, 2022	Dec 31, 2021
Non-current assets			
Capitalised expenditures	15	306	-
Other intangible assets	15	33	34
Property, plant and equipment	16	4	5
<i>Financial and other non-current assets</i>			
Shares in Group companies	17	61	868
Deferred tax assets	13	62	62
Receivables from Group companies	32	254	596
Other financial fixed assets		0	0
Total non-current assets		721	1,565
Current assets			
Accounts receivable	18	84	16
Receivables from Group companies	32	20	112
Inventories	19	59	0
Other receivables		20	23
Prepaid expenses and accrued income	20	75	20
Cash and cash equivalents	21	352	284
Total current assets		611	454
Total assets		1,331	2,019

SEK m	Note	Dec 31, 2022	Dec 31, 2021
Equity			
Share capital	23	1	1
Statutory reserve		5	5
Reserve for development expenditures		306	
Total restricted equity		312	6
Share premium reserve		1,991	1,970
Retained earnings		-1,299	-502
Profit/loss for the year		-91	266
Total non-restricted equity		601	1,734
Total equity		914	1,740
Non-current liabilities			
Interest-bearing liabilities		-	-
Interest-bearing liabilities to Group companies	32	16	0
Other non-current liabilities		30	17
Total non-current liabilities		47	17
Current liabilities			
Accounts payable		55	51
Liabilities to Group companies	32	58	159
Other liabilities		186	29
Accrued expenses and prepaid income	28	73	23
Total current liabilities		371	262
Total liabilities		418	279
Total equity and liabilities		1,331	2,019

Parent company statement of changes in equity

MSEK	Note	Restricted equity			Share premium reserve	Retained earnings	Total equity
		Share capital	Statutory reserve	Reserve for development expenditures			
Opening balance, Jan 1, 2021		1	5	-	1,634	-331	1310
Profit/loss for the year						266	266
Transactions with shareholders							
New share issue		0			294		294
Dividend						-181	-181
New share issue, exercise of warrants incentive programs		0			42		42
Sale of warrants, incentive program						3	3
Equity-settled share-based payment transactions under IFRS 2	8					7	7
Total transactions with shareholders		1	5		336	-171	165
Closing balance, Dec 31, 2021		1	5		1,970	-236	1,740
Opening balance, Jan 2022		1	5	-	1,970	-236	1740
Profit/loss for the year						-91	-91
Transactions with shareholders							
New share issue		0			21		21
New share issue, exercise of warrants incentive programs							
Reserve for development expenditures				306		-306	0
Merger						-767	-767
Sale of warrants, incentive program							
Sale of own shares							2
Equity-settled share-based payment transactions under IFRS 2	8						8
Total transactions with shareholders		0	-	306	21	-1,060	-736
Closing balance, Dec 31, 2022		1	5	306	1,991	-1,390	913

Parent company cash flow statement

SEK m	Note	2022	2021
Cash flow from operating activities			
Profit/loss after financial items		-91	266
Adjustment for items not included in the cash flow:			
Amortization and write downs on intangible assets	9	119	9
Depreciation and write downs on property, plant and equipment	9	3	1
Unrealized exchange rate differences		-29	-4
Changes in provisions		0	-
Other items not affecting the cash flow		39	13
Taxes paid		0	0
Cash flow from operating activities before change in working capital		40	285
Cash flow from change in working capital			
Increase (-)/Decrease (+) in inventories		-13	0
Increase (-)/Decrease (+) in operating receivables		8	-87
Increase (+)/Decrease (-) in operating liabilities		111	-45
Cash flow from operating activities		146	153
Investing activities			
Investments in intangible assets	15	-172	-42
Investments in property, plant and equipment	16	0	-1
Investments in/proceeds from financial assets		-4	353
Free cashflow		-31	463
Shareholders contributions paid		0	-119
Divestments and acquisitions of shares in subsidiaries		-	-20
Investment in subsidiary acquisition		77	-
Cash flow after investing activities		46	324
Cash flow from investing activities		-99	171

SEK m	Note	2022	2021
Financing activities			
Bond issue/repayment		0	-448
New share issue, net of cost		-	294
Sale/exercise of warrants, incentive program		21	42
Cash flow from financing activities		21	-112
Cash flow for the year		68	212
Cash and cash equivalents at the beginning of the year		284	72
Cash and cash equivalents at year-end	21	352	284

Notes

Note 1. General information

Tobii AB (publ) (the parent company), corporate identity number 556613-9654, is a Swedish limited liability company with its registered office in Danderyd, Sweden. The address of the head office is Karlsrovägen 2D, Danderyd, Sweden. Tobii AB (publ) and its subsidiaries (referred to collectively as the Group) is the global leader in eye tracking and pioneer of attention computing. Creating tech for a better future, our technologies and solutions apply to areas such as behavioural studies and research, healthcare, education and training, gaming, extended reality, automotive, and many more.

Tobii operates globally from its offices in Sweden, the USA, China, Japan, Great Britain, Germany, Belgium, South Korea, Taiwan, and Singapore

Note 2. Summary of important accounting policies

BASIS ON WHICH THE STATEMENTS HAVE BEEN PREPARED

The consolidated financial statements have been prepared in accordance with international Financial Reporting standards (IFRS), issued by the international accounting standards Board (IASB) and the interpretation statements of the international Financial Reporting Interpretations Committee (IFRIC) as approved by the European Commission for application within the EU. Furthermore, the Swedish Financial Reporting Board's Recommendation RFR 1, "Supplementary accounting Rules for Groups" has also been applied. The parent company's financial reports have been prepared in accordance with the Swedish Annual Accounts Act and standard RFR 2, "Accounting for legal entities."

The preparation of reports in accordance with IFRS requires the use of a number of important estimates for accounting purposes.

It also requires that management carry out certain assessments when applying the Group's accounting policies. For areas that involve a high degree of assessment,

which are complex or where assumptions and estimates are of material importance for the consolidated financial statements, see note 4.

NEW OR AMENDED ACCOUNTING STANDARDS

New standards and interpretations applied from January 1, 2022

New amended standards, Covid-19-related Concessions - amendment to IFRS 16 and Interest Rate Benchmark Reform Phase 2 - amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, have not had any material impact on Tobii's financial statements.

New standards and interpretations not yet adopted by the Group

New standards, amendments, and interpretations that have been issued but that are not yet mandatory have not been early adopted and are not expected to have a material impact on Tobii in the current or future accounting periods, nor on future transactions that can be predicted at this time.

FUNCTIONAL CURRENCY AND DATES

The parent company's functional currency is the Swedish Krona (SEK), which is also the reporting currency for the parent company and the Group. This means that the financial statements are presented in Swedish krona. Unless otherwise stated, all amounts are rounded to the nearest million (SEK million). Amounts in parentheses refer to the previous year. Income statement items refer to the period January 1 - December 31, while balance sheet items refer to December 31.

CONSOLIDATION PRINCIPLES

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to or has rights to variable returns from its interest in the entity and can affect the returns through its control in the entity. Subsidiaries are included in the consolidated financial statements as of the date on which control was transferred to the Group. They are excluded from the consolidated financial statements as of the date on which control ceases.

Subsidiaries are recognized according to the acquisition method. Acquisition cost consists of the fair value of transferred assets, liabilities, and shares issued by the Group. The purchase price also includes the fair value of all assets or liabilities arising as a result of an agreement on conditional purchase consideration. Acquisition-

related costs are recognized as an expense when they arise. Identifiable acquired assets and assumed liabilities in a business combination are initially measured at fair value on the date of acquisition.

When acquisition cost in a business combination exceeds the fair value of the acquired assets and assumed liabilities, as well as any contingent liabilities recognized separately, the difference is recognized as goodwill. When the difference is negative, it is recognized in the statement of comprehensive income.

The subsidiaries' financial statements are included in the consolidated financial statements from the date of acquisition until such time as controlling interest is relinquished. When the Group no longer has controlling interest, all remaining holdings are recognized at fair value from the date on when controlling interest ceases. Changes in the carrying amount are recognized in the income statement. The fair value is applied as the initial carrying amount and is the basis for continued recognition of the remaining interest as an associated company, joint venture, or financial asset. All amounts referring to the divested entity, previously recognized in Other comprehensive income, are recognized as divested assets or liabilities. Amounts previously recognized in Other comprehensive income may consequently be reclassified to profit/loss.

Transactions to be eliminated on consolidation

Intra-Group receivables and liabilities, income or expense, unrealized gains or losses that arise from intra-Group transactions are eliminated in their entirety in the preparation of the consolidated financial statements.

Segment reporting

The Group conducts its business through two segments, Products & Solutions, and Integrations, each of which has its own distinct markets, products, and customers. The Group reports each segment separately. For a more detailed description of the different segments, see pages 16–22.

Operating segments are reported in a manner consistent with the internal reporting presented to the chief operating decision maker. The chief operating decision maker is the function responsible for allocation of resources and analyzing the segment's profit/loss. This function has been identified as Group Management in this Group.

Group Management primarily used sales and gross profit in its analysis of the divisions' performance. Costs for other functions, such as selling, research and

development, and administration, are not allocated between the segments, and are analyzed at Group level.

Sales per geographic market are separated into the following markets: North America, Europe, and other countries. The same accounting policies applied to the consolidated Group also apply to the business segments.

Discontinued operations

A discontinued operation is a component of the Group that either has been disposed of, or is classified as held for sale, and represents a separate major line of business or geographical area of operations. A discontinued operation is reported separately from continuing operations in the income statement and the cash flow statement with the corresponding presentation for the comparative period. For the balance sheet the comparative period is not affected.

Tobii Dynavox was distributed to Tobii's shareholders in December 2021 and has been recognized as a discontinued operation in accordance with IFRS 5 and IFRIC 17. Tobii Dynavox's profit until the date of distribution and the capital gain generated by the distribution was recognized on a separate line – Profit/loss from discontinued operations. Tobii Dynavox has been excluded in comparative years to notes relating to the income statement.

FOREIGN CURRENCY

Transactions in foreign currency

Transactions in foreign currency are translated into the functional currency at the exchange rates prevailing on the date of the transaction. Monetary assets and liabilities in foreign currency are translated into the functional currency at the exchange rates prevailing on the balance sheet date. Non-monetary assets and liabilities recognized at historic cost are translated at the exchange rates prevailing on the date of the transaction. Non-monetary assets and liabilities recognized at fair value are translated into the functional currency at the exchange rate prevailing on the date fair value measurement was applied. Exchange rate differences that arise on the translations are recognized in the income statement both in operating profit/loss and in net financial items depending on the nature of the underlying transactions.

	Closing rate		Average rate	
	2022	2021	2022	2021
SEK				
EUR	11.1283	10.2269	10.6317	10.1449
USD	10.4371	9.0437	10.1245	8.5815
GBP	12.5811	12.179	12.4669	11.802
JPY	0.0791	0.0785	0.0077	0.0781

Foreign entities' financial statements

The functional currency is the currency in the primary economic environments in which the companies operate. Assets and liabilities in foreign operations, including goodwill and other consolidated surpluses and deficits, are translated from the foreign entities' functional currency to the Group's presentation currency, Swedish Krona, at the exchange rate prevailing on balance sheet date. Income and expenses in a foreign entity is translated to Swedish krona at an average rate that is an approximation of the exchange rates pertaining on the dates of the transactions respectively. Translation differences that arise on the translation of foreign entities are recognized in Other comprehensive income as a translation reserve. When a foreign entity is divested, the accumulated translation differences attributable to the entity are recognized in the consolidated statement of comprehensive income.

REVENUE RECOGNITION

General

The Group recognizes revenue in the statement of comprehensive income as net sales when its amount can be measured reliably, and it is probable that future economic benefits will accrue to the Group. Income is recognized net after VAT at the fair value of the amounts received or expected to be received, less any granted discounts.

Sale of goods

Tobii's revenue from goods consists primarily of the sale of self-manufactured products at fixed prices. Revenue from the sale of goods is recognized when control of the products is transferred, which occurs when the products are delivered to the buyer and there are no unfulfilled commitments that can affect the buyer's approval of the products. If there is significant uncertainty regarding payment, associated expenses, or risk of return, revenue is not recognized.

Service assignments

Revenue from services consists primarily of support, service contracts, installations, consultancy assignments, and training. These services are provided either based on time and material, for which revenue is recognized in the period the service is rendered - or as fixed price agreements during a defined period, for which revenue is recognized in the period the service is rendered, allocated on a straight-line basis over the term of the agreement.

Sale of bundles including both goods and services

Certain products are sold as bundles comprised partly of goods that are sold 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. For such sales, revenue is allocated between goods and service commitments. Revenue for goods and service commitments, respectively, is then recognized according to the model for the respective sale above.

Rental revenue

Revenue and corresponding expenses regarding leasing of Tobii's products are recognized in the period to which the rental refers.

Royalty revenue

Revenue from royalties is allocated in line with economic implications of the agreement in question.

Government grants

Government grants are recognized in the balance sheet as deferred income when there is reasonable assurance that the grant will be received and the Group will fulfill the terms associated with the grant. Grants are allocated systematically in the income statement in the same manner and over the same periods as the expenses for which the grants are intended to compensate.

Government grants related to assets are reported in the balance sheet as deferred income and allocated over the asset's useful life as operating income.

Some Tobii units received government support during the reporting period as a result of Covid-19. For grants related to costs, Tobii has chosen to account for these grants as a reduction of the cost of the items to which the grants relate. Contributions not directly related to cost items are recorded as other operating income.

LEASING**The Group as a lessee**

Leasing arrangements as lessee applies mainly to assets such as office premises and warehouses, vehicles, and certain other equipment.

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Such an assessment is performed at inception of a contract. An identified lease agreement is further categorized by the group as either a short-term lease, a lease of a low-value asset, or a standard lease. Short-term leases are defined as leases with a lease term of 12 months or less.

Lease payments related to short-term leases and leases of low value assets are recognized as operating expenses on a straight-line basis over the term of the lease. The group applies the term "standard lease" to all identified leases which are categorized as neither short-term leases nor leases of a low-value asset. Thus, a standard lease is a lease agreement for which a right-of-use asset and a corresponding lease liability are recognized at commencement of the lease.

Assets and liabilities arising from a lease are initially measured on a present value basis. The lease liability is determined as the present value of all future lease payments at the commencement date using the implicit rate in the contract, if that rate can be readily determined. If the implicit rate cannot be readily determined, the Group's incremental borrowing rate is used, reflecting Tobii's credit rating and with consideration taken to the maturity of the lease, the underlying asset, the funds necessary to obtain, and the economic environment.

A right-of-use asset is measured at cost comprising the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. The right-of-use asset is subsequently measured at cost less accumulated depreciation, any impairment losses, as well as any remeasurement of the lease liability. Depreciation is made on a straight-line basis over the shorter of the asset's useful life and the lease term. Depreciation starts at the commencement date of the lease.

A lease payment related to a standard lease is accounted for partly as amortization of the lease liability and partly as interest expense in the statement of comprehensive income.

The Group as a lessor

A financial leasing contract is initially recognized as a receivable on the balance sheet. The reported amount is determined as the present value of all future lease payments at the commencement date. The lessor distributes the financial income in a financial leasing agreement so that an even interest rate is obtained in each period on the net investment in a financial leasing agreement that the company has. Leasing income from any operational leasing agreement is recognized as revenue on a straight-line basis over the leasing period.

FINANCIAL INCOME AND EXPENSES

Financial income and expenses consist of interest income on funds in banks, receivables, and interest expenses on borrowings, exchange rate differences, and unrealized and realized gains on financial investments within the financial activities.

Exchange rate differences attributable to financial receivables and liabilities are recognized among financial items in the income statement. Exchange rate differences attributed to operating items are recognized in the respective item in the income statement and included in operating profit/loss.

TAXES

Income tax comprises current tax and deferred tax. Income tax is recognized in the income statement except when the underlying transaction is recognized directly in equity or other comprehensive income, in which case the associated tax effect is recognized in equity or other comprehensive income, respectively. Current tax is tax that is to be paid or received for the current year, with application of the tax rates adopted, or adopted in practice, on the balance sheet date. Also included in current taxes are adjustments to current taxes attributable to previous periods.

Deferred tax is calculated according to the balance sheet method on the basis of temporary differences between tax values and carrying amounts of assets and liabilities. The following temporary differences are not considered: temporary differences arising on initial recognition of goodwill, the initial recognition of assets, and liabilities that are not business combinations and do not influence either recognized or taxable profit/loss on the date of transaction. Temporary differences attributable to interests in subsidiaries and associated companies that are not expected to be reversed within the foreseeable future are not considered. The measurement of deferred tax is based on how the carrying amounts of assets or

liabilities are expected to be realized or settled. Deferred tax is measured at the tax rate expected to be applied and tax laws that have been enacted or in practice by the balance sheet date.

Deferred tax assets on deductible temporary differences and loss carry-forwards are recognized only to the extent it is likely they can be utilized. The value of deferred tax receivables is reduced when it is no longer considered likely that they can be utilized.

Any income tax surcharges arising in conjunction with the payment of dividends are recognized at the same time the dividend is recognized as a liability.

FINANCIAL INSTRUMENTS**Recognition and measurement of financial instruments**

A financial asset or a financial liability is reported in the balance sheet when the Group becomes party to the contractual terms and conditions of the instrument. Accounts receivable is reported in the balance sheet when an invoice is sent. A liability is reported in the balance sheet when the counterpart has performed and there is a contractual obligation to pay even if the invoice has not yet been sent. Supplier invoices are reported as a liability when the invoice is received.

At initial recognition, the Group measures a financial asset or financial liability at fair value. In the case of a financial asset or financial liability that is not measured at fair value through profit or loss, transaction costs are included as an acquisition cost, while transaction costs for financial assets and financial liabilities recognized at fair value are expensed through profit or loss.

A financial asset is derecognized from the balance sheet when the rights in the contract are realized, expired, or the Group loses control over them. A financial liability is removed from the balance sheet when it is extinguished; i.e., when the obligations in the agreement are discharged, canceled, or terminated.

Financial assets – classification and subsequent measurement

The Group classifies its financial instruments in the following measurement categories:

- fair value through profit or loss
- fair value through other comprehensive income, or
- amortized cost

Accounts and loan receivables

Accounts and loan receivables are measured at amortized cost. Amortized cost is determined based on the effective interest which is calculated at acquisition date. The expected maturity of accounts receivable is short, and values are recognized at nominal amount with no discounts.

Impairment and expected loss

Tobii assesses expected credit losses that are linked to financial receivables. A provision for assessed losses is recognized on each reporting occasion. For accounts receivable, a method is applied under which the provision for doubtful accounts receivable corresponds to expected credit losses for the remaining maturity. If a provision is considered insufficient due to individual assessments, the provision is increased to cover the actual expected losses.

Other financial receivables

Contingent considerations are recognized at fair value through profit or loss.

Cash and cash equivalents

The Group's cash and cash equivalents consist of cash and bank balances at financial institutions and are recognized at their nominal amount. Tobii invests a portion of its cash and cash equivalents in a Swedish short-term fixed income fund which allows access to funds within two to three bank days and where the risk of value fluctuation during this time is insignificant. These instruments are continuously measured at fair value with changes in the period recognized in profit or loss as other financial items.

Financial liabilities – classification and subsequent measurement

Interest-bearing liabilities

Borrowings are initially recognized at fair value net of transaction costs incurred. After initial recognition, borrowings are valued at amortized cost using the effective interest method.

Other financial liabilities

Contingent considerations are recognized at fair value through profit or loss. Other financial liabilities are classified and subsequently measured at amortized cost. This category includes accounts payable. The expected maturities of Tobii's accounts payable are short and values are recognized at nominal amount with no discounting.

INVENTORIES

Inventories are measured at the lower of the cost and the net realizable value. Net realizable value is the estimated selling price from operating activities less the estimated cost of production and sales. Impairment of inventories, if any, is recognized under cost of goods and services sold.

Cost for inventories is calculated using the first-in-first-out method (FIFO) and includes expenses that arise on acquisition and transportation of the inventory assets to their current location and condition. Cost for manufactured goods and work in progress includes a reasonable proportion of overhead based on normal capacity.

Intra-group profits arising from deliveries between Group companies are eliminated in the consolidated accounts.

PROPERTY, PLANT, AND EQUIPMENT

Property, plant, and equipment, owned by the Group, are recognized as assets in the balance sheet if it is probable that future economic benefits will accrue to the Group and cost for the asset can be calculated reliably.

Property, plant and equipment are recognized at cost less accumulated depreciation and any impairment losses. Cost includes the purchase price and expenses directly related to transporting the asset to its location and in a condition so that it can be utilized as intended. Examples of directly related expenses included in cost are delivery and handling, installation, registration of title, and consultant and legal services.

Depreciation principles

The straight-line basis for depreciation is used for all property, plant and equipment owned by the Group.

The following periods for depreciation are applied:

- | | |
|---------------------------------------|---------|
| • Equipment, tools, and installations | 5 years |
| • Demonstration units | 2 years |

Computer equipment used in the Group is recognized as an expense when they arise. Assets' residual value and useful lives are estimated every year and adjusted as required.

INTANGIBLE ASSETS

Goodwill

Goodwill consists of the difference between cost and the Group's share of the fair value of an acquired subsidiary's identifiable assets, liabilities, and contingent liabilities at the date of acquisition. Goodwill has an indeterminate useful life and is not amortized, but tested annually for any possible impairment.

Research and development

Research costs are recognized as an expense immediately. Expenses for development projects (related to the design and testing of new or improved products) are capitalized in the balance sheet as intangible assets to the extent these expenses are expected to generate future economic benefits. Other development costs are recognized as expenses as they arise.

Development costs previously recognized as expenses are not capitalized as assets in the balance sheet in subsequent periods. Direct expenses include personnel costs for development employees and a proportion of the indirect costs.

Borrowing costs attributable to the construction of so-called qualifying assets are capitalized as part of the cost of the asset. A qualifying asset is an asset that necessarily takes a significant amount of time to complete. Tobii uses 12 months as the starting point for the assessment of significant time. In the first instance, borrowing costs are capitalized for loans raised specifically for the qualifying asset. In the second, borrowing costs are capitalized on general loans.

Amortization of capitalized development costs is made on straight-line basis and commences when the product is available for general use. The useful life is reassessed annually.

The unamortized amount of capitalized development is tested for impairment annually (in accordance with IAS 36) when the products resulting from the development are not yet available for sale.

- Amortization periods – capitalized development costs: 2–5 years

Trademarks

Trademarks acquired through business combinations are recognized at fair value on the day of acquisition. The Group's acquired trademarks have an indeterminate useful life and are not amortized, but tested annually for any possible impairment.

Patents

Expenses for patents are capitalized in the balance sheet and amortized on a straight-line basis over its estimated useful life.

IMPAIRMENT

The recognized values of the Group's assets are tested at each balance sheet date to assess whether there is evidence of impairment. The Group applies IAS 36 for impairment testing of assets other than financial assets, inventories and deferred tax assets. The asset's recoverable amount is calculated if there is indication of impairment loss. Assets exempted according to the above are tested in accordance with the relevant standard.

IMPAIRMENT TESTING FOR PROPERTY, PLANT, AND EQUIPMENT, INTANGIBLE ASSETS AND PARTICIPATIONS IN SUBSIDIARIES.

If there is indication of impairment, the asset's recoverable amount is calculated according to IAS 36 (see below). The recoverable amount is calculated annually for goodwill and other intangible assets with indeterminate useful lives and intangible assets not yet ready for use.

If it is not possible to determine substantially independent cash flow to an individual asset when testing for impairment, then assets are to be grouped at the lowest level at which substantially independent cash flows can be identified (cash-generating units). Impairment loss is recognized when an asset or cash-generating unit's carrying amount is higher than its recoverable amount. Impairment is recognized in the income statement.

Impairment of assets attributable to cash-generating units (group of units) is initially allocated to goodwill. Thereafter, other assets included in the unit (group of units) are proportionally impaired.

Reversal of impairment

Impairment of goodwill is not reversed. Impairment of other assets is reversed if there has been a change in the assumptions that formed the basis for calculating the recoverable amount. Impairment is reversed only to the extent the asset's carrying amount after reversal does not exceed the carrying amount the asset would have had if impairment had not been recognized, with consideration to the depreciation/amortization that would have been recognized.

SHARE CAPITAL

Dividends

Dividends are recognized as a liability after the shareholders' meeting has approved the dividends.

Earnings per share

The calculation of earnings per share is based on the year's profit/ loss in the Group attributable to the parent company's shareholders and the weighted average number of outstanding shares during the year.

When calculating earnings per share after dilution, the profit/ loss and average number of shares are adjusted to take into account the effects of potential dilutive ordinary shares that, during the reporting period, stem from the long-term incentive program.

EMPLOYEE BENEFITS

Defined-contribution retirement plans

Commitments concerning premiums for defined-contribution plans are recognized as an expense in the income statement as they arise. Defined-contribution plans are those plans where the Company's obligations are limited to the contributions the Company has committed to pay. In such cases, the size of the employee's retirement benefit is dependent on the contributions that the Company pays into the plan or insurance company, and the returns on capital that these premiums generate. Subsequently, it is the employee who bears the actuarial risk (that benefits are lower than expected) and the investment risk (that invested assets will be insufficient to generate the expected benefits).

Defined-benefit retirement plans

The Group has no defined-benefit plans at present.

Severance pay

A provision is recognized in conjunction with terminations of employees only if the Company is formally obliged to prematurely terminate employment or when remuneration is offered as an incentive to initiate voluntary redundancy.

Share-based compensation to employees

The Group applies IFRS 2 for a share-based payment scheme.

In 2010, an equity-settled scheme was initiated. Expenses for employee stock options and warrants are measured at fair value, allocated over the duration of the program and recognized in equity. The Group recognizes a reserve for accrued social security contributions for the program based on the calculated taxable benefits payable to participants. The fair value of the employee stock options and warrants are calculated using Black & Scholes' pricing model. Allocation under this program ended in 2019.

The 2020 Long-Term incentive program (LTI 2020) consists of stock units and synthetic stock units where a stock unit entitles the participant, subject to certain conditions being met, to receive one performance share free of charge. The synthetic stock units, subject to the conditions being met, will be paid in a cash payment to cover tax on the benefit value of the performance shares. Both the stock units and the synthetic stock units are valued according to a Monte Carlo simulation. The value of the stock unit does not change over the vesting period of the incentive program, while the value of the synthetic stock unit is adjusted once a year to take into account the share price trend.

The 2021 Long-Term incentive program (LTI 2021) and the 2022 Long-Term incentive program (LTI 2022) consists of stock units where each stock unit entitles the participant, subject to certain conditions being met, to receive one performance share free of charge. The stock units are valued according to a Monte Carlo simulation. The value of the stock unit does not change over the vesting period of the incentive program

PROVISIONS

A provision differs from other liabilities in that there is a certain prevailing uncertainty about the date of payment, or the amount required to settle the provision. A provision is recognized in the balance sheet when the Group has an existing legal or informal commitment as a result of an event that has occurred, and it is probable that an outflow of economic resources will be required to settle the commitment and the amount required can be estimated reliably.

In those cases when the effect of when payment is made is material, discounting is made of expected future cash flow at an interest rate before tax that reflects actual market assessments of the time value of money and, if applicable, those

risks associated with the liability.

Warranties

A provision for warranties is recognized when the underlying products or services are sold. The provision is based on historical data regarding warranties and a considered evaluation of the potential outcomes in relation to the probabilities associated with those outcomes.

PARENT COMPANY'S ACCOUNTING POLICIES

The parent company has prepared its annual report in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2 "Accounting for Legal Entities." The statements issued by the Swedish Financial Reporting Board that apply to publicly listed companies have also been applied. RFR 2 requires that the parent company in the annual report for the legal entity apply all the IFRS and statements adopted by the EU to the extent that these correspond with the framework of the Swedish Annual Accounts Act and the Swedish Pension Obligations Vesting Act, taking account of the association between accounting and taxation. The recommendation specifies which exemptions from, and additions to, IFRS are to be observed.

Classification and presentation methods

The Parent Company's income statement and balance sheet are set out in accordance with the Swedish Annual Accounts Act's schedule. The difference compared with IAS 1, "Presentation of Financial statements" which is applied in the presentation of the consolidated financial statements relates primarily to the recording of financial income and expenses, non-current, and current assets, equity and the presence of provisions as a separate heading in the parent company's balance sheet.

Goodwill recognized in the Parent Company is amortized over five years.

Group contributions provided or received by the Parent Company are recognized in the income statement.

All lease agreements are reported as operating leases regardless of whether the agreements are finance or operating leases. The leasing fee is recognized as an expense on a straightline basis over the lease period.

Note 3. Financial risks and risk management

Tobii, through its international operations, is exposed to financial risks that are managed in accordance with the policies adopted by the Board of Directors. The exposure comprises mainly currency risk, interest rate risk, credit risk and financing and liquidity risk.

CURRENCY RISK

Currency risk refers to the risk that fluctuating exchange rates will have a negative impact on the Group's net profit/loss, balance sheet or cash flows. Currency exposure arises when products and services are bought or sold in other currencies than the local currencies used by the respective subsidiaries (transaction exposure), and when the balance and income statements from non-Swedish subsidiaries are converted to SEK (translation exposure). Tobii's global operations give rise to significant cash flows in currencies other than SEK. Tobii is mainly exposed to changes in the EUR, USD, GBP and JPY in relation to the SEK.

Tobii continuously assesses the impact of the trends of the most important currencies. Presently the Group does not use any currency hedge.

Net exposure per currency in the consolidated balance sheet

SEK m	2022	2021
USD	253	211
EUR	11	30
JPY	36	36
GBP	30	70
Other	61	13
Total	391	360

A change in the exchange rate in relation to SEK by +/- 10% in USD, EUR, GBP, JPY and other currencies in the consolidated balance sheet would impact the balance sheet by +/- SEK 39 (36) million.

INTEREST RATE RISK

Interest rate risk arises when changes in market interest rates affect interest income from the Group's interest-bearing assets and interest expense on the Group's interest-bearing liabilities, which affects the Group's net interest and cash flow. If the interest rate were to increase by 100 points, based on the net of the interest-bearing assets with deduction for interest-bearing liabilities, the result would be affected by SEK 2.2 (4.4) million.

CREDIT RISK

Credit risk is the risk that a customer or other party in a transaction involving a financial instrument is unable to fulfill its commitments. Credit risk arises in the context of cash and cash equivalents, other balances with banks and financial institutions, and credit exposure through accounts receivable. The maximum exposure to credit risks regarding financial assets is equivalent to the reported value of each category as shown in note 22.

Financial credit risk

Tobii's cash and cash equivalents on December 31, 2022 amounted to SEK 402 (438) million. Of the total amount of cash and bank, SEK 41 million (42) was invested in a listed Swedish short-term interest rate fund. The fund is in risk category 1 on a scale of 1–5, where category 1 is a risk-free investment. Other cash amounts are placed in bank accounts in accordance with the Group's Placement Policy which among other things, requires a maximum amount to be placed at a single financial institution and only allows placement with highly regarded financial institutions with high credit ratings.

Credit risk in accounts receivable

In markets where Tobii has its own sales company, the Company is responsible for marketing and sales to the customer. In other markets, Tobii collaborates with a network of resellers and distributors, whose capacity to carry losses can impact the Group. The amount of the credit risk is assessed for each customer and outstanding accounts receivable is reviewed regularly. Total accounts receivable on December 31, 2022 amounted to SEK 132 (132) million. No single customer accounts for 10% or more of Tobii's total accounts receivable. The maturity profile of outstanding accounts receivable is presented in note 18.

FINANCING AND LIQUIDITY RISK

The Group's objective is to have a capital structure that secures its capacity to continue its operations while keeping the cost of capital low.

Tobii had SEK 161m in Covid reliefs by yearend that was due in February 2023. After yearend, the term of these reliefs has been extended by an additional 12 months, after which an extended installment plan may be possible.

In the event that Tobii requires access to future external financing, it is dependent upon factors such as market conditions, general access to credit and Tobii's creditworthiness. There is a risk that Tobii is not able to secure such financing with favorable terms, but Tobii's assessment is that the Group is fully financed to carry out the current business plan and to meet the financial targets. Tobii's has an active acquisition strategy and potential acquisitions may require individual financing.

Liquidity risk pertains to the risk of not being able to cover payment obligations due to insufficient cash and cash equivalents or difficulties in obtaining external financing. To manage these uncertainties and risks the Group's operating companies prepare cash flow forecasts that are aggregated to consolidated Group values by the finance department. The forecasts are followed up regularly to ensure that the Group has sufficient cash funds to meet the estimated needs of its operations. To a certain extent the Group also has the option to change the rate at which investments are made so as to adapt the yearly capital needs to the Group's actual financial resources.

Note 4. Important estimates and assessments when applying the accounting policies

The preparation of financial statements in accordance with IFRS requires that corporate management make assessments when applying the accounting policies. Management also makes estimates and assumptions about the future that are based on past experiences and a number of other factors that under the prevailing circumstances appear reasonable. The results of these estimates and assumptions are then used to determine the carrying amounts of assets and liabilities not otherwise clearly evident from other sources. The actual outcome may deviate from these estimates and assumptions.

These estimates and assumptions are reviewed regularly. Changes in estimates are recognized in the period in which the change is made if the change affects only that period, or in the period the change is made and future periods if the change affects both the actual period and future periods. Areas where estimates and assumptions could imply a significant risk for adjustments in the reported values of assets and liabilities during the coming fiscal year are primarily:

CAPITALIZED PRODUCT DEVELOPMENT COSTS

Expenses for development projects are capitalized to the extent the expenditure can be expected to generate economic benefits. Capitalization commences when management judges that the product will be technically or economically viable. Capitalization ceases and amortization of capitalized development expenses commences when the product is ready for sale. Capitalized development expenses are subject to annual impairment testing whereby an assessment is made on the technical and economic value of the product.

TESTING OF IMPAIRMENT FOR GOODWILL, CAPITALIZED PRODUCT DEVELOPMENT COSTS AND TRADEMARKS

At least once annually, the Group tests for impairment of goodwill, capitalized product development costs and trademarks in accordance with the Company's accounting policies. The test requires an estimation of parameters that affect future cash flows and determination of a discount factor. Forecasts for future cash flows are

based on the best possible estimation of future income and operating expenses. For more information regarding intangible assets and a description of impairment testing assumptions and sensitivity analysis, see note 15.

LEASING

For lease accounting under IFRS 16, the lease term is determined based on the information available in the lease agreement and other relevant facts and circumstances as per management's judgement. Periods covered by an option to extend the lease contract are included in the lease term if the Group is reasonably certain to exercise that option. Periods covered by an option to terminate the contract are included in the lease term if the Group is reasonably certain not to exercise that option. In cases with no specific clauses about renewal or termination, assessments are made based on the information available in the contract together with management's judgement of relevant circumstances.

As per December 31, 2022, the carrying amount of right-of-use assets was SEK 52 million (66), of which SEK 52 million (66) relate to buildings with different types of extension and termination options.

MEASUREMENT OF LOSS CARRY-FORWARDS

Deferred tax assets on loss carry-forwards are recognized to the extent that it is deemed probable that future tax surpluses will be available against which the deduction can be offset. Deferred tax assets in the balance sheet amounted to SEK 65 million (65) and the loss carry-forwards will, according to the Group's forecasts, be applied against future profits. The reported tax assets are impacted by the estimates and assessments used to forecast future taxable profits and tax regulations. Forecasts indicate that the loss carry-forwards can be applied to future surpluses. See note 13 for more information about the Group's deferred taxes.

Note 5. Sales and earnings by segment

Pursuant to the divestment of Tobii Dynavox and the organizational merger of Tobii Pro and Tobii Tech, Tobii's reporting structure has changed. Going forward Tobii will report two segments, Products & Solutions, and Integrations. For each segment we will report revenue, gross profit and gross margin, corresponding to the key ratios monitored by Group Management. Research and development, sales and marketing as well as central functions can now be leveraged across the whole company and will not be allocated to any segment. Financial items and taxes are not allocated to any segment.

Products & Solutions

This segment comprises hardware products, software products and services, and the customers include both B2B customers and consumers. Hardware products consist of a suite of eye tracking products including the flagship eye tracking glasses Tobii Pro Glasses 3, research-grade screen-based eye trackers such as Pro Spectrum and Pro Fusion as well as the consumer gaming device Tobii Eye Tracker 5. In addition, this segment also includes the software Tobii Pro Lab, Sticky and the consultancy service Tobii Pro Insight.

INTEGRATIONS

This segment comprises integration of Tobii solutions into customer's products, and it includes both software, hardware components, and services. These integrations are deployed in a range of devices from gaming laptops and medical assessment tolls to virtual reality headsets. The business within this segment is still relatively young with innovative customers with products in very different stages of development.

SALES BY SEGMENT

SEK m	2022	2021
Products & Solutions	513	459
Integrations	264	157
Total Group	776	616

GROSS MARGIN, %

%	2022	2021
Products & Solutions	69	72
Integrations	89	71
Total Group	76	72

GROSS PROFIT

SEK m	2022	2021
Products & Solutions	353	332
Integrations	235	112
Total Group	590	444

SALES BY GEOGRAPHIC MARKET

Net sales by geographic market is based on the location of the customer's registered office. No single customer represents more than 10% of net sales.

SEK m	2022	2021
Sweden	61	53
Europe	145	139
USA and Canada	211	158
Asia/Oceania	354	263
Other countries	5	4
Total Group	776	616

Sales by geographic market for the parent company is distributed as follows (amounts in SEK m). Europe 182 (167). USA and Canada 107 (63). Asia/Oceania 200 (98) and other countries 5 (3).

SALES BY PRODUCT TYPE

SEK m	2022	2021
Hardware	413	420
Software	254	104
Services	109	92
Total Group	776	616

SALES BY TIMING CATEGORY

SEK m	2022	2021
At a point in time	757	604
Over time	19	12
Total Group	776	616

NON-CURRENT ASSETS BY COUNTRY

SEK m	2022	2021
Sweden	454	424
USA	10	11
United Kingdom	27	27
Other countries	64	66
Total Group	555	528

The breakdown of revenue and gross margin between the segments have been change for Q1 and Q2 2021 compared to the numbers presented in the year-end report for 2021and 2022.

Note 6. Rents and leases

SEK m	Buildings	Vehicles	Other	Total
Opening values Jan 1, 2022	130	1	2	133
This year added contracts leasing	3	-	0	3
Canceled leasing contracts	-37	-	-	-37
Acquisitions leasing	-	-	-	0
Reclassifications	4	0	0	0
Exchange difference leasing	4	0	0	0
Closing accumulated contracts value Dec 31, 2022	105	1	1	106
Opening accumulated depreciation leasing Jan 1, 2022	-65	0	0	-66
Canceled leasing contracts	37		0	37
Depreciation for the year leasing	-23	0	0	-24
Reclassifications		0	0	0
Exchange difference leasing	-2	0	0	-2
Closing accumulated depreciation per Dec 31, 2022	-53	-1	0	-54
Closing amount Dec 31, 2022	52	0	0	52

SEK m	Buildings	Vehicles	Other	Total
Opening values Jan 1, 2021	136	2	2	140
This year added contracts leasing	67	-	-	67
Canceled leasing contracts	-9	-	-	-9
Acquisitions leasing	-71	-	-	-71
Reclassifications	-	-	-	-
Exchange difference leasing	6	-	-	6
Closing accumulated contracts value Dec 31, 2021	130	1	2	133
Opening accumulated depreciation leasing Jan 1, 2021	-51	-1	-	-52
Canceled leasing contracts	20	-	-1	19
Depreciation for the year leasing	-32	-	-	-32
Reclassifications	-	-	-	-
Exchange difference leasing	-1	-	-	-1
Closing accumulated depreciation per Dec 31, 2021	-64	-	-	-65
Closing amount Dec 31, 2021	66	-	-	66

The parent company have vehicles, IT equipment and the like at its disposal according to lease agreements. All leasing agreements consist of, and are reported as, operational leases. This means that the leasing fees are distributed linearly over the period. This year's cost for the above mentioned leasing amounts to SEK 0 (0) million. The parent company also has premises at its disposal with annual rents amounting to SEK 18 million (18). Future non-cancellable leasing fees for the next 12 months amount to SEK 18 (18) million. For the next five years the amount is SEK 18 (36) million.

Amount reported in income statement	2022	2021
Depreciation for the year leasing	-24	-27
Interest expenses leasing contracts	- 3	-2
Expenses discontinued operations	-	-9

Lease liability	Buildings	Vehicles	Other	Total
Dec 31, 2022				
Long-term leasing contracts	25	0	0	25
Short-term leasing contracts	29	0	0	29
Leasing liabilities Dec 31, 2022	54	0	0	54

Dec 31, 2021				
Long-term leasing contracts	48	1	0	49
Short-term leasing contracts	28	0	1	28
Leasing liabilities Dec 31, 2021	76	1	1	77

Expiration time	2022-12-31	2021-12-31
1 year	25	28
2 year	13	22
3 year	9	16
4 year	4	7
5 year	2	2
Longer then 5 years	1	2
Total	54	77

Note 7. Total audit fees

SEK m	The Group		The Parent Company	
	2022	2021	2022	2021
PricewaterhouseCoopers				
Audit engagement	2	2	2	2
Audit activities not included in audit engagement	0	5	0	5
Tax consultancy services	-	-	-	-
Other services	-	1	-	1
Total	2	8	2	8
Other auditors				
Audit engagement	0	0	-	0
Audit activities not included in audit engagement	0	-	-	-
Tax consultancy services	1	1	0	0
Other services	0	0	0	0
Total	2	1	1	0
Total audit fees	4	9	3	8

Note 8. Employees and staff costs

Average number of employees	2022	Of which women %	2021	Of which women %
The Parent Company				
Sweden	279	38%	87	50%
Parent company total	279	38%	87	50%
Average number of employees				
Subsidiaries				
Sweden	57	28%	241	27%
US	42	47%	40	50%
Chile	3	52%	8	46%
UK	4	17%	6	37%
Germany	10	42%	9	33%
Switzerland	6	4%	6	0%
Japan	50	39%	47	37%
China	48	54%	55	58%
Taiwan	12	31%	12	24%
South Korea	0	100%	0	100%
Singapore	1	0%	1	0%
Belgium	4	48%	1	47%
Subsidiaries total	236	39%	425	34%
Total average no. of employees	515	39%	512	37%

WAGES, SALARIES, AND SOCIAL SECURITY CONTRIBUTIONS

Wages, salaries, and remuneration SEK m	The Group		The Parent Company	
	2022	2021	2022	2021
Board, CEO, and other senior executives	15	20	15	12
Other employees	357	351	225	51
Total wages, salaries and remuneration	372	371	240	63
Pension expenses	31	29	27	6
Other social security contributions ¹⁾	99	97	78	21
Total social security contributions	130	126	106	27
Total salaries, remunerations, and social security contributions	503	497	346	90

1) The item other social security contributions includes accrued social security contributions related to the Group's incentive program.

Note 8 Continued

REMUNERATION TO THE PARENT COMPANY'S BOARD OF DIRECTORS, AS WELL AS THE GROUP'S CEO AND OTHER SENIOR EXECUTIVES

SEK m 2022	Board fee/ Basic salary	Defined- contribution benefits	Tobii's incentive program	Variable remuneration	Share-based com- pensation (accord- ing to IFRS 2)	Total
Kent Sander	0.2					0.2
Heli Arantola	0.3					0.3
Per Norman	0.5					0.5
Charlotta Falvin	0.3					0.3
Nils Bernhard	0.2					0.2
Mats Backman	0.3					0.3
Jörgen Lantto	0.3					0.3
Total, Board of Directors²⁾	2.1					2.1
Anand Srivatsa, CEO	4.3	0		0.4	1.2	5.9
Senior executives (5 individuals)	8.5	2.0		1.3	1.0	12.8
Total senior executives	12.8	2.0		1.7	2.2	18.7
Total remuneration to the Board of Directors, as well as the Group's CEO and other senior executives	14.9	2.0		1.7	2.2	20.8

REMUNERATION TO THE PARENT COMPANY'S BOARD OF DIRECTORS, AS WELL AS THE GROUP'S CEO AND OTHER SENIOR EXECUTIVES

SEK m 2021	Board fee/ Basic salary	Defined- contribution benefits	Tobii's incentive program	Variable remuneration	Share-based com- pensation (accord- ing to IFRS 2)	Total
Kent Sander	0.7					0.7
Heli Arantola	0.3					0.3
Åsa Hedin	0.3					0.3
Charlotta Falvin	0.3					0.3
Nils Bernhard	0.6					0.6
Jan Wäreby	0.3					0.3
Jörgen Lantto	0.3					0.3
Mårten Skogö	0.0			0.0		0.0
Total, Board of Directors²⁾	2.8			0.0		2.8
Henrik Eskilsson, CEO	3.0	0.8	0.9	1.0	0.8	6.5
Anand Srivatsa, CEO	0.3	0.0			0.2	0.5
Tom Englund, Deputy CEO	0.8	0.2	0.6		0.1	1.7
Senior executives (4 individuals) ¹⁾	8.4	1.3	0.6	1.7	3.0	14.9
Total senior executives	12.5	2.2	2.1	2.7	4.1	23.6
Total remuneration to the Board of Directors, as well as the Group's CEO and other senior executives	15.3	2.2	2.1	2.7	4.1	26.5

1) One additional senior executive on a consulting basis: SEK 2.0 million

Tom Englund left the Group Management Team at the end of May, his compensation up to that point is presented in the table.

In December 2021 Tobii Dynavox was distributed to the shareholders, and at the same time the Group Management Team was reformed.

Anand Srivatsa succeeded Henrik Eskilsson as CEO in December. Anand was previously part of the Management Team.

In December Jonas Jakstad, Gunnar Troili, Emma Bauer, and Ann Emilsson were appointed to the Group Management Team. Their compensation for December is included in the table.

Fredrik Ruben left the company to head Tobii Dynavox as CEO. His compensation up to that point is included on the Senior executives line above.

2) In December 2021, Henrik Eskilsson was appointed to the Board of Directors.

CHANGES IN THE NUMBER OF OUTSTANDING OPTIONS AND STOCK UNITS IN INCENTIVE PROGRAM (THOUSANDS)

	Warrants		Employee stock options	
	2022	2021	2022	2021
THOUSAND				
At beginning of year	1,417	2,178	749	915
Allocated	–	–	–	–
Exercised	-419	-618	-417	-126
Forfeited/due	-1,100	-143	-198	-40
Reclassification	1,306	–	525	–
At year-end	1,204	1,417	659	749

	Stock units	
	2022	2021
THOUSAND		
At beginning of year	1,215	795
Allocated	736	575
Exercised	-231	-86
Due	-740	-70
Reclassification	1,062	–
Stock units issued to cover any costs for social security contributions	–	–
At year-end	2,041	1,214

INCENTIVE PROGRAM

Tobii has an incentive program for senior executives and other key employees in the Group. The program includes warrants, employee stock options, stock unit, and synthetic stock units. The employee stock options are conditional on remaining in employment for large parts of the program's duration. Warrants are purchased by the employees at market price. The fair value of the warrants and employee stock options is calculated using the Black & Scholes pricing model. Assumptions which are used include volatility between 30% and 34%, interest rates between -0.3% and 1%, a time period from one to ten years, and exercise price from 0% to 50% mark-up relative to the share price at the grant date.

The valuation of the stock units and the synthetic stock units takes place with a Monte Carlo simulation, where the value of the stock units is determined on the allotment date, while the value of the synthetic stock units is updated annually to follow the share price.

Due to the distribution of Tobii Dynavox to Tobii AB's shareholders, the incentive programs have been recalculated in January 2022 to reflect the new share price (in relation to the Tobii Dynavox share price). This resulted in an increase of the total number of instruments in the incentive programs. Due to the distribution, the LTI 2020 and LTI 2021 programs for Dynavox employees have also been terminated.

Subscription terms for warrants and employee

2014/24:1 series entitles the employees stock option holder to subscribe for one Tobii AB share at a price of SEK 10.84 per share during a fixed period between 2015 and 2024. There are a total of 54,214 employee stock options outstanding in this series.

LTI 2016:2 series entitles the employee stock option holder to subscribe for one Tobii AB share at a price of SEK 35.85 per share during a fixed period between 2020 and 2026. There are a total of 67,888 employee stock options outstanding in this series.

LTI 2017:2 series entitles the employee stock option holder to subscribe for one Tobii AB share at a price of SEK 30.45 per share during a fixed period in 2021/2027. There are a total of 67,812 employee stock options outstanding in this series.

LTI 2018:1 series entitled the warrant holder to subscribe for one Tobii AB share at a price of SEK 27.96 per share during a fixed period in 2022. All warrants have been exercised or terminated during the year.

LTI 2018:2 series entitles the employee stock option holder to subscribe for one Tobii AB share at a price of SEK 21.51 per share during a fixed period in 2022/2028. There are a total of 98,489 employee stock options outstanding in this series.

LTI 2019:1 series entitles the warrant holder to subscribe for one Tobii AB share at a price of SEK 22.60 per share during a fixed period in 2023. There are a total of 1,204,286 warrants outstanding in this series.

LTI 2019 series entitles the employee stock option holder to subscribe for one Tobii AB share at a price of SEK 18.86 per share during a fixed period in 2023/2029. There are a total of 371,146 employee stock options outstanding in this series.

Terms for stock unit programs

The LTI 2020 series entitles program participants to convert stock units into performance shares and cash compensation on May 31, 2022, May 31, 2023, and May 31, 2024 free of charge, if they are still employed within the Tobii Group on these respective occasions and that certain performance criteria are met.

In total, 605,927 stock units have been issued, of which 204,004 are contingent synthetic stock units that are issued to cover the participants' costs for taxes. In addition, 132,053 shares have been issued to cover the company's costs for social security contributions.

The LTI 2021 series entitles program participants to convert stock units into performance shares on May 31, 2023, May 31, 2024, and May 31, 2025 free of charge, provided that average share price during the 30 days preceding each vesting date exceeds SEK 31.62 and that they are still employed with the Tobii Group on these respective occasions.

In total, 563,472 stock units have been issued. In addition, 155,759 shares have been issued to cover the company's costs for social security contribution.

The LTI 2022 series entitles program participants to convert stock units into performance shares on May 31, 2024, May 31, 2025, and May 31, 2026 free of charge, if they are still employed within the Tobii Group on these respective occasions and that certain performance criteria are met.

In total, 559,500 stock units have been issued. In addition, 155,850 shares have been issued to cover the company's costs for social security contribution.

Dilution

During the year, the average number of potential outstanding shares (recalculated due to the Dynavox divestment) amounted to 2,848,823. When calculating the average number of potential outstanding shares only those with a lower exercise price than the average share price during the year are included. The average share price (recalculated) during 2022 was SEK 24.18. The average number of outstanding shares during the year was 105,689,337 and the diluted average number of outstanding shares was 108,538,200. The dilution effect of warrants in all of the Company's incentive programs corresponds to a maximum of approximately 3,7%.

RETIREMENT BENEFITS

Retirement benefits to the CEO and senior executives, as for all other Tobii employees, are paid to an insurance company or authority that assumes the obligations towards the employee, a defined contribution plan. The Group has no defined-benefit plans, either in Sweden or in subsidiaries outside Sweden.

SEVERANCE PAY

The CEO has a mutual notice period of six months and severance pay corresponding to six months' basic salary is to be paid on the condition that the Company is the party giving notice. Other senior executives have notice periods between three and six months, or a longer period of notice in accordance with applicable law, and in addition in some cases also severance pay corresponding to a maximum of four months' basic salary. The board of directors is entitled to deviate from these guidelines if there are specific grounds to do so. The CEO and other senior executives are not entitled to any additional remuneration in conjunction with the termination of their employment.

Note 9. Depreciation/amortization and impairment of intangible assets and property, plant, and equipment

SEK m	The Group		The Parent Company	
	2022	2021	2022	2021
Intangible assets (Note 15)	118	125	119	7
Tangible assets (Note 16)	30	35	3	2
Total depreciation/amortization/impairment	148	160	122	9
Impairment (Notes 15–16)	–	–	–	–
Total depreciation/amortization/impairment	148	160	122	9

Note 10. Expenses by type

SEK m	The Group		The Parent Company	
	2022	2021	2022	2021
Cost of materials and inventory changes	100	82	112	–
Costs for employee remuneration (Note 8)	503	497	346	90
Other external expenses	169	82	178	102
Depreciation, amortization, and impairments (Note 9)	150	160	135	9
Total expenses	922	820	770	201

Note 11. Other operating income and operating expenses

SEK m	The Group		The Parent Company	
	2022	2021	2022	2021
Other operating income				
Exchange rate differences in operating receivables and liabilities	67	6	63	0
Other income	15	15	16	287
Total other operating income	82	21	80	287
Other operating expenses				
Exchange rate differences in operating receivables and liabilities	-58	-4	-56	-1
Other expenses	-1	0	0	0
Total other operating expenses	-59	-4	-57	-1
Total other income and expenses	23	17	23	286

Note 12. Financial income and expenses

SEK m	The Group		The Parent Company	
	2022	2021	2022	2021
Financial income				
Interest income and similar profit/loss items	1	1	1	0
Interest income, subsidiaries	–	–	15	42
Divestment of shares in subsidiaries	–	–	–	3
Dividends from subsidiaries	–	–	0	0
Exchange rate differences	29	32	29	6
Other	0	–	0	–
Total financial income	30	33	45	52
Financial expenses				
Interest expenses and similar profit/loss items	-6	-16	-4	-26
Interest expenses, subsidiaries	–	–	0	–
Exchange rate differences	0	-11	0	-2
Other	0	–	0	–
Total financial expenses	-7	-27	-4	-28
Total financial income and expenses	23	6	41	24

Note 13. Taxes

SEK m	The Group		The Parent Company	
	2022	2021	2022	2021
Current tax	-1	-2	0	0
Current tax attributable to previous years	0	-1	-	-
Total current tax	-1	-3	0	0
<i>Deferred tax</i>				
Attributable to deferred tax assets	1	0	-	0
Attributable to deferred tax liabilities	0	-	-	-
Total deferred tax	1	0	0	0
Total tax	0	-3	0	0
<i>Deferred tax assets</i>				
Inventories	0	0	-	-
Non-current assets	1	3	-	-
Loss carry-forwards	66	62	62	62
Total deferred tax assets	66	65	62	62
<i>Deferred tax liabilities</i>				
Other	0	-	-	-
Total deferred tax liabilities	0	-	0	-

A deferred tax asset is recognized for tax loss carry-forwards if it is considered probable that there will be sufficient future taxable profit against which the loss carry-forward can be utilized. A reassessment of the amount meeting the criteria is made at least annually. The Group's unutilized loss carry-forwards for which no deferred tax assets are recognized amounted to SEK 810 million and SEK 720 million at the close of 2022 and 2021, respectively. The increase in loss carry-forwards is mainly attributable to companies in Sweden. None of the unutilized loss carry-forwards expire within the coming 5-year period. The unutilized loss carry-forwards referring to subsidiaries in USA amount to SEK 96 million (97) and there is a 20-year utilization period after the year in which the loss occurred. Subsequently, these loss carry-forwards expire between the years 2032 and 2038. Unutilized loss carry-forwards relating to the Parent Company and other Swedish entities amount to SEK 714 million (623) and have no expiration date.

RECONCILIATION OF EFFECTIVE TAX

SEK m	The Group		The Parent Company	
	2022	2021	2022	2021
Reported profit/loss before tax	-99	-181	-91	266
Tax according to current tax rate	20	37	19	-55
Difference in tax rate in foreign operations	0	-1	0	-
Tax effect of non-deductible expenses	-3	-3	-3	-1
Tax effect of non-taxable income	2	1	2	0
Tax effect of interest deduction limitation	3	0	3	3
Tax loss without corresponding tax asset	-3	-40	0	-
Prior year deficits for which tax asset is recognized	-	-	-	-
Use of previous year's deficit without tax asset	-18	1	-18	52
Adjustment of taxes attributable to previous years	0	-1	0	-
Other		3	0	0
Total recognized tax expense (-)/tax income (+)	0	-3	0	0
Effective tax rate %	0%	-2 %	0%	0 %

Note 14. Earnings per share

	2022	2021
Earnings per share, basic		
Net profit/loss for the year attributable to Parent Company shareholders, SEK million	-99	3,146
Weighted average number of outstanding shares during the year	105,689,377	100,322,565
Earnings per share, basic, SEK	-0.94	31.36
- whereof continuing operations	-0.94	-1.83
Earnings per share, diluted		
Net profit/loss for the year attributable to Parent Company shareholders, SEK million	-99	3,146
Weighted average number of outstanding shares during the year, diluted	108,538,200	105,328,014
Earnings per share, diluted, SEK ¹⁾	-0.91	29.87
- whereof continuing operations ¹⁾	-0.91	-1.83

1) Dilution occurs when earnings per share is negatively affected by outstanding potential shares. Where the Group has a loss for the year, the calculated dilution effect would be a positive outcome for the shareholders. In such circumstances, the recognized amount for basic earnings per share is the same as diluted earnings per share.

WEIGHTED AVERAGE NUMBER OF OUTSTANDING SHARES, DILUTED

	2022	2021
Weighted average number of outstanding shares, basic	105,689,377	100,322,565
Effect of outstanding potential shares in the Group's long-term incentive program (Note 8)	2,848,823	5,005,449
Weighted average number of outstanding shares, diluted	108,538,200	105,328,014

Note 15. Intangible fixed assets

GOODWILL

	The Group	
MSEK	2022	2021
Opening acquisition cost	90	66
Acquisitions	0	34
Divestment of business	-	-12
Translation differences	4	2
Closing cost	94	90
Opening accumulated depreciation	-12	-24
Amortization for the year (Note 9)	-2	-
Divestment of business	-	12
Translation differences	0	0
Closing accumulated depreciation	-14	-12
Net carrying value	80	78

CAPITALIZED PRODUCT DEVELOPMENT COSTS

	The Group		The Group	
SEK m	2022	2021	2022	2021
Opening acquisition cost	871	1,245	-	-
Investments	168	187	-	-
Acquisitions	0	6	954	-
Divestment of business	-	-568	-	-
Translation differences	1	1	-	-
Closing cost	1 039	871	954	-
Opening accumulated depreciation	-617	-814	-	-
Acquisitions	-	-2	-536	-
Amortization for the year (Note 9)	-113	-174	-112	-
Divestment of business	-	375	-	-
Translation differences	0	-1	0	-
Closing accumulated depreciation	-730	-617	-648	-
Net carrying value	309	254	306	-

TRADEMARKS

	The Group	
SEK m	2022	2021
Opening acquisition cost	0	93
Acquisitions	-	0
Divestment of business	-	-95
Translation differences	0	2
Closing acquisition cost	0	0
Net carrying value	0	0

Note 15 Continued

Intangible assets with indeterminate useful lives are tested annually for impairment or more often if there is indication of impairment. The recoverable amount of a cash-generating unit is defined on the basis of calculations of value in use.

In the case of impairment tests of intangible assets, the calculations are based on the budget and forecast for the coming five-year period. The board has approved the budget and forecast for the next three years, and the subsequent two years are an extrapolation based on the growth forecast from the company management.

These calculations are based on estimated future cash flows before tax and are made using an assessment of the expected growth rate and development of the EBITA margin (operating margin before depreciation and amortization of intangible assets). The calculated value in use is most sensitive to changes in the assumptions about growth rate, EBITA margin and discount rates. Applied assumptions are based on previous experiences and market trends.

Due to the divestment of Tobii Dynavox and the operational merger of Tobii Pro and Tobii Tech, per December 31, 2022, there is just one cash generating unit, Tobii Group.

The following assumptions are used for the impairment test:

Tobii Group

Cash flow forecasts for years 2–5 are based on an annual growth rate of 18–34%. Cash flows beyond the five-year period are extrapolated using an estimated long-term growth rate of 2%. The discount rate used for calculating recoverable amounts is 12% before tax.

Required rates of return have been determined in view of the Group’s future estimated capital structure and reflect the risks that apply. According to the impairment test carried out, there is no need for impairment of intangible assets with indeterminate useful lives as per December 31, 2022.

Sensitivity analysis

A sensitivity analysis showed that: a two percentage points increase in the discount rate would not indicate a need for impairment; a two percentage points decrease in growth rate would not indicate a need for impairment; and a two percentage points

decrease in EBITA margin (operating margin before amortization and impairments of intangible assets) would not indicate a need for impairment.

OTHER INTANGIBLE FIXED ASSETS¹⁾

SEK m	The Group		The Parent Company	
	2022	2021	2022	2021
Opening acquisition cost	86	83	86	82
Investments	–	43	4	42
Acquisitions	5	0	–	–
Divestment of business	–	-41	–	-38
Translation differences	0	0	–	–
Closing acquisition cost	91	86	90	86
Opening accumulated depreciation	-52	-46	-52	-46
Amortization for the year (Note 9)	-5	-6	-5	-6
Acquisitions	–	-0	–	–
Divestment of business	–	1	–	–
Translation differences	0	0	–	–
Closing accumulated depreciation	-57	-52	-57	-52
Net carrying value	33	34	33	34

1) Other intangible assets mainly consist of patents and licenses.

Note 16. Property, plant, and equipment

OWNED ASSETS

SEK m	The Group		The Parent Company	
	2022	2021	2022	2021
Opening acquisition cost	47	188	18	18
Investments	2	15	–	0
Sale/disposal	-2	-8	0	–
Divestment of business	–	-156	–	–
Reclassification	0	–	8	–
Translation differences	2	8	–	–
Closing acquisition cost	50	47	26	18
Opening accumulated impairment	-34	-142	-13	-11
Sale/disposal	1	6	0	–
Divestment of business	–	136	–	–
Depreciation for the year (Note 9)	-5	-28	4	-2
Reclassification	-1	–	-15	–
Translation differences	-2	-6	–	–
Closing accumulated depreciation/amortization	-42	-34	-22	-13
Net carrying value	8	13	4	5

RIGHT-OF-USE ASSETS

The net book value of right-of-use assets at year-end amounts to SEK 52 (66) million, of which SEK 52 (66) million relates to buildings. Additions for the year amount to SEK 3 (26) million and depreciation for the year amounts to SEK -23 (-27) million.

Note 17. Shares in Group companies

	The Parent Company	
SEK m	2022	2021
Opening value at the beginning of the year	868	648
Acquisitions	-	37
Shareholder contributions	-	327
Sales	-	-144
Merger	-807	
Total acquisition cost	61	868

Subsidiary to Parent company	No. of shares	Ownership interest, %	Dec. 31, 2022	Dec. 31, 2021
Phasya S.A., 0505.986.246, Liège, Belgium	100	100	37	37
Tobii Technology GmbH, HRB 78844, Germany	100	100	0	0
Tobii Electronics Technology Suzhou Co. Ltd., 91320594681609152B, Suzhou, China	100	100	10	10
Tobii Electronics Technology Trading Suzhou Co. Ltd., 913205945725628424, Suzhou, China	100	100	2	2
Tobii Co. Ltd. 43904695, Taipei, Taiwan	100	100	0	0
Tobii Technology Japan Ltd., 0104-01-075455, Japan	87	87	4	-
korea	100	100	0	-
Tobii Technology Inc., 20-3779947, Virginia, USA	100	100	0	0
Tobii Technology Options AB, 556740-3364 Sweden	100	100	0	0
Tobii Switzerland AG, CHE-151.757.781, Switzerland	100	100	1	1
Tobii Pro LatAm SpA, 77015059-0, Chile	100	100	4	-
Tobii Pro, Singapore PTE. Ltd., 201925799H, Singapore	100	100	1	1
Tobii Tech LLC, 83-1898444, USA	100	100	0	-
Tobii Holding AB, 559104-1040, Sweden	100	100	0	0
Tobii Pro UK Holdings Ltd., 11179236, United Kingdom	100	100	1	-

Tobii UK Ltd., 06529514, United Kingdom	100	100	0	-
Tobii Tech AB, 559104-1081, Sweden			-	714
Tobii Pro AB, 556914-7613, Sweden			-	103
Total acquisition cost in subsidiaries			61	868

Note 18. Accounts receivable

SEK m	The Group		The Parent Company	
	2022	2021	2022	2021
Accounts receivable	139	140	90	18
Bad debts provision	-7	-7	-6	-2
Total accounts receivable	132	132	84	16
Maturity analysis				
Not yet due	90	109	78	44
1–30 days overdue	29	11	22	-
31–60 days overdue	4	5	2	-
61–90 days overdue	2	2	0	-
Over 90 days overdue	13	13	9	4
Closing balance	138	140	110	48
Changes in the reserve for doubtful accounts receivable:				
As of January 1	8	8	2	3
Provision for bad debts	5	7	5	2
Receivables written off during the year as uncollectible	0	0	-	-
Reversal of unused amount	-8	-8	-2	-3
Exchange rate effect	1	0	1	-
As of December 31	6	8	6	2

Note 19. Inventory

SEK m	The Group		The Parent Company	
	2022	2021	2022	2021
Raw materials and consumables	2	2	-	-
Finished products	51	43	49	-
Work in process	13	9	11	-
Advances to suppliers	0	1	-	-
Total inventories	65	55	59	-

Note 20. Prepaid expenses and accrued income

SEK m	The Group		The Parent Company	
	2022	2021	2022	2021
Prepaid rent/leasing	6	6	5	5
Prepaid insurance	1	1	0	1
Prepaid license fees	14	13	14	13
Prepaid marketing expenses	1	4	-	0
Prepaid IT costs	0	1	0	0
Prepaid personnel costs	0	1	0	2
Prepaid renovation costs	2	1	0	-
Accrued income	19	4	19	-
Accrued income - group companies	-	-	35	-
Other items	5	-1	1	0
Total prepaid expenses, accrued income	47	30	75	20

Note 21. Cash and cash equivalents

SEK m	The Group		The Parent Company	
	2022	2021	2022	2021
Short-term investments ¹⁾	41	42	41	42
Cash and cash equivalents	361	396	311	242
Total cash and cash equivalents	402	438	352	284

1) Short-term investments consist of cash and cash equivalents invested in a listed Swedish fixed income fund with insignificant risk of changes in value and where funds can be accessed within two to three business days.

Note 22. Financial instruments by category in the Group

		2022		2021	
		Carrying amount	Fair value	Carrying amount	Fair value
SEK m	Note				
Financial assets					
At fair value through the income statement:					
Contingent purchase consideration (level 3)		-	-	6	6
At amortized cost:					
Other financial fixed assets		5	5	18	18
Accounts receivable	18	132	132	132	132
Other receivables		16	16	34	34
Cash and cash equivalents	21	402	402	438	438
Total financial assets		555	555	628	628

SEK m	Note	2022		2021	
		Carrying amount	Fair value	Carrying amount	Fair value
Financial liabilities					
At fair value through the income statement:					
Contingent purchase considerations (level 3)		18	18	17	17
At amortized cost:					
Accounts payable		62	62	90	90
Interest-bearing loans (level 3)		16	16	17	17
Leasing liabilities		53	53	77	77
Other liabilities, non-interest-bearing		208	208	71	71
Total financial liabilities		357	357	272	272

Financial assets and liabilities recognized at fair value are classified by hierarchy level in accordance with IFRS 9.

Level 3 Data based on non-observable data. The contingent consideration is measured at fair value based on available data such as conditions stipulated in the purchase agreement and current assessments of the estimated fulfillment of those conditions.

MOVEMENTS IN CONTINGENT CONSIDERATION, LEVEL 3

SEK m	2022	2021
Receivables		
Opening balance January 1	6	37
Payment	-	-37
Divestments for the year	-6	-
Change in fair value recognized in other operating income/expense	-	3
Exchange rate differences	-	3
Closing balance December 31	0	6
Liabilities		
Opening balance January 1	17	1
Acquisitions during the year	-	17
Payment	-	0
Reversal of capital gains/loss on divestment	-	-
Change in fair value recognized in other operating income/expense	-	-1
Exchange rate differences	1	0
Closing balance December 31	18	17

Note 23. Share capital development

Share capital development	Change in share capital (SEK 000)	Share capital (SEK 000)	Total no. of shares
2001 Founding	100	100	10,000
2001 New share issue	2	102	11,768
2003 New share issue	28	130	13,014
2005 New share issue	0	130	15,222
2006 New share issue	3	133	15,501
2007 New share issue	40	173	19,451
2008 New share issue	3	176	19,751
2009 Split 1:2000	0	176	39,502,000
2009 New share issue	25	201	44,620,000
2010 New share issue	22	223	49,096,000
2011 New share issue	20	265	53,149,980
2012 New share issue	33	298	59,512,719
2014 New share issue	46	344	68,886,883
2015 Fund issue	156	500	68,886,883
2015 New share issue (Initial Public Offering)	136	636	87,613,033
2016 Rights issue, exercise of warrants	4	640	88,140,033
2016 Rights issue	64	704	96,954,036
2017 Rights issue, exercise of warrants	2	706	97,304,052
2018 Rights issue, exercise of warrants	12	718	98,925,103
2020 New share issue, redemption of warrants	1	719	99,064,087
2021 New share issue, C-shares	7	726	99,964,087
2021 New share issue	36	762	104,922,765
2021 Rights issue, exercise of warrants	5	767	105,665,201
2022 New share issue, C-shares	5.51	778.18	107,232,950
2022 Rights issue, exercise of warrants	6.06	778.38	107,260,072

Equity in the Group comprises share capital, other contributed capital, reserves and earned profits (incl. net profit/loss for the year).

THE GROUP
 Share capital

The total number of shares amounts to 107,260,072 with a quotient value of SEK 0.0073 on December 31, 2022. The shares are divided between 1,342,373 C-shares and 105,917,699 ordinary shares.

During the year the company issued 759,345 C-shares, as hedge for the company's LTI 2021 program. The C-shares were repurchased by the company. The C-shares carry 1/10 of a vote and do not entitle to any dividend. During the year 230,972 C-shares have been converted to ordinary shares as part of the LTI program.

Note 24. Reserves in equity

The item Reserves in equity refers entirely to translation differences.

Reserves

Reserves comprise translation reserves that include all exchange rate differences that arise on translation to Swedish kronor (SEK) of foreign operations' financial statements prepared in the currency used in the economic environment where the respective company operates (functional currency). The parent company and the Group prepare their financial statements in SEK.

Note 25. Proposed appropriation of non-restricted equity

The Board of Directors' proposal for 2022 is that no dividend should be paid to shareholders. Non-restricted equity in the Parent Company at the disposal of the Annual General Meeting: SEK 603,986

Share premium reserve	1,991,081
Retained earnings	- 1,296,095
Profit/loss for the year	-91,000
Total	603,986

The Board of Directors proposes that the following amount are carried forward
 603,986

Note 26. Provisions

SEK m	The Group		The Parent Company	
	2022	2021	2022	2021
Provisions for warranties				
At beginning of year	0	2	0	0
Provisions during the year	-	0	-	-
Sales to Group companies	-	-	-	-
Reversals during the year	-	-1	-	-
Utilized during the year	-	-1	-	-
Reclassification	-	-	-	-
Translation differences	-	-	-	-
Total provisions for warranties	0	0	0	0
Other provisions				
At beginning of year	2	2	0	0
Provisions during the year	0	1	-	-
Reversals during the year	-	-1	-	-
Translation differences	0	-	-	-
Total other provisions	1	-	0	0
Total provisions	1	2	0	0

Tobii generally offers a one- to two-year warranty on its products. Provisions for future warranty commitments are based on previous years' warranties incurred.

The Tobii Group's pension plans are defined contribution and all pension commitments are regulated through annual payments to external pension institutions.

Note 27. Maturity profile of financial liabilities – undiscounted cash flows

SEK m 2022	> 1 year		Total
	< 1 year	< 5 years	
Interest-bearing loans	-	16	16
Leasing liabilities	28	31	60
Accounts payable	62	-	62
Contingent considerations	-	18	18
Total	90	65	155

SEK m 2021	> 1 year		Total
	< 1 year	< 5 years	
Interest-bearing loans		17	17
Leasing liabilities	29	52	82
Accounts payable	90		90
Contingent considerations		17	17
Total	119	86	206

Note 28. Total accrued expenses and deferred income

SEK m	The Group		The Parent Company	
	2022	2021	2022	2021
Accrued income, current portion	27	26	6	0
Accrued personnel expenses	54	59	39	18
Accrued expenses - group	-	-	7	0
Other accrued expenses	29	21	21	5
Total accrued expenses and deferred income	110	106	73	23

Note 29. Pledged assets and contingent liabilities

SEK m	The Group		The Parent Company	
	2022	2021	2022	2021
Pledged assets				
For senior bonds issued	-	-	-	-
Other	100	-	100	-
Total pledged assets	-	-	-	-
Contingent liabilities ¹⁾	0	-	-	-

1) As of December 31, 2022, SEK 0 million (-) are guarantee commitments in the Swiss operations through subordination guarantee.

Note 30. Supplementary disclosures to the cash flow statement

SEK m	The Group		The Parent Company	
	2022	2021	2022	2021
Depreciation	150	160	122	10
Unrealized currency effects	-29	-21	-29	-4
Provisions	-1	1	0	-
Interest received	1	0	16	42
Interest paid	0	-19	0	-19
Other	21	26	23	-10
Total	142	148	131	19

Note 31. Reconciliation of alternative performance measures¹⁾

EBITDA, Operating profit/loss before depreciation, amortization, and impairment		
SEK m	2022	2021
Operating profit/loss before depreciation, amortization and impairment, (EBITDA)	27	-27
Amortization, and write downs on intangible assets	-118	-125
Depreciation, and write downs on property, plant and equipment	-32	-35
of which Right-of-use assets (IFRS 16 Leasing)	-23	-26
Operating profit/loss (EBIT)	-122	-186

1) This section presents reconciliation of only those key performance measures that are not possible to calculate from information in the financial reports in this Annual Report.

Note 32. Transactions with related parties

Tobii has neither pledged assets nor contingent liabilities related to senior executives or the Board of Directors. For information concerning remuneration to senior executives and Board members, refer to note 8. No related-party transactions have occurred during the year 2022. The same applied for the year 2021.

For intra-group purchases and sales, a transfer pricing policy is applied. Purchase and sales transactions with related parties are on market terms

SEK m	The Group		The Parent Company	
	2022	2021	2022	2021
Sales to related parties, subsidiaries	-	-	122	150
Purchase from related parties, subsidiaries	-	-	95	10
Receivables from related parties, subsidiaries	-	-	309	708
Liabilities to related parties, subsidiaries	-	-	82	159

Note 33. Discontinued operations

On October 25, 2021, an extraordinary General Meeting approved the distribution of Tobii Dynavox AB to Tobii AB's shareholders. The distribution was completed during December and the shares of Tobii Dynavox AB were listed on Nasdaq Stockholm on December 9, 2021. The gain from the distribution has been calculated as the difference between the carrying amount of the assets distributed and the fair value of the dividend, corresponding to the market value of Tobii Dynavox AB at listing. All related effects are referred to as Discontinued operations in the report. The financial information presented below consists of Tobii Dynavox's contribution to the Tobii Group consolidated financial information.

On October 6, 2020, Tobii sold certain subsidiaries, collectively referred to as Smartbox, to an external buyer. As a result of the transaction, all shares in two foreign subsidiaries, which had been owned by the parent company Tobii AB since 1 October 2018, were sold. Capital gains from the divestment had a positive effect on the parent company's net financial items of SEK 10 million.

The divestment meant that all operations relating to Smartbox were divested for a total consideration of SEK 142.9 million. Of the consideration, SEK 38.0 million related to a contingent purchase consideration. Regarding the contingent consideration it was agreed that Tobii would receive the full amount, GBP 3.5 million, of which GBP 3.0 was received during 2021. During September 2022 the last payment was received and the transaction was thereby fully completed.

During fourth quarter 2020 Tobii divested its subsidiary Smartbox. During september 2022 the last payment was received, and the transaction was thereby fully completed.

INCOME STATEMENT DISCONTINUED OPERATIONS

SEK m	2022	2021
Revenue	-	778
Cost of goods and services sold	-	-267
Gross profit	-	511
Selling expenses	-	-288
Research and development expenses	-	-105
Administrative expenses	-	-72
Other operating income and operating expenses	-	2
Operating profit/loss (EBIT)	-	49
Net financial items	-	-13
Profit/loss before tax	-	36
Tax	-	-7
Net profit/loss for the period, discontinued operations	-	29
Gain from distribution of Tobii Dynavox	-	3,301
Loss from divestment of Smartbox	-	-
Net profit/loss for the period from discontinued operations	-	3,330

CASH FLOW FROM DISCONTINUED OPERATIONS

SEK m	2022	2021
Cash flow from operating activities	-	54
Cash flow from investments	-	-115
Cash flow from financing activities	-	250
Cash flow for the period	-	188

¹⁾ Includes both Dynavox and Smartbox

Note 34. Events after the end of the reporting period

No significant events after the reporting period.

The Board’s signatures

The Board of Directors and the Chief Executive Officer certify that these consolidated financial statements and Annual Report have been prepared in accordance with the International Financial Reporting Standards IFRS as adopted by the EU and generally accepted accounting policies, and gives a fair view of the Group’s and Parent Company’s financial position and earnings. The Director’s Report gives a fair overview of the development of the Group and Parent Company’s operations, financial position and earnings, and describes the significant risks and uncertainties facing the Parent Company and the companies included in the Group.

Danderyd, April 24, 2023
Tobii AB

Kent Sander
Chairman of the Board

Heli Arantola
Member

Nils Bernhard
Member

Jan Wäreby
Member

Jörgen Lantto
Member

Charlotta Falvin
Member

Henrik Eskilsson
Member

Anand Srivatsa
CEO

Our auditor’s report was submitted on April 24, 2023
PricewaterhouseCoopers AB

Henrietta Segenmark
Authorized Public Accountant, Auditor in Charge

The consolidated statement of comprehensive income and the consolidated balance sheet and the Parent Company’s income statement and balance sheet are subject to the approval of the Annual General Meeting on May 26, 2023.
This information is information that Tobii AB is obliged to make public pursuant to the Securities Markets Act.
The information was submitted for publication on May 3, 2023.

Auditor's Report

To the general meeting of the shareholders of Tobii AB (publ), corporate identity number 556613-9654

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

Opinions

We have audited the annual accounts and consolidated accounts of Tobii AB (publ) for the year 2022. The annual accounts and consolidated accounts of the company are included on pages 63-103 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company and the group as of 31 December 2022 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2022 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the statement of comprehensive income and balance sheet for the group.

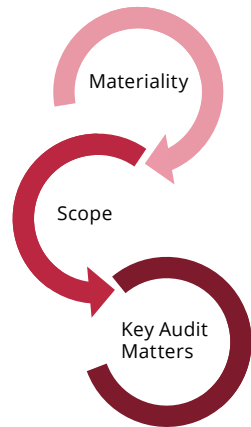
Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with

Our audit activities

Overview



Materiality

- Overall materiality level: MSEK 7,8 which corresponds to 1% of net Sales.

Focus and scope

- We have executed an audit covering Tobii AB and all significant subsidiaries.

Key audit matters

- Valuation of capitalized development costs
- Valuation of deferred tax assets
- Revenue recognition – Cut-off

professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the group operates.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Overall group materiality	MSEK 7,8 (9)
How we determined it	The materiality level is based on 1% of the net sales of the group.
Rationale for benchmark applied	We have chosen this method to determine the materiality level as it is a widely accepted benchmark. The level of 1% is seen in auditing standards to comprise an acceptable quantitative materiality threshold.

We agreed with the Audit Committee that we would report to them identified misstatements that exceeded 10% of the determined materiality level as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Key audit matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

KEY AUDIT MATTERS

Valuation of capitalized development costs

We refer to Notes 2 Summary of important accounting principles, 4 Important estimates and assessments when applying the accounting policies, and 15 Intangible assets.

Capitalized expenses for product development in the amount of MSEK 309 comprise a significant portion of Tobii Group's balance sheet as of the 31st of December 2022. There is a risk that the future estimated cash flow will not be equivalent to the book value of capitalized expenses for product development and that, as a result, an impairment risk exists. The assets are subject to ongoing depreciation. According to the Tobii Group's routine, the value of capitalized expenses for product development is tested annually for impairment. Tobii has a process for executing this test.

These calculations are based on the budget and forecast for the next five-year period. The board has approved the budget and forecast for the next three years, and the subsequent two years are an extrapolation based on the growth forecast from the company management. The cash flows from the years beyond the next five are extrapolated using the assessed long-term growth rate. The process thus contains assumptions that have a significant impact on the impairment test. This includes assumptions about sales growth, development of margins and the discount rate (WACC).

HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER

In evaluating the assumptions, as reported in Note 15, we have undertaken the following audit measures to assess the valuation of such assumptions and model:

- Verified the mathematical accuracy of the company's impairment test, the accuracy of the model as such and that it complies with IFRS, challenged, and assessed the reasonableness of material assumptions made by the management. For the review of the model itself and assumptions, we have used valuation experts to test and evaluate applied models and methodology, as well as essential assumptions.
- On a sample basis, tested, evaluated, and challenged the information used in the calculations against the company's budget and financial plan prepared as of December 31, 2022. We then focused on assumptions about growth, margin development and applied discount rate per cash-generating unit. We have also, where possible, evaluated and challenged available external information. We have also reviewed the sensitivity analysis that the company prepared regarding the valuation for negative changes in essential parameters that, on an individual or collective basis, could imply the existence of an impairment requirement.
- We have also assessed if the accounting principles and disclosures in the annual report are correct and in accordance with IFRS.

The results of these activities have produced no significant observations as regards the audit.

Valuation of deferred tax

We refer to Notes 2 Summary of important accounting principles, 4 Important estimates and assessments when applying the accounting policies, and 13 Taxes.

The deferred tax asset amounted to SEK 66 million as of December 31, 2022. This is deemed to comprise a significant item in the group's balance sheet. The deferred tax assets relating to loss deductions are reported to the extent that it is deemed likely that the deduction can be offset against surplus in future taxation.

There is thus a risk that the future taxable profits will not amount to these amounts, in which case the loss deduction cannot be used, or that the right to use loss deductions will be lost as a result of changes in legislations, tax audits, restructuring within the group including acquisitions or sales of operations, and thus that there is a risk of impairment.

In accordance with IAS 12, Tobii has assessed how much of the loss deductions available in the group companies can be utilized by the group through a reduction in future tax payments. The assessment of how much loss deductions can be used includes significant estimates and management's assessment of future results. This is based on future budgets and forecasts for the next three years, approved by the board, and the following two years are an extrapolation based on growth forecasts from the company management.

In our audit, we have assessed the valuation of losses carry forward and that deferred tax on these losses has been calculated according to the regulations in place. The audit procedures included, amongst other:

- We evaluated the management's assumptions regarding assessed future results in conjunction with a review and analysis of the forecasts regarding future earnings trends, as this is a significant assumption due to the large amount of available losses carry forward which the management deems will be able to be utilized.
- The company's assumptions regarding the earnings trend were tested against adopted budgets and business plans. This testing takes place in the same manner as the testing of capitalized costs for product development, in the manner described in that part of this Auditor' Report.
- The audit also includes the follow-up of possible ongoing tax audits and changes in tax legislation which impact the losses carry forward.
- We have also assessed if the accounting principles and disclosures in the annual report are correct and in accordance with IFRS.

The results of these activities have produced no significant observations as regards the audit.

Revenue recognition – cut-off

We refer to the Notes 2 Summary of important accounting principles, 5 Net Sales and income per business area, 18 Accounts receivable, 20 Prepaid expenses and accrued income and 27 Accrued expenses and deferred income.

The Group's revenue amounts to MSEK 776 in 2022. The majority of Tobii Group's revenue consists of sale of goods and services. The sale of goods is recognized when control has been transferred to the purchaser while services are recognized in revenue in the period or periods in which they are provided. The Tobii Group also has royalty revenues. These are recognized in accordance with the economic implications of the agreements in place.

The risk is that there can exist a difference between the point in time when Tobii provides goods or services and when the control is transferred to customers. When the goods or services are seen to have been provided to the customers, and when revenues can, then, be reported, is based on the contractual stipulations found in the established agreements.

In our audit, we have analyzed Tobii's processes and controls regarding revenue recognition in order to obtain an understanding of how they operate and where potential errors could occur. This analysis has been performed to enable us to focus our substantive procedures in the right areas. Our audit procedures included the following:

- Analysis of the revenues during the year compared to expectations and the previous year.
- We have tested, on a random basis, the reported revenue against agreements or customer orders to determine if these items have been recognized in the correct amounts in the correct periods.
- On a sample basis, we have confirmed outstanding receivables against payments received after the year end.
- Through analysis and on a random sample basis, we have tested that reported values for prepaid and accrued income have been recognized with the correct amount.
- We have also assessed if the accounting principles and disclosures in the annual report are correct and in accordance with IFRS.

The results of these activities have produced no significant observations as regards the audit.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-62 and 111-135. The other information further consists of Tobii Group's remuneration report 2022, which is not included in the annual report document, but which is published on the company's website at the same time as this report. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Director's and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS **The auditor's audit of the administration of the company and the proposed appropriations of the company's profit or loss.**

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Director's and the Managing Director of Tobii AB (publ) for the year 2022 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Director's and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Director's and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent

company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

THE AUDITOR'S EXAMINATION OF THE ESEF REPORT

Opinion

In addition to our audit of the annual accounts and consolidated accounts, We have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528) for ABC AB (publ) for the financial year 2022.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for Opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Tobii AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Director's and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with the Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528),

and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The audit firm applies ISQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with professional ethical requirements, professional standards and legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design procedures

that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHTML format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report has been marked with iXBRL in accordance with what follows from the Esef regulation.

PricewaterhouseCoopers AB, Torsgatan 21, 113 97 Stockholm, was appointed auditor of Tobii AB (publ) by the general meeting of the shareholders 25 May 2022 and has been the company's auditor since 18 April 2005.

Stockholm, 24 April 2023
PricewaterhouseCoopers AB

Henrietta Segenmark
Authorized Public Accountant
Auditor in Charge

05

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Sustainability notes

SUSTAINABILITY REPORTING

Sustainability reporting is done in accordance with the GRI Universal Standards, and is based on the impact Tobii has, the identified risks and opportunities, and stakeholder input. The reporting covers the whole group, although some data and examples only refer to certain parts of the organization where indicated.

MATERIALITY

Tobii views materiality assessment as a strategic business tool that helps in shaping or adjusting sustainability strategy and prioritizing the most important topics for reporting purposes. Materiality assessment is integrated with management system standards requirements such as ISO 14001 and ISO 9001. Gathering feedback from stakeholders is done on a continuous basis through more than one engagement channel. Tobii's most important stakeholder categories continues to be Employees, Customers, Suppliers, and Investors. These stakeholders are closely connected with our objectives and they may both affect, and be affected by, Tobii's actions. A materiality assessment and update of applicable internal and external stakeholders is carried out at least once a year. In 2022, we added regulatory authorities and voluntary organizations to the existing stakeholder categories. The growing number of regulatory mandates and other requirements were the primary reasons driving this decision.

In defining the materiality topics, equal consideration has been given to identify ESG trends and industry specific standards from Sustainability Accounting Standards Board (SASB). Materiality topics are enlisted after interviews with relevant stakeholder representatives across different functions, geographies, and responsibilities within the organization. Issue prioritization was carried

Stakeholder	Engagment Channels	Aspect identified
Employees	Questionnaire – Work environment and other projects Employee performance review Employee satisfaction surveys Exit interviews Recruitment process Staff/manager conversations Company websites and social media platforms Annual reports Regular all hands meeting Employee engagement activities Leadership forum Workshops and trainings	Growth and development Talent attraction and retention Diversity, inclusion and equal opportunities Health and work environment – well-being, work life balance and hybrid work model
Investors	Ongoing dialogue Questionnaires on compliance Sustainability reporting ESG analysis reports	Electronic waste Conflict minerals Diversity, inclusion and equal opportunities Business ethics Economic performance Data transparency Carbon intensity trend Human rights – supply chain and own operations
Customers	Customer satisfaction and feedback surveys Ongoing dialogue Customer service and support cases	Data security and customer privacy Business ethics Ease of use and product quality
Supplier	Business reviews Audit program Ongoing dialogue	Occupational health and safety Business ethics Human rights issues Supplier management
Regulatory authorities and voluntary organizations	Questionnaires on Compliance Mail communications	Governance and reporting

out by applying Global Reporting Initiative materiality principles with stakeholder representatives. The insights gathered from the assessment were aligned with the ESG risks within the global risk

management process. The results of the materiality assessment are disclosed in the adjacent table.

Our most material issues, and our actual or potential impact on economy, environment, people and how the material issues are managed table

Aspects	Economy	Planet	People
Use of products	Positive: The production and sale of products can drive economic growth for Tobii. Negative: Overconsumption, waste, and unsustainable production practices can lead to depletion of resources, environmental degradation, and long-term economic costs and economic instability.	Positive: Efficient and sustainable practices can reduce waste and pollution, leading to a healthier environment. Negative: The production and disposal of products can lead to environmental damage, such as habitat destruction, greenhouse gas emissions, and pollution of air and water.	Positive: Access to products can improve quality of life and positively contribute to overall sustainability development. Negative: Exposure to certain toxic substances and the depletion of natural resources can harm the health and well-being of both workers and consumers.
Diversity, inclusion and equal opportunities	Positive: Increased diversity in the workforce can lead to increased creativity and innovation, leading to economic growth of Tobii. Negative: Lack of diversity and inclusive policies can lead to discrimination, limiting the potential of certain groups and negatively impacting the economy.	Positive: Diverse perspectives and experiences can lead to better decision making and improved sustainability practices. Negative: Lack of diversity can result in narrow perspectives and a failure to consider environmental or social impact.	Positive: Can lead to better representation and improved access to opportunities and resources. Negative: Inadequate attention to these issues can result in unequal treatment, discrimination, and exclusion, leading to limited opportunities for certain groups.
Work environment and work life balance	Positive: A supportive work environment and good work-life balance can lead to increased job satisfaction, reduced absenteeism and turnover rates, and improved productivity. Negative: A poor work-life balance can lead to burnout, reduced productivity, and increased health care costs, impacting the overall economy.	Positive: A supportive work environment and good work-life balance can reduce stress, promoting better health and sustainability practices. Negative: Poor work environment can contribute to stress, pollution, and environmental degradation.	Positive: A supportive work environment and good work-life balance can lead to increased job satisfaction, improved mental and physical health, and greater overall well-being. Negative: A poor work-life balance can lead to stress, burnout, and decreased well-being.
Growth and development	Positive: Investing in employee development can improve their skills, productivity, and overall economic contribution, leading to increased economic growth of the company. Negative: Insufficient investment in employee development can lead to a lack of skill development, hindering the competitiveness of the organization and the broader economy.	Positive: Improved skills and knowledge can lead to more sustainable business practices and reduced environmental impact. Negative: Lack of employee development can result in a failure to adopt environmentally friendly practices, leading to increased environmental degradation.	Positive: Employee growth and development can lead to increased job satisfaction, improved work-life balance, and reduced stress and burnout. Negative: Lack of investment in employee development can lead to low morale, reduced engagement, and higher turnover rates.

Aspects	Economy	Planet	People
Product design and lifecycle management	<p>Positive: Effective product design and lifecycle management can lead to reduced waste, improved efficiency, and cost savings, which can drive economic growth.</p> <p>Negative: Poor product design and lifecycle management can result in increased waste, resource depletion, and environmental degradation, impacting the economy in the long term.</p>	<p>Positive: Sustainable product design and lifecycle management can reduce environmental impact and contribute to a more sustainable future.</p> <p>Negative: Unsustainable product design and lifecycle management can lead to increased pollution, habitat destruction, and resource depletion, damaging the environment.</p>	<p>Positive: Effective product design and lifecycle management can improve the safety and well-being of workers and consumers, and support communities.</p> <p>Negative: Poor product design and lifecycle management can lead to unsafe working conditions, exposure to toxic substances, and harm to communities and the environment.</p>
Emissions	<p>Positive: Reducing emissions can lead to cost savings, improved energy efficiency, and increased competitiveness in a low-carbon economy.</p> <p>Negative: High emissions can lead to increased regulatory costs, lower public trust, and decreased competitiveness.</p>	<p>Positive: Reduced emissions can contribute to a cleaner and more sustainable environment, protecting public health and wildlife.</p> <p>Negative: High emissions can contribute to air and water pollution, climate change, and harm to wildlife and natural habitats.</p>	<p>Positive: Reduced emissions can improve public health, reduce disease and premature deaths, and protect wildlife and ecosystems.</p> <p>Negative: High emissions can contribute to poor air quality, increased disease and premature deaths, and harm to wildlife and ecosystems.</p>
Supplier environmental impact	<p>Positive: Prioritizing suppliers with a good environmental track record can lead to cost savings, improved reputation, and increased competitiveness in a low-carbon economy.</p> <p>Negative: Supporting suppliers with a poor environmental record can lead to increased regulatory costs, decreased reputation, and reduced competitiveness.</p>	<p>Positive: Supporting suppliers with sustainable practices can reduce emissions, conserve resources, and contribute to a cleaner and more sustainable environment.</p> <p>Negative: Supporting suppliers with unsustainable practices can contribute to environmental degradation, resource depletion, and harm to wildlife and natural habitats.</p>	<p>Positive: Supporting suppliers with sustainable practices can improve public health, reduce disease and premature deaths, and protect wildlife and ecosystems.</p> <p>Negative: Supporting suppliers with unsustainable practices can contribute to poor air and water quality, increased disease and premature deaths, and harm to wildlife and ecosystems.</p>

Aspects	Economy	Planet	People
Energy consumption	<p>Positive: Energy efficiency and the use of renewable energy sources can reduce costs, improve competitiveness, and drive economic growth.</p> <p>Negative: High energy consumption and the use of non-renewable energy sources can increase costs, lower competitiveness, and contribute to economic instability.</p>	<p>Positive: Increased energy efficiency and the use of renewable energy sources can reduce emissions, conserve resources, and contribute to a cleaner and more sustainable environment.</p> <p>Negative: High energy consumption and the use of non-renewable energy sources can contribute to air and water pollution, climate change, and harm to wildlife and natural habitats.</p>	<p>Positive: Increased energy efficiency and the use of renewable energy sources can improve public health, reduce disease and premature deaths, and protect wildlife and ecosystems.</p> <p>Negative: High energy consumption and the use of non-renewable energy sources can contribute to poor air and water quality, increased disease and premature deaths, and harm to wildlife and ecosystems.</p>
Business ethics, anti-corruption, regulatory compliance	<p>Positive: Adherence to strong ethical standards can improve reputation, increase customer trust, and lead to long-term economic stability.</p> <p>Negative: Lack of ethics can lead to decreased reputation, lost customer trust, and economic instability.</p>	<p>Positive: Ethical business behavior can lead to more sustainable practices and environmental stewardship, conserving resources and protecting the environment.</p> <p>Negative: Unethical business practices can lead to environmental degradation, resource depletion, and harm to wildlife and natural habitats.</p>	<p>Positive: Ethical business practices can improve working conditions, protect human rights, and contribute to social and economic justice.</p> <p>Negative: Unethical business practices can exploit workers, violate human rights, and contribute to social and economic inequality.</p>
Supplier management, compliance and working conditions	<p>Positive: Effective supplier management can lead to cost savings, improved quality, and increased competitiveness.</p> <p>Negative: Poor supplier management can lead to increased costs, decreased quality, and reduced competitiveness.</p>	<p>Positive: Sustainable supplier management practices can reduce emissions, conserve resources, and contribute to a cleaner and more sustainable environment.</p> <p>Negative: Unsustainable supplier management practices can contribute to environmental degradation, resource depletion, and harm to wildlife and natural habitats.</p>	<p>Positive: Ethical supplier management practices can improve working conditions, protect human rights, and contribute to social and economic justice.</p> <p>Negative: Unethical supplier management practices can exploit workers, violate human rights, and contribute to social and economic inequality.</p>

The table below provides an overview of Tobii’s key sustainability issues, the policies that underlie our efforts, and how we monitor and evaluate our work. Governance is evaluated via an annual review and update of Tobii’s policy framework.

OUR IDENTIFIED TOPICS	POLICIES	PURPOSE AND APPROVALS	MONITORING/REVIEW	RESPONSIBILITY
Use of products	Data Transparency Policy, Policy for Defence & Law Enforcement	Set clear and positive examples for our industry, make clear choices that protect our users, and ensure that the solutions we deliver make the world better. The policy is approved by the Board of Directors.	Training of relevant roles.	SVP Segments & Products, EVP Sales & Marketing
Diversity, inclusion, equal opportunities UNGC Principle - 1,2,3,4,6	Code of Conduct, Employer Policy, Whistleblower Policy, Diversity Policy	Tobii wants to be an employer in which all employees are respected for their knowledge and enjoy their work. The policy is approved by the Board of Directors.	Annual performance reviews, action plans drawn up based on the employee satisfaction survey results. Diversity and inclusion program.	VP HR
Work environment, wellbeing, and work-life balance, UNGC Principle - 1, 2, 3, 4, 5, 6	Work Environment Policy, Employee handbooks, Introduction days, Performance reviews, Global Hybrid Work Policy, Working Abroad Policy	For Tobii, our employees’ wellbeing is important. Therefore, we must provide a healthy work environment that enables a healthy work-life balance. We hire high performing people and trust in their ability to self-manage. Therefore, to further our employees’ wellbeing, Tobii enables flexibility to work from anywhere, combining vacations and hybrid work options to provide flexible approach to working. These policies are approved by the CFO.	Annual employee satisfaction surveys, performance reviews, individual conversations between manager and employee. Work environment issues are also handled by local work environment teams.	VP HR
Growth and development	Employee handbooks, Introduction days, Performance reviews, Intranet	Employees are offered skills development by working on different types of projects, testing new duties, and learning from colleagues. Tobii provides internal conferences and courses and an opportunity to attend external training courses.	Supported by their line manager, each employee draws up a personal development plan with regular monitoring to ensure that activities are carried out. Monitoring also takes place through annual performance reviews and employee satisfaction surveys.	VP HR
Product design and lifecycle management UNGC Principle - 7, 8	Environmental Policy, Quality Policy	Tobii avoids material of high concern. Suitable material choices are made in the design and product development process to deliver user experience, usability, lifetime, and environmental impact. We consider the whole lifecycle’s impact on the climate and strive to reduce this impact. The policies are approved by the SVP operations.	Only materials and components approved under RoHS, California Proposition 65, and REACH are used. Waste handling schemes in EU.	SVP Operations








OUR IDENTIFIED TOPICS	POLICIES	PURPOSE AND APPROVALS	MONITORING/REVIEW	RESPONSIBILITY
CO ₂ e emissions UNGC Principle - 7	Environmental Policy, Travel Policy	Tobii wants to minimize greenhouse gas emissions caused by its business operations. The policies are approved by the SVP Operations.	Monitor and analyze emissions from supply chain and business travel. Reduce emissions from transportation through initiatives and climate offsets for unavoidable emissions.	SVP Operations, Travel manager
Suppliers environmen- tal impact UNGC Principle - 8	Supplier Code of Conduct	To minimize the environmental impact throughout the value chain, Tobii sets criteria for subcontractors whereby compliance with industry policies and local legislation are a minimum requirement. The policies are approved by the SVP Operations.	Review program with annual plans for which suppliers are to be audited and when, based on the company's risk assessment. Follow up on results together with supplier.	Head of Strategic Sourcing
Energy consumption at Tobii UNGC Principle -7	Environmental Policy	Tobii strives to minimize environmental impact from energy consumption and use renewable energy in the parts of the business where this is possible. The policies are approved by the SVP Operations.	Energy consumption is monitored for the premises where Tobii has contracts directly with energy providers and influence this choice of energy mix with the property operators. Renewable energy used in Stockholm.	SVP Operations, Heads of local offices
Business ethics, anti- corruption, compliance UNGC Principle - 1, 2, 3, 4, 5, 6, 10	Code of Conduct, Anti-corruption Policy, Export Control Policy, Supplier Code of Conduct, Insider Trading Policy, Whistleblower Policy	Adhering to high standards of business ethics and conduct is fundamental to the success of our business. We work proactively with our policies and training to secure a good business conduct throughout our company. The policies are approved by the Board of Directors.	Dialogue with local offices in risk markets, training all employees on Tobii's Code of Conduct and Ethics, clear processes for following up on reports of irregularities received.	SVP Operations, EVP Sales and VP HR.
Supplier management, compliance, and wor- king conditions UNGC Principle - 10	Supplier Code of Conduct, supplier audit program covers labour and human rights requirements such as freely chosen employment, young workers, freedom of association, non-discrimination, fair employment conditions, occupational health and safety, environmental and business ethics	Tobii works to ensure that our products are manufactured in line with the highest applicable standard for environmental and social issues at our suppliers. The policies are approved by the SVP Operations.	Review program with annual plans for which suppliers are to be audited and when, based on the company's risk assessment. Follow up on results together with supplier.	Head of Strategic Sourcing

All these policies are reviewed at least once a year and the policy commitments are translated to either objectives and key results or integrated into the respective processes to drive continuous improvements and monitor performance. The policy communications are done once in every 2 years through Tobii University and during onboarding of new employees or business partners/suppliers.

SUSTAINABILITY OBJECTIVES

Sustainability objectives are part of Tobii’s overall strategy and are incorporated in our business and functional plans. Tobii contributes to several of the United Nations Sustainable Development Goals (SDGs) and has the most direct impact on Goal 3 Good health and well-being and Goal 12 Responsible consumption and production. Tobii is a signatory member of the UN Global Compact and participates in the annual disclosure of communication on progress (COP) to showcase support and uphold the Ten Principles of the UN Global Compact.

TOBII’S CONTRIBUTIONS TO UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

	Goal 3 Good health and well-being – Tobii is a supplier of technologies and solutions that directly improve the wellbeing of hundreds of thousands of people, with a potential to help millions. This ranges from helping individuals communicate and be more independent to diagnosing and treating medical conditions. Additionally, as an employer, Tobii impacts our employee’s occupational health, safety, and work environment.
	Goal 4 Quality education – Through our integrations in assistive technology for communication devices, Tobii helps people with disabilities communicate and interact with their surroundings. This can help ensure these individuals are not excluded from the general education system by empowering them with a voice and the chance to be heard. Eye tracking is also emerging in many other education use cases, like in reading assessments and training.
	Goal 5 Gender Equality – Tobii operates in an industry where there is uneven gender distribution. Tobii has a comprehensive diversity & inclusion program in place and actively maintains several initiatives to be a diverse and inclusive organization.
	Goal 8 Decent work and economic growth – Both directly and indirectly, Tobii affects the work environment and conditions of many groups of people, including its own employees, suppliers, and sub-suppliers. Tobii’s policies related to occupational health and safety and the Supplier Code of Conduct are clearly linked to Goal 8.
	Goal 10 Reduced inequalities – Tobii contributes to everyone’s basic human right to a voice. From creating the core technologies required to build assistive technology for communication to enabling relevant research into human behavior. Tobii also impacts this goal as an employer, where we work to reduce inequalities through our diversity and inclusion program.
	Goal 12 Responsible consumption and production – Tobii is committed to extending resource value through its circular business model where customers can opt to rent and subscribe to our products, rather than buying and owning new hardware. We improve resource efficiency by reducing or eliminating waste in our production and operations.
	Goal 13 Climate action – Tobii is committed to reducing the environmental and climate impact from our activities and operations. We measure our CO ₂ emissions and seek opportunities where we can reduce the emissions or contribute to verified carbon reductions as offset.

COMPLIANCE WITH LAWS AND REGULATIONS
FOR FY2022

DETAILS	STATUS
Total number of significant instances of non-compliance with laws and regulations	0
instances for which fines were incurred;	0
instances for which non-monetary sanctions were incurred;	0

PERFORMANCE AND CAREER DEVELOPMENT RESULTS FOR 2022

Percentage of total employees by gender and by employee category who received a regular performance and career development review during the reporting period.

Gender	Number of employees total ¹	Performance/career development 2022	% of FTE
Female	215	136	63%
Male	333	245	74%
Total	548	381	70%

Type of employment	Number of employees total ¹	Performance/career development 2022	% of FTE
Contractor working as an employee	120	2	2%
Permanent	548	376	69%
Temporary	6	3	50%
Thesis worker/Internship	n.a.	n.a.	n.a.
Total	674	381	57%

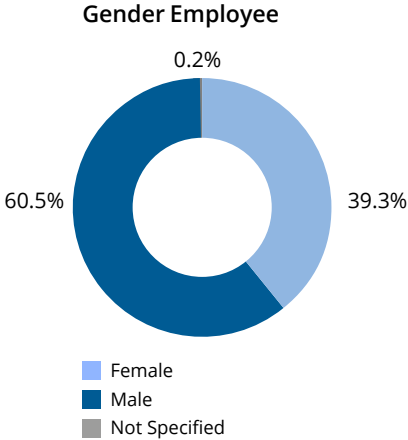
1) Total number of employees is calculated as FTE as of December 31, 2022

Health Index 2021:	Health Index 2022:	Employee Engagement Index 2021:	Employee Engagement Index 2022:
3.7 / 5.0	3.7 / 5.0	4.0 / 5.0	4.1 / 5.0

DIVERSITY RESULTS FOR 2022

Age	CEO Office	Corporate	Engineering	Finance	HR	Legal	Operations	Sales & Marketing	Segments
<30	0%	0%	10%	0%	42%	0%	5%	9%	9%
30-50	60%	100%	66%	42%	42%	100%	61%	68%	69%
50<	20%	0%	8%	29%	8%	0%	13%	7%	16%
No information	20%	0%	16%	29%	8%	0%	21%	15%	7%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%

Age	Contractor working as an employee	External consultant	Permanent	Temporary	Thesis worker/ internship
<30	6%	2%	12%	50%	50%
30-50	39%	9%	74%	50%	0%
50<	8%	0%	12%	0%	0%
No information	47%	89%	2%	0%	50%
Total	100%	100%	100%	100%	100%



PERMANENT EMPLOYEES BY GENDER AND REGION

Work Country	Full time			Part time			Grand Total
	Female	Male	Not Specified	Female	Male	Not Specified	
Permanent	213	326	1	4	12	0	548
Belgium	2	3	0	0	0	0	5
China	25	22	0	0	1	0	48
France	1	3	0	0	0	0	4
Germany	4	3	0	0	0	0	7
Japan	18	27	0	0	0	0	45
South Korea	0	2	0	0	0	0	2
Sweden	136	222	1	3	11	0	373
Switzerland	1	5	0	0	0	0	6
Taiwan	4	10	0	0	0	0	14
United Kingdom	0	3	0	1	0	0	4
United States	19	21	0	0	0	0	40
Temporary	3	3	0	0	0	0	6
Belgium	0	1	0	0	0	0	1
Germany	1	0	0	0	0	0	1
Sweden	2	2	0	0	0	0	4
Degree project or internship	3	3	0	0	0	0	6
Belgium	2	0	0	0	0	0	2
Sweden	1	3	0	0	0	0	4
Grand Total	216	327	1	4	12	0	560

WORKERS WHO ARE NOT EMPLOYEES

Employment function	Contractor working as an employee	External consultant	Grand Total
CEO Office	1	0	1
Engineering	93	4	97
Finance	6	4	10
HR	3	1	4
Operations	3	32	35
Sales & Marketing	11	9	20
Segments	3	3	6
Grand Total	120	53	173

COMMUNICATION AND TRAINING

Total number and percentage of employees and management to which the organization’s anti-corruption policy and procedures have been communicated.

	Number	Completed	%
Management	7	7	100
Headcount	560	560	100
Grand total	560	560	100

Total number and percentage of employees who have received anti-corruption training, broken down by staff category and region.

Anti-corruption Training

	Number	Completed	%
Headcount	560	534	95
Grand total	560	534	95

Category and region

	Completed	Total	%
Permanent	522	548	95
Belgium	5	5	100
China	43	48	90
France	4	4	100
Germany	7	7	100
Japan	41	45	91
South Korea	2	2	100
Sweden	358	373	96
Switzerland	6	6	100
Taiwan	13	14	92
United Kingdom	3	4	75
United States	40	40	100
Temporary	6	6	100
Belgium	1	1	100
Germany	1	1	100
Sweden	4	4	100
Thesis worker/internship	6	6	100
Belgium	2	2	100
Sweden	4	4	100
Grand Total	534	560	95

REPORTING ACCORDING TO EU TAXONOMY

Since business year 2021, Tobii is covered by the EU’s Taxonomy Regulation, which aims to show the extent to which the company’s operations are environmentally sustainable and live up to the EU’s six environmental goals. Initially, only the first two environmental goals are included in the Taxonomy, regarding limitations of climate change and climate adaptation. Tobii is covered as we are classified as a large group, have shares listed on a regulated market and have more than 500 average employees. In the tables below, Tobii has reported the group’s share of activities within turnover, Capex and Opex, which are considered covered by the taxonomy. Tobii’s operations are not currently covered by the EU’s list of suitable economic activities. Thus, Tobii has no turnover or Capex and Opex attributable to revenue-generating activities covered by the taxonomy. The share of applicable Capex shown in the table refers to purchases from suppliers whose activities are covered by the taxonomy in the form of rented premises where property values are covered by economic activity 7.7 Acquisition and ownership of buildings.

ACCOUNTING PRINCIPLES

Turnover: Turnover according to the taxonomy is the same as net turnover according to the group’s income statement, see page 68. For Tobii, 0.0 percent of turnover is currently covered by the EU’s list of applicable economic activities. The list of applicable activities will likely be expanded by the EU Commission in the future, so the percentage may therefore change in the coming years.

CapEx: According to the taxonomy, Total Capex includes the investments that have been made during the financial year to increase the value of the fixed assets in Tobii’s balance sheet, which includes active costs for product development, other intangible fixed assets and tangible fixed assets. Investments that increased the value of right-of-use assets according to IFRS 16 are also included in Capex. Goodwill is not included. Intangible assets covered by Capex amount to SEK 173 million and mainly consist of capitalized costs for product development and other intangible fixed assets. Total investments can be found in note 15 on page 95 under the line investments. Tangible fixed assets covered by capex amount

to SEK 2 million for the financial year and mainly consist of office equipment. Total investments can be found in note 16 on page 95 under the line investments. Right-of-use assets according to IFRS 16 that are covered by Caepx amount to SEK 3 million for the financial year and mainly consist of expanded leases in the headoffice. Total investments can be found in note 6 on page 85 under the line this year added contracts leasing and in the last sentence of note 16 on page 95. Applicable Capex according to the taxonomy refers partly to the investments made to benefit the activity determined under Turnover, but since no part of the turnover is considered to be covered by the taxonomy, the applicable Capex in this respect becomes 0.0 percent of total Capex. In addition to this, there are investments attributable to purchases from suppliers whose economic activities are covered by the taxonomy. Tobii has determined that the part of Capex related to expansion of lease contracts that is reported as right-of-use assets in accordance with IFRS 16 is applicable, since the counterparties in this case are property owners and thus carry out economic activity that is included in the legal act of the taxonomy, Annex I, 7.7 “Acquisition and ownership of buildings”. During 2022, it has not been possible to investigate whether any further part of the year’s investments is covered by any economic activity described in the taxonomy. During fiscal year 2022, Tobii has not been able to confirm with certainty that purchases from suppliers can be assessed as taxonomy compliant and therefore reports all of these investments as applicable but not taxonomy compliant. In order for it to be possible to confirm this in the future, Tobii works with these processes.

OpEx: According to the taxonomy, Total Opex is considered to be costs for R&D, maintenance and service of the group’s tangible fixed assets and short-term leasing agreements. For Tobii, these costs consist of research and development expenses amount to SEK 160 million, and renovation and maintenance costs attributable to fixed assets and short-term leasing amount to SEK 4 million. These costs are not specified in the consolidated income statement, but are included in research and development, and other operating income and operating expenses on page 68. Applicable Opex is the part of

TOBII’S OPERATIONS ACCORDING TO THE EU TAXONOMY FOR SUSTAINABLE INVESTMENTS

SEK M	Total	Share of economic activities not covered by the taxonomy (%)	Share of economic activities covered by the taxonomy but not environmentally sustainable (%)	Share of economic activities that are covered by the taxonomy and are environmentally sustainable (%)
Turnover	776	100%	0%	0%
Capex	177	98%	2%	0%
Opex	164	100%	0%	0%

the total Opex that relates to tangible fixed assets used within an applicable business. Since no part of the turnover is covered by the taxonomy, the applicable opex in this respect is 0% of total Opex. Consideration must also be given to all costs where the supplier carries out economic activities that are described in the legal act of the taxonomy, regardless of whether the cost is linked to activities determined as applicable under Turnover. Tobii has chosen to apply the materiality exception for Opex in accordance with the taxonomy requirement, and thus not investigate applicability for Opex, against the background that total Opex according to the taxonomy, in addition to R&D costs, for the year only amounts to SEK 4 million.

ENVIRONMENTAL RESPONSIBILITY

GHG Scope Emissions					2022¹	2021¹	Percentage Change	2020	2019	General Comments and Comments on emission factors and calculation used
	Stockholm	Japan	China	Switzerland						
Area (Sqm)	6,232	500	1,330	651	8,713	6,232	39.8%	N/A	N/A	3 new subsidiaries were added to the organization's boundary. All premises are leased with limited or no facility operations control. China includes both Suzhou and Shanghai office. We have 87% control over facility operations in our Japan office.
Scope –1 Emissions (tons)										
Emissions from own company cars⁶	0.3	0	0	0	0.3	0.6	-50%			
Scope-2 Emissions										
Energy Consumption (MWH) - Purchased electricity	291	50	40	191	573	257	123%			Calculations are based on invoices and in some cases estimations (1%).
Energy mix - Purchased electricity	100% renewable	20% renewable +80% Coal	100% Coal	100% renewable						
Emission from purchased electricity (tons)	8	19	22	5	54	5	980%	0	351	Emission factors are taken from IPCC for Europe and state grids website for China and Japan.
Energy Consumption from heating and cooling (MWH)	835	19	25	40	920	844	9%			Calculations are based on invoice and in some cases estimations.
Energy mix for heating and cooling	98% renewable	20% renewable +80% Coal	100% Coal	10% renewable and 90% non-renewable						Stockholm uses district heating and cooling. Our supplier has technological constraints preventing use of 100% renewable energy mix.
Emissions from heating and cooling (tons)	2.5	1	14	9	26	2.5	940%			Supplier specific emission factors for Stockholm. Emissions factors for Japan and China are based on state grid information. The emission factors for Switzerland are from WWF.

ENVIRONMENTAL RESPONSIBILITY

	2022¹	2021¹	Percentage Change	2020	General Comments and Comments on 2019 emission factors and calculation used
Scope-3 Emissions					
Transport related emissions (tons)³	262	182	43%	545	834 (360) Includes well to wheel emissions and the data reported is supplier specific. Emissions are calculated and validated by the service provider.
Emission from business travels (air, train and hotel) (tons)⁴	279	34	721%	655	2707 Calculations for all the locations are based on data from our travel agency Egencia with supplier specific emission factors.
Emissions from travel to and from work⁵ (tons)	46	24	92%	62	207 Estimation is based on hybrid working model (60% in office) and car parking slots for Stockholm locations only.
Emissions from waste generated from own operations (tons)	17	48	-65%	NA	NA The data covers Stockholm operations and insignificant for other locations.
GHG Emission Intensity (tCO₂e/MSEK)	0.88	NA	NA	NA	NA This number does not cover all the categories of scope-3, such as purchase of products and services in 2022 and 2021.
Total Emissions, tons CO₂e	684	297	NA	NA	NA
Emissions Offset, tons CO₂e	225	233	NA	NA	Carbon offsets purchased through gold standards and recorded in impact registry to minimise double accounting from Tobii. The carbon offsets for transport emissions and wastes are done by the service providers and due diligence is verified to ensure integrity.

1) Tobii Dynavox data has been removed from the data In FY2021

2) The baseline year has been re-established as 2021 because of the Tobii Dynavox split. The organizational boundary has been expanded to Include Switzerland, Japan, China, along with Stockholm.

3) Transport related emissions for 2022, last quarter data is an estimation, Q1-Q3 data is provided by the supplier. 2021 data applies to Stockholm, all service providers. The data reported 2019 (360) covered approximately 40% of shipments, the full data for Stockholm has now been added to 2019.

4) Business travels – 2020, 2019 is related to travel agency data used by Stockholm and estimations of travels (Stockholm) not booked via the travel agency. 2018 only the travel agency data was reported (Stockholm).

5) Scope 3 emissions from travel to and from work relates to an estimate of employees’ car travel to and from the Stockholm office. Estimated based on 30% capacity in office 2020 and 2021.

6) Company cars in Stockholm, data from leasing company 2020, 2019, 2018. We do not have any company leased cars for the year 2021.

In 2020, the report includes (a) measured consumption for some 30% of the Stockholm premises, (b) estimated consumption for remaining parts of the Stockholm office. In 2020, the Stockholm premises was approximately 12% larger than the year before. In 2019, the report included (a) 20% of Stockholm premises, (b) estimation of remaining parts and (c) estimated consumption for Pittsburgh premises. In 2018, the report included (a) only the energy consumption relating to approximately 20% of Tobii’s office in Stockholm could be measured and reported.

GRI – INDEX

				OMISSION		
GRI STANDARD	DISCLOSURE		PAGE	REQUIREMENT(S) OMITTED	REASON	EXPLANATION
GENERAL DISCLOSURES						
GRI 2: General Disclosures 2021	2-1	Organizational details	P. 6, 76			
	2-2	Entities included in the organization’s sustainability reporting	P. 76			
	2-3	Reporting period, frequency and contact point	P. 64, 135			
	2-4	Restatements of information	P. 135			
	2-5	External assurance	P. 55-56, 133			
Activities and workers						
	2-6	Activities, value chain and other business relationships	P. 11, 20-21, 29			
	2-7	Employees	P. 121			
	2-8	Workers who are not employees	P. 121			
Governance						
	2-9	Governance structure and composition	P. 55-56			
	2-10	Nomination and selection of the highest governance body	P. 55-56			
	2-11	Chair of the highest governance body	P. 43, 54-55			
	2-12	Role of the highest governance body in overseeing the manage- ment of impacts	P. 43, 54			
	2-13	Delegation of responsibility for managing impacts	P. 43, 54			
	2-14	Role of the highest governance body in sustainability reporting	P. 43, 54			
	2-15	Conflicts of interest	P. 34			
	2-16	Communication of critical concerns	P. 55-58			

				OMISSION		
GRI STANDARD	DISCLOSURE		PAGE	REQUIREMENT(S) OMITTED	REASON	EXPLANATION
Governance continud.						
	2-17	Collective knowledge of the highest governance body	P. 61			
	2-18	Evaluation of the performance of the highest governance body	P. 56-57			
	2-19	Remuneration policies	P. 65			
	2-20	Process to determine remuneration	P. 55, 65			
	2-21	Annual total compensation ratio	P. 58, 87-88			
Strategy, policies and practices						
	2-22	Statement on sustainable development strategy	P. 43, 118			
	2-23	Policy commitments	P. 116-117	C. provide links to the policy commitments if publicly available	Information unavailable/ incomplete	Will be uploaded on web-site in 2023
	2-24	Embedding policy commitments	P. 116-117			
	2-25	Processes to remediate negative impacts	P. 16-117			
	2-26	Mechanisms for seeking advice and raising concerns	P. 35, 38, 16-117			
	2-27	Compliance with laws and regulations	P. 49, 52, 54, 108, 117, 119			
	2-28	Membership associations	P. 118			
Stakeholder engagement						
	2-29	Approach to stakeholder engagement	P. 112			
	2-30	Collective bargaining agreements	P. 58			
MATERIAL TOPICS						
GRI 3: Material Topics 2021	3-1	Process to determine material topics	P. 112			
	3-2	List of material topics	P. 113-117			

				OMISSION		
GRI STANDARD	DISCLOSURE		PAGE	REQUIREMENT(S) OMITTED	REASON	EXPLANATION
Business ethics						
GRI 3: Material Topics 2021	3-3	Management of material topics	P. 41, 52, 117			
GRI 201: Economic Performance 2016	201-2	Financial implications and other risks and opportunities due to climate change	P. 122			
Energy Consumption						
GRI 3: Material Topics 2021	3-3	Management of material topics	P. 34, 40, 117			
GRI 302: Energy 2016	302-1	Energy consumption within the organization	P. 127			
Emissions of greenhouse gases						
GRI 3: Material Topics 2021	3-3	Management of material topics	P. 34, 40, 113, 115, 117			
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	P. 127-128			
	305-2	Energy indirect (Scope 2) GHG emissions	P. 127-128			
	305-3	Other indirect (Scope 3) GHG emissions	P. 127-128	C. Biogenic CO ₂ emissions in metric tons of CO ₂ equivalent.	Information unavailable/ incomplete	We don't have any biogenic CO ₂

				OMISSION		
GRI STANDARD	DISCLOSURE		PAGE	REQUIREMENT(S) OMITTED	REASON	EXPLANATION
Environmental impact of suppliers						
GRI 3: Material Topics 2021	3-3	Management of material topics	P. 114, 116-117			
GRI 308: Supplier Environmental Assessment 2016	308-2	Negative environmental impacts in the supply chain and actions taken	P. 34, 40-41			
Training and education						
GRI 3: Material Topics 2021	3-3	Management of material topics	P. 114, 116			
	404-3	Percentage of employees receiving regular performance and career development reviews	P. 119			
Diversity and gender equality						
GRI 3: Material Topics 2021	3-3	Management of material topics	P. 112-113, 116			
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	P. 38, 120			
Suppliers working conditions						
GRI 3: Material Topics 2021	3-3	Management of material topics	P. 112-113, 116			
GRI 414: Supplier Social Assessment 2016	414-2	Negative social impacts in the supply chain and actions taken	P. 41, 117	b. Number of suppliers identified as having significant actual and potential negative social impacts. c. Significant actual and potential negative social impacts identified in the supply chain.	Information unavailable/incomplete	the supplier report is not structured to provide specific details related to the social impacts

SUSTAINABILITY REPORT IN ACCORDANCE WITH THE ANNUAL ACCOUNTS ACT

Tobii is subject to the requirement to produce a sustainability report under the Swedish Annual Accounts Act.

This report contains information required under the points shown here.

- Business model – Strategy (p. 15–29)
- Our segments (p. 20–27)

Policies and results for key areas:

- Staff – Employees (p. 34–35, 37–38, 112–115)
- Social issues, human rights – Employees (p. 34, 37–38, 41–42, 112–118), Values and Code of Business Ethics (p. 12, 32–42, 112, 115, 117–118), Working conditions at our subcontractors (p. 35, 41–42, 117)
- Anti-corruption – Values and Code of Conduct and Ethics (p. 34, 41, 52, 115, 117)
- Environment – Environmental impact (p. 34–35, 39–42, 112–118, 123–128)
- Governance – Governance table (p. 54–59, 116–118)
- Risks – Risks and risk management (p. 47–52)

AUDITOR'S REPORT ON THE STATUTORY SUSTAINABILITY REPORT

To the general meeting of the shareholders in Tobii AB (publ),
corporate identity number 556613-9654

Engagement and responsibility

It is the board of directors who is responsible for the statutory sustainability report for the year 2022 on pages 111–133 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination has been conducted in accordance with FAR's auditing standard RevR 12 The auditor's opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is substantially different and less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

Opinion

A statutory sustainability report has been prepared.

Stockholm 24 April 2023
PricewaterhouseCoopers AB

Henrietta Segenmark
Authorised Public Accountant

Definitions

Tobii adopted the new European guidelines for alternative performance measures as of July 3, 2016. Tobii’s key performance measures, definitions and purposes, as presented below are not defined in accordance with IFRS. These measures as defined by Tobii should not be seen as a replacement for terms and concepts in accordance with IFRS and may not be comparable to similar performance measures used by other companies. The Company believes that these financial performance measures provide a better understanding of trends relating to financial results and that these alternative performance measures are useful information to Tobii’s management, investors and other stakeholders when used in conjunction with other performance measures that are defined in accordance with IFRS.

RECONCILIATION OF ALTERNATIVE PERFORMANCE MEASURES¹⁾

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

SEK m	2022	2021
Operating profit/loss before depreciation, amortization and impairment, (EBITDA)	27	-27
Amortization and write downs on intangible assets	-119	-125
Depreciation and write downs on property, plant and equipment	-30	-35
<i>of which Right-of-use assets (IFRS 16 Leasing)</i>	-24	-26
Operating profit/loss (EBIT)	-122	-186

1) This section presents reconciliation of only those key performance measures that are not possible to calculate from information in the financial reports in this Annual Report.

KEY PERFORMANCE MEASURES	DEFINITION	PURPOSE
Gross margin	Gross profit relative to net sales.	Gross margin is used to measure production profitability.
EBITDA	Operating profit/loss before depreciation, amortization and impairment.	EBITDA is used to measure earnings from operating activities excluding depreciation, amortization and impairment.
EBITDA margin	Operating profit/loss before depreciation, amortization and impairment relative to net sales.	The EBITDA margin is used to illustrate EBITDA in relation to sales.
Operating profit/loss (EBIT)	Operating profit/loss before financial income and expenses, and taxes.	EBIT is used to measure operating profitability.
Operating margin (EBIT margin)	Operating profit/loss in relation to net sales.	The EBIT margin is used to illustrate EBIT in relation to sales and is a measure of the Company’s profitability.
Cash flow from operating activities	Cash flow from operating activities including change in working capital and before cash flow from investing and financing activities.	Cash flow from operating activities is used as a measure of the cash flow the Group generates before investments and financing.
Free cashflow	Cash flow from operating activities less investments in intangible, tangible and financial fixed assets excluding investments in subsidiaries and associates.	Free cashflow is used as a measure of the cash flow the Company generates before the acquisition of companies and financing activities.
Working capital	Inventories, accounts receivable and other current receivables less accounts payable and other current non interest-bearing liabilities.	Working capital is used to measure the Company’s capacity to meet its current capital requirements.
Net cash (+)/ net debt (-)	Cash and cash equivalents less interest-bearing liabilities.	Net debt represents the Company’s capacity to pay off all of its debts should they fall due for payment as of the balance sheet date using the Company’s available cash and cash equivalents on the balance sheet date.
Organic growth	Change in total revenue for the period adjusted for acquisitions, disposals and currency, compared with total revenue for the comparative period.	Organic growth is used to measure the business’ underlying growth in local currencies.
Equity/assets ratio	Equity as a percentage of total assets.	The equity/assets ratio shows the percentage of total assets financed by the shareholders through equity.
Net debt/equity ratio	Interest-bearing liabilities divided by shareholders’ equity.	The net debt/equity ratio measures the extent to which the Company is financed through loans.
Return on equity	Profit after tax relative to average equity during the period.	Return on equity is used to analyze profitability over time.
Equity per share	Equity at the end of the period attributable to the parent company’s shareholders divided by the number of shares at the end of the period.	Equity per share measures the Group’s net value per share.
Average number of employees	The average number of permanent employees, including part-time employees converted to full-time employment.	Average number of employees measures the number of full-time employees in the Group needed to generate the period’s earnings.

Other information

This annual report is published in Swedish and English. The Swedish version is the original and has been audited by Tobii's independent auditors. The revised annual report for Tobii AB (publ) 556613-9654 consists of the Director's report and the accompanying financial statements on pages 63-103.

The statutory sustainability report consists of pages 111-133.

TO ORDER THE ANNUAL REPORT

The annual report is published in Swedish and English and can be downloaded at www.corporate.tobii.com. The Swedish version is the original version. The printed annual report can be ordered through the contact below.

ANNUAL GENERAL MEETING

The Annual General Meeting for Tobii AB (publ) will be held on Wednesday, May 26, 2023. Notice of the Annual General Meeting is available at www.corporate.tobii.com. Notification of participation in the meeting must be received by the Company no later than May 24, 2023 by mail or email.

ADVANCE VOTING

The shareholders may exercise their voting rights at the annual general meeting only by voting in advance, so-called postal voting in accordance with section 22 of the Act (2020:198) on temporary

exceptions to facilitate the execution of general meetings in companies and other associations. The completed voting form must be received by Tobii no later than Tuesday 24 May 2023. The completed form can be sent in writing, by mail or e-mail to any of the addresses below.

RIGHT TO REQUEST INFORMATION

Shareholders are reminded of their right to request information in accordance with Chapter 7 Section 32 of the Swedish Companies Act (Sw. aktiebolagslagen). A request for such information shall be made in writing to Tobii no later than May 15, 2023. Requests for such information must be submitted in writing, by mail or e-mail, to any of the addresses below.

Mail: "Annual General Meeting," Tobii AB, Box 743,
182 17 Danderyd
Email: generalmeeting@tobii.com
<http://www.tobii.com>

CONTACT

IR@tobii.com