

Tobii's Remuneration Report 2023

This report describes how the guidelines for executive remuneration of Tobii, adopted by the annual general meeting 2023, were implemented in 2023. The report also provides information on remuneration to the CEO and a summary of the company's outstanding share-related incentive plans.

Further information on executive remuneration is available in note 8 (Employees and personnel costs) on pages 75-77 in the annual report 2023. Information on the work of the remuneration committee is set out in the corporate governance report available on pages 47-55 in the annual report.

Remuneration of the Board

Remuneration of the board of directors is not covered by this report. Such remuneration is resolved annually by the annual general meeting and disclosed in note 8 in the annual report.

Henrik Eskilsson is a board member and employed by Tobii AB and therefore he does not receive board remuneration, but salary.

Remuneration to CEO 2023

A prerequisite for the successful implementation of the company's business strategy and safeguarding of its long-term interests, including its sustainability, is that the company can recruit, and retain qualified personnel. To this end, the company must offer competitive remuneration. Tobii's remuneration guidelines enable the company to offer the CEO a competitive total remuneration. In 2023, no deviations from the guidelines have been made.

Total CEO remuneration (KSEK)

| Name of director (position) | Year | Fixed remuneration | | Variable remuneration | | Other non-recurring remuneration | Pension expense | Total remuneration | Portion of variable remuneration |
|-----------------------------|------|--------------------|----------------|-----------------------|---------------------|----------------------------------|-----------------|--------------------|----------------------------------|
| | | Base salary | Other benefits | One-year variable | Multi-year variable | | | | |
| Anand Srivatsa (CEO) | 2023 | 4 122 | 276 | 427 | 1 019 | | 0 | 5 844 | 25% |

Variable remuneration

The one-year variable remuneration for Tobii's CEO is based on revenue, operating profit, and employee index. The multi-year variable remuneration relates to vested stock units shown in the table "Share award plans (CEO)" below.

Share-based remuneration

In addition to the remuneration covered by the guidelines, Tobii's annual general meeting has decided on long-term share-based incentive programs. Tobii's CEO participates in the long-term share-based incentive programs for 2019-2023.

Share option plans (CEO) (number of options)

| Name of director (position) | Program | Award date | The main conditions of share option plans | | | Exercise price (SEK) | Opening Balance | During the year | | Closing balance |
|-----------------------------|----------|------------|---|-------------------------|---|----------------------|-----------------------|----------------------|--|-----------------|
| | | | Vesting date | Exercise period | Share options held at beginning of year | | Share options awarded | Share options vested | Share options awarded and not vested or not used at year end | |
| Anand Srivatsa (CEO) | LTI 2019 | 2019-05-31 | 2020-05-31 - 2023-05-31 | 2020-05-31 - 2029-05-31 | 18,86 | 288 808 | | | 288 808 | |

The 2019 long-term incentive program (LTI 2019) consists of share options where the participants choose to pay for part of, or all of, the options that they have been offered in accordance with the resolutions of the Annual General Meeting. The price of the options has been developed by Deloitte according to the calculation model from Black & Scholes and the strike price has been set at 120% or 130% of a ten-day average on Tobii's share price before the allotment date. There are requirements for continued employment in order to be able to exercise the share options and upon termination of the employment, these expire.

Share award plans (CEO) (number of stock units)

| Name of director (position) | Program | Instrument type | The main conditions of share award plans | | Share awards held at beginning of year | During the year | | Closing balance |
|-----------------------------|----------|----------------------|--|-------------------------|--|-----------------|--------|--|
| | | | Award date | Vesting date | | Awarded | Vested | Stock units awarded and not vested or not used at year end |
| Anand Srivatsa (CEO) | LTI 2023 | Stock unit | 2023-06-13 | 2025-05-31 - 2027-05-31 | | 155 000 | | 155 000 |
| | LTI 2022 | Stock unit | 2022-06-03 | 2024-05-31 - 2026-05-31 | 110 000 | | | 110 000 |
| | LTI 2021 | Stock unit | 2021-07-01 | 2025-05-31 | 90 980 | | | 90 980 |
| | LTI 2020 | Stock unit | 2020-06-15 | 2022-05-31 - 2024-05-31 | 78 024 | | 39 012 | 39 012 |
| | LTI 2020 | Synthetic stock unit | 2020-06-15 | 2022-05-31 - 2024-05-31 | 33 438 | | 16 719 | 16 719 |

Performance criteria: LTI 2023 TSR 5%, LTI 2022 TSR 5%, LTI 2021 combination of business linked return criteria and share price, LTI 2020 TSR

The 2020 long-term incentive program (LTI 2020) consists of stock units and synthetic stock units where a stock unit gives the participant the right, provided that certain conditions are met, to receive a performance share free of charge. The synthetic stock units will, provided that the conditions are met, be paid in a cash remuneration to cover tax on the benefit value of the shares.

The issuance of performance shares will be made, for Tobii's CEO, with one third each on May 31, 2022, May 31, 2023 and May 31, 2024, provided that on this date he remains employed within the Tobii Group and that the total return to shareholders in the form of price appreciation and reinvestment of any dividends, on Tobii's ordinary share during the period from the start of LTI 2020 up to and including the relevant vesting date increases by an average of 10% per year.

As of the end of December 2023, a stock unit is valued at between SEK 11,5622 and 11,5623 and a synthetic share right is valued at SEK 2,6009, depending on when the vesting takes place. The valuation of the stock units and the synthetic share rights is made using a Monte Carlo simulation at the end of each reporting period.

The 2021 long-term incentive program (LTI 2021) consists of stock units, where a stock unit gives the participant the right, provided that certain conditions are met, to receive a performance share free of charge.

The issuance of shares will take place, for Tobii's CEO, on May 31, 2025, if he is still employed within the Tobii Group on this date, that the share price exceeds SEK 31,62 and that several performance conditions are met. The performance condition consists of a combination of the average growth of gross profit, based on a linear function, and the development of EBITDA with RnD. The Board is responsible for determining the detailed terms of the performance condition.

The 2022 long-term incentive program (LTI 2022) consists of stock units, where a stock unit gives the participant the right, subject to certain conditions being met, to receive a performance share free of charge.

The issuance of shares will be made, for Tobii's CEO, in the amount of one third each on May 31, 2024, May 31, 2025 and May 31, 2026, provided that on this date he remains employed within the Tobii Group and that the total return to shareholders in the form of price appreciation and reinvestment of any dividends, on Tobii's ordinary share during the period from the start of LTI 2022 up to and including the relevant vesting date increases by an average of 5% per year.

The 2023 long-term incentive program (LTI 2023) consists of stock units, where a stock unit gives the participant the right, subject to certain conditions being met, to receive a performance share free of charge.

The issuance of shares will be made, for Tobii's CEO, in the amount of one third each on May 31, 2025, May 31, 2026 and May 31, 2027, provided that on this date he remains employed within the Tobii Group and that the total return to shareholders in the form of price appreciation and reinvestment of any dividends, on Tobii's ordinary share during the period from the start of LTI 2023 up to and including the relevant vesting date increases by an average of 5% per year.

Comparative information on the change of remuneration and company performance

Change of total remuneration and company performance over the last financial years (KSEK)

| Name of director (position) | 2020 vs | | 2021 vs | | 2022 vs | | 2023 vs | | 2023 |
|---|--------------|-----------|--------------|------------|--------------|-------------|--------------|-----------|--------------|
| | 2019 | 2019 | 2020 | 2020 | 2021 | 2021 | 2022 | 2022 | |
| Anand Srivatsa (CEO from Dec 2021) | | | | | 459 | | 5 690 | | 5 844 |
| Henrik Eskilsson (CEO to the end of Nov 2021) | 4 397 | | 4 665 | | 6 433 | | | | |
| CEO total | 4 397 | 6% | 4 665 | 48% | 6 892 | -17% | 5 690 | 3% | 5 844 |
| Revenues (MSEK) | 1 501 | -61% | 578 | 7% | 616 | 26% | 776 | -2% | 758 |
| Operating Profit (MSEK) | -138 | - | -230 | - | -186 | - | -122 | - | -184 |
| Average remuneration on a full time equivalent basis of employees, excl. Group Executive Management | | | 623 | 11% | 692 | -2% | 680 | 6% | 721 |