



Interim Report

Q3 2023

July – September 2023

Weak quarter but target for Q4 profitability remains

THE QUARTER JULY-SEPTEMBER

- Revenue was SEK 150 million (176), corresponding to an organic decline of 18%
- Gross margin increased to 75% (74%)
- Operating result (EBIT) was SEK -69 million (-36)
- Net result for the quarter amounted to SEK -74 million (-17)
- Earnings per share amounted to SEK -0.70 (-0.17)
- Cash flow after continuous investments amounted to SEK -71 million (-64)

SIGNIFICANT EVENTS DURING THE QUARTER

- Tobii received four design wins with four different customers; two for diagnostic and treatment with eye tracking and VR using Tobii Ocumen XR software, one for integration of Tobii's screen-based eye tracker platform into communication devices and one for PC integration of Tobii Horizon head tracking software for maximized in-game immersion.
- Tobii completed the acquisition of all shares in Eyevido GmbH to a purchase consideration of SEK 9 million to strengthen the consumer insight software portfolio.

FINANCIAL OVERVIEW

SEK m (except for earnings per share)	Q3 2023	Q3 2022	Δ%	Organic Δ%	Nine months 2023	Nine months 2022	Δ%	Organic Δ%	Full year 2022
Revenue									
Products & Solutions	94	121	-22%	-25%	359	352	2%	-3%	513
Integrations	56	55	2%	-2%	144	162	-11%	-15%	264
Total	150	176	-15%	-18%	503	514	-2%	-7%	776
Operating profit/loss from continuing operations (EBIT)	-69	-36			-170	-131			-122
Profit/loss from discontinued operations	-	-			-	-1			-1
Net profit/loss for the period	-74	-17			-170	-90			-99
Earnings per share (SEK)	-0.70	-0.17			-1.61	-0.86			-0.94
- whereof continuing operations	-0.70	-0.17			-1.61	-0.86			-0.93
Cashflow after continuous investments	-71	-64			-93	-180			-32

Comments from the CEO

Weaker Products & Solutions and stable Integrations

The third quarter was a weak financial quarter with an organic revenue decline of 18%. The decline was primarily driven by our Products & Solutions business, which experienced a significant decrease of 25% in organic revenue after an exceptionally strong second quarter. The quarter presented particular difficulties in Asia, deviating from previous quarters where China led a significant part of the growth. We saw a more pronounced summer vacation period impact on revenue with July and August yielding the weakest results and September showing signs of recovery in China and North America.

On a positive note, our Integrations business delivered a decent financial performance despite receiving substantially lower revenue from Sony PS VR2 in the quarter. The revenue for the segment was down 2% organically year on year and would have demonstrated strong double-digit growth if we account for the Sony contribution in the corresponding quarter last year. This revenue development confirms the strong underlying business trends with increasing demand for eye tracking, generating project revenue in the XR space, especially in the US market. These early project revenues are typically precursors to design wins and future license revenue that will scale the Integrations business in the coming years.

Taking steps to make attention computing broadly accessible

Tobii is focused on bringing attention computing into mass market opportunities unlocking the technology's potential and empowering users worldwide. In the quarter, we took important steps to enable the broader adoption of attention computing in our Product & Solutions segment, specifically in consumer research. Consumer research has historically been a large part of our business, and the user experience (UX) research software market is expected to grow 20% annually through 2031 as brands rely on digital means to interact with their customers. By launching Tobii UX Explore, we are improving the accessibility and cost of attention computing tools enabling more powerful UX testing on smartphone applications. Tobii UX Explore is a cloud-based, simple-to-use SaaS platform that allows companies to conduct eye tracking research remotely using a smartphone's built-in camera.

The next phase in this journey is delivering a cloud-based analysis platform with Eyevido GmbH, which Tobii acquired in the quarter. The software tool will make it easier for companies to get actionable insights from their user experience research. By making it easier for companies to access the deep insights available from attention computing-powered tools, we aim to play a significant role in the UX research market.

Focused on Q4 profitability target

We are still strongly committed to reach our EBIT profitability target in the fourth quarter 2023. In order to achieve this, we are taking measures to manage our cost base and improve our sales effectiveness. The weak third quarter does increase the risk towards the profitability target, but we are encouraged by a solid start of the fourth quarter.

From a longer-term perspective, we see clear signs of increased demand for attention computing. We believe that as eye tracking is integrated into mass volume devices like the Apple Vision Pro and Amazon's new Fire 11 tablet, demand for our technologies will increase across many other verticals. The increase in awareness and accessibility of our solutions will accelerate broad adoption and volume ramp and I believe Tobii is in a strong position to capitalize on this opportunity.

Anand Srivatsa
CEO



Anand Srivatsa
CEO, Tobii

Financial performance

GROUP

SEK m	Q3 2023	Q3 2022	Nine months 2023	Nine months 2022	Full year 2022
Revenue	150	176	503	514	776
Revenue change:	-15%		-2%		
- of which organic	-18%		-7%		
- of which currency	3%		5%		
Gross profit	113	131	378	385	590
Gross margin	75%	74%	75%	75%	76%
EBITDA	-29	1	-55	-16	27
EBITDA margin	-19%	0%	-11%	-3%	4%
Operating profit/loss (EBIT)	-69	-36	-170	-131	-122
EBIT margin	-46%	-20%	-34%	-26%	-16%

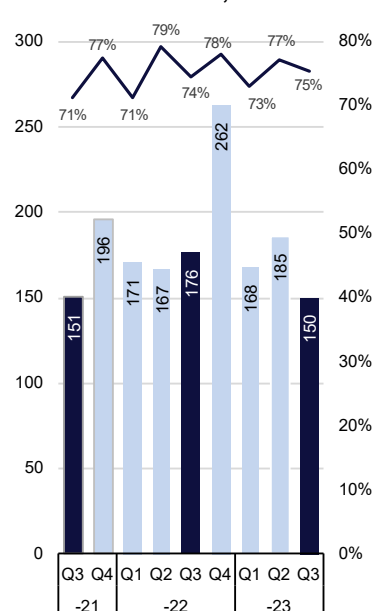
PRODUCTS & SOLUTIONS

SEK m	Q3 2023	Q3 2022	Nine months 2023	Nine months 2022	Full year 2022
Revenue	94	121	359	352	513
Revenue change:	-22%		2%		
- of which organic	-25%		-3%		
- of which currency	3%		5%		
Gross profit	64	82	248	238	353
Gross margin	68%	68%	69%	68%	69%

INTEGRATIONS

SEK m	Q3 2023	Q3 2022	Nine months 2023	Nine months 2022	Full year 2022
Revenue	56	55	144	162	264
Revenue change:	2%		-11%		
- of which organic	-2%		-15%		
- of which currency	4%		4%		
Gross profit	49	50	130	147	235
Gross margin	88%	90%	90%	91%	89%

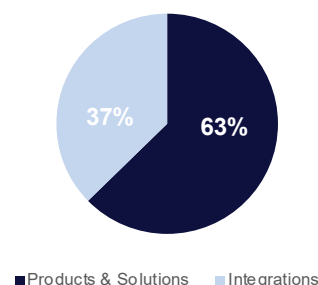
REVENUE, SEK M, AND GROSS MARGIN, %



RESEARCH AND DEVELOPMENT, Q3, 2023

SEK m	2023	2022
Total R&D expenditures	-85	-79
Capitalization	49	41
Amortization	-32	-29
R&D expenses in the income statement	-68	-67

PERCENTAGE OF REVENUE PER SEGMENT Q3, 2023



JULY-SEPTEMBER**REVENUE**

Revenue was SEK 150 million (176), corresponding to an organic decline of 18%.

Products & Solutions revenue was SEK 94 million (121), corresponding to an organic decline of 25%. Revenue contracted primarily due to decreased demand in the Asian region impacted by the summer vacation period.

Integrations revenue was SEK 56 million (55), corresponding to an organic decline of 2%. The revenue decline was related to substantially lower Sony PS VR2 license revenue compared with the corresponding quarter last year. Excluding Sony PS VR2 license revenue the organic growth in the Integrations segment was robust. The growth was primarily driven by a high project activity with other integration customers.

RESULTS

The gross margin was 75% (74%). The strengthened gross margin was an effect of a relatively larger share of revenue from the Integration segment of 37% (31%).

Products & Solution's gross margin was 68% (68%). The lower revenue driving negative scale effect on gross margin was offset by a shift in product mix.

Integrations gross margin was 88% (90%). The gross margin remained on a high level, reflecting the general trend towards a more software, service and license-based product mix. The decrease was attributable to a lower revenue share related to Sony PS VR2 compared with the corresponding quarter last year.

Operational expenses increased to SEK 182 million (166) largely as a result of increased sales and marketing costs.

The operating result was SEK -69 million (-36) and the operating margin was -46% (-20%).

Net financial items amounted to SEK -6 million (18) and included SEK 0 million (19) in currency effects and SEK -6 million (0) of interest expenses primarily related to finance leases under IFRS 16 and interests due to temporary covid tax reliefs.

Profit/loss before tax was SEK -75 million (-17).

The net result for the quarter was SEK -74 million (-17) and diluted earnings per share was SEK -0.70 (-0.17).

CASH FLOW

Cash flow from operating activities before changes in working capital amounted to SEK -30 million (2). Change in working capital amounted to SEK 8 million (-25). The corresponding quarter last year working capital was negatively affected by a one-time repayment of SEK 37 million for COVID-related tax reliefs.

Investments in intangible, tangible, and financial fixed assets amounted to SEK 50 million (41), including SEK 49 million (41) in capitalization of R&D costs. Cash flow after continuous investments was SEK -71 million (-64). Acquisitions amounted to SEK 9 million (0).

Cash flow from financing activities amounted to SEK -7 million (-8), mainly related to installments of IFRS 16 Leases.

JANUARY-SEPTEMBER**REVENUE**

Revenue decreased to SEK 503 million (514), corresponding to an organic decline of 7%.

Products & Solutions revenue was SEK 359 million (352), corresponding to an organic decline of 3%. The decline was related to a lower demand from enterprise customers.

Integrations revenue was SEK 144 million (162), corresponding to an organic decline of 15%. The revenue decline was related to lower Sony PS VR2 license revenue compared with the corresponding period last year.

RESULTS

The gross margin was 75% (75%).

Products & Solution's gross margin was 69% (68%). The slightly strengthened gross margin reflected the shift in product mix.

Integrations gross margin was 90% (91%). The gross margin remained on a high level, reflecting the general trend towards a more software, service and license-based product mix. The slight decline was attributable to a lower revenue share related to Sony PS VR2 compared with the corresponding period last year.

Operational expenses increased to SEK 548 million (516) as an effect of increased R&D and sales and marketing costs.

The operating result was SEK -170 million (-131) and the operating margin was -34% (-26%).

Net financial items amounted to SEK 1 million (42) and included SEK 10 million (44) in currency effects and SEK -10 million (-3) of interest expenses primarily related to finance leases under IFRS 16 and interests due to temporary covid tax reliefs.

Profit/loss before tax was SEK -169 million (-89).

The net result for the period was SEK -170 million (-90) and diluted earnings per share was SEK -1.61 (-0.86).

CASH FLOW AND FINANCIAL POSITION

Cash flow from operating activities before changes in working capital amounted to SEK -59 million (1). Change in working capital amounted to SEK 127 million (-55), of which SEK 63 (-37) million stemmed from a deferral of tax related to COVID-reliefs.

Investments in intangible, tangible, and financial fixed assets amounted to SEK 161 million (125), including SEK 150 million (127) in capitalization of R&D costs. Cash flow after continuous investments was SEK -93 million (-180). Acquisitions amounted to SEK 15 million (0).

Cash flow from financing activities was SEK -22 million (0), mainly related to installments of IFRS 16 Leases.

At the close of the period, Tobii had SEK 271 million (263) in cash and cash equivalents. In addition, the company has an unused credit facility of SEK 50 million. Consolidated net cash totaled SEK 258 million (247), including SEK 74 million (64) in IFRS 16 finance leases.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK m	Q3 2023	Q3 2022	Nine months 2023	Nine months 2022	Full year 2022
Continuing operations					
Revenue	150	176	503	514	776
Cost of goods and services sold	-37	-45	-125	-129	-186
Gross profit	113	131	378	385	590
Selling expenses	-83	-72	-245	-233	-313
Research and development expenses	-68	-67	-211	-199	-278
Administrative expenses	-31	-35	-97	-105	-144
Other operating income and operating expenses	-0	7	5	21	23
Operating profit/loss (EBIT)	-69	-36	-170	-131	-122
Net financial items	-6	18	1	42	24
Profit/loss before tax	-75	-17	-169	-89	-99
Tax	0	-0	-0	-0	0
Net profit/loss for the period from continuing operations	-74	-17	-170	-89	-99
Discontinued operations					
Net profit/loss for the period from discontinued operations	-	-	-	-1	-1
Net profit/loss for the period	-74	-17	-170	-90	-99
Other comprehensive income					
Items that may subsequently be reclassified to profit or loss for the period:					
Translation differences	-2	-14	-8	-32	-19
Other comprehensive income for the period, net after tax	-2	-14	-8	-32	-19
Total comprehensive income for the period	-76	-31	-177	-123	-119
Earnings per share, SEK	-0.70	-0.17	-1.61	-0.86	-0.94
- whereof continuing operations	-0.70	-0.16	-1.60	-0.85	-0.93
Earnings per share, diluted, SEK	-0.70	-0.17	-1.61	-0.86	-0.94
- whereof continuing operations	-0.70	-0.16	-1.60	-0.85	-0.93
Net profit/loss for the period attributable to:					
Parent Company shareholders	-74	-18	-170	-91	-100
Non-controlling interests	-0	0	1	1	0
Total comprehensive income for the period attributable to:					
Parent Company shareholders	-76	-32	-178	-124	-119
Non-controlling interests	-0	0	1	1	0

CONDENSED CONSOLIDATED BALANCE SHEET

SEK m	Sept 30 2023	Sept 30 2022	Dec 31 2022
NON-CURRENT ASSETS			
Intangible assets	502	404	423
Tangible fixed assets	14	9	8
Right-of-use assets	74	55	52
Financial and other non-current assets	71	80	72
Total non-current assets	662	547	555
CURRENT ASSETS			
Accounts receivable	84	108	132
Inventories	78	60	65
Other current receivables	64	61	70
Cash and cash equivalents	271	263	402
Total current assets	497	491	669
Total assets	1,158	1,038	1,224
EQUITY			
Equity, Parent Company shareholders	583	746	752
Non-controlling interests	2	3	2
Total equity	586	748	754
LIABILITIES			
NON-CURRENT LIABILITIES			
Interest-bearing loans	13	16	16
Leasing liabilities	49	35	25
Other non-current liabilities	34	35	33
Total non-current liabilities	96	86	73
CURRENT LIABILITIES			
Leasing liabilities	25	29	28
Other current liabilities	452	175	369
Total current liabilities	476	204	397
Total liabilities	573	290	470
Total equity and liabilities	1,158	1,038	1,224

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Attributable to Parent Company shareholders

SEK m	Share capital	Other contributed capital	Reserves	Retained earnings	Total	Non-controlling interests	Total equity
Opening balance, Jan 1, 2022	1	1,976	-21	-1,116	840	2	841
Comprehensive income for the period			-32	-91	-123	1	-123
New share issue, exercise of warrants incentive programs		21			21		21
Sale of own shares				2	2		2
Share based payments settled using equity instruments				6	6		6
Closing balance, Sept 30, 2022	1	1,996	-53	-1,199	746	3	748
Opening balance, Jan 1, 2023	1	1,996	-40	-1,205	752	2	754
Comprehensive income for the period			-8	-170	-177	0	-177
New share issue	0	0			0		0
Share based payments settled using equity instruments				9	9		9
Closing balance, Sept 30, 2023	1	1,996	-47	-1,366	583	2	586

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

SEK m	Q3 2023	Q3 2022	Nine months 2023	Nine months 2022	Full year 2022
Cash flow from operating activities					
Profit/loss after financial items, continuing operations	-75	-17	-169	-89	-99
Adjustment for items not included in the cash flow	45	19	112	91	142
Taxes paid	-0	-0	-2	-1	-1
Cash flow from operating activities before change in working capital	-30	2	-59	1	41
Cash flow from change in working capital	8	-25	127	-55	96
Cash flow from operating activities	-22	-23	68	-55	137
Investments in intangible, tangible and financial fixed assets	-50	-41	-161	-125	-169
Cash flow after continuous investments	-71	-64	-93	-180	-32
Acquisitions and divestments	-9	-	-15	-	-
Cash flow after investments	-81	-64	-108	-180	-32
Interest-bearing debt, including Bond issue	-0	-1	-2	-0	-1
New share issue, net of issue costs	-	0	0	-	-
Exercise of warrants, incentive program	-	-	-	21	21
Instalments of leasing liability IFRS 16	-7	-7	-21	-20	-27
Cash flow from financing activities	-7	-8	-22	0	-8
Cash flow for the period, continuing operations	-88	-71	-131	-179	-40
Cash flow for the period, discontinued operations	-	-	-	-1	-1
Cash flow for the period, total	-88	-71	-131	-180	-41
Cash and cash equivalents at the beginning of the period	360	333	402	438	438
Foreign currency translation, cash and cash equivalents	-1	1	-1	5	5
Cash and cash equivalents at the end of the period	271	263	271	263	402

BREAKDOWN OF REVENUE*

SEK m	Q3 2023	Q3 2022	Nine months 2023	Nine months 2022	Full year 2022
REVENUE BY PRODUCT CATEGORY					
Hardware	80	101	282	283	418
Software	40	58	137	164	238
Services	30	18	84	68	121
Total revenues	150	176	503	514	776
REVENUE BY TIMING CATEGORY					
At a point in time	149	172	500	500	757
Over time	1	4	3	13	19
Total revenues	150	176	503	514	776
REVENUE BY GEOGRAPHIC MARKET					
Europe	51	43	152	135	206
North America	54	47	159	125	211
Other countries	45	86	192	254	359
Total revenues	150	176	503	514	776

* As of June 30, 2023, Tobii has changed classifications of certain products in the revenue by products categories. For this reason, the figures for the comparison period have been recalculated.

CONSOLIDATED KEY RATIOS

	Q3 2023	Q3 2022	Nine months 2023	Nine months 2022	Full year 2022
Earnings per share, SEK	-0.70	-0.17	-1.61	-0.86	-0.94
- whereof continuing operations	-0.70	-0.17	-1.61	-0.86	-0.93
Earnings per share, diluted, SEK ¹	-0.70	-0.17	-1.61	-0.86	-0.94
- whereof continuing operations	-0.70	-0.17	-1.61	-0.86	-0.93
Equity per share, SEK	5	7	6	7	7
EBITDA, continuing operations, SEK m	-29	1	-55	-16	27
EBIT, continuing operations, SEK m	-69	-36	-170	-131	-122
Cash flow from operating activities, SEK m	-22	-23	68	-55	137
Cash flow after continuous investments , SEK m	-71	-64	-93	-180	-32
Working capital, SEK m	-226	53	-226	53	-102
Total assets, SEK m	1,158	1,038	1,158	1,038	1,224
Net cash(+)/net debt (-), SEK m	184	183	184	183	334
Net cash(+)/net debt (-); IFRS 16 Leasing excluded, SEK m	258	247	258	247	386
Equity, SEK m	586	748	586	748	754
Average equity, SEK m	611	747	667	785	773
Equity/assets ratio, %	51	72	51	72	62
Debt/equity, %	15	11	15	11	9
Gross margin, continuing operations, %	75	74	75	75	76
EBITDA margin, continuing operations, %	-19	0	-11	-3	4
EBIT margin, continuing operations, %	-46	-20	-34	-26	-16
Return on total equity, %	-12	-2	-25	-11	-13
Average number of outstanding shares	106,182,266	105,916,594	105,964,338	105,612,433	105,689,377
Average number of outstanding shares after dilution	107,882,888	109,110,987	107,664,959	108,395,638	108,538,200
Number of outstanding shares at period end	106,182,266	105,917,699	106,182,266	105,917,699	105,917,699
Number of outstanding shares after dilution at period end	107,882,888	107,201,418	107,882,888	107,201,418	106,248,832
Average number of employees	543	518	541	509	515

1) On September 30, 2023, a total of 4.6 million warrants, stock options, and stock units were outstanding, which is an increase of 0.7 million since the end of 2022. During the year, 236,741 warrants and stock options have been redeemed, relating to the following programs: LTI 2014/24:1 (16,500), LTI 2018:2 (3,229), LTI 2017:2 (9,684), LTI 2019 (4,844), LTI 2020 (167,985) and LTI 2021 (34,499). The dilution effect of warrants, stock options, and stock units in all the Company's incentive programs and maximum issuance under LTI 2023 corresponds to a maximum of approximately 4,4%.

QUARTERLY DATA

Data relate to continuing operations unless otherwise specified.

	2021				2022				2023		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Revenue, SEK m											
Products and Solutions ¹	111	93	113	142	139	92	121	161	138	127	94
Integrations ¹	33	33	38	54	32	75	55	101	31	58	56
Total	144	126	151	196	171	167	176	262	168	185	150
Gross margin, %											
Products and Solutions ¹	74	68	69	78	70	67	68	72	68	71	68
Integrations ¹	68	58	81	76	76	96	90	88	91	92	88
Total	72	65	71	77	71	79	74	78	73	77	75
EBITDA, SEK m											
Total	2	-37	-3	11	-5	-11	1	43	-16	-10	-29
EBIT, SEK m											
Total	-37	-76	-42	-31	-45	-50	-36	9	-53	-48	-69
Operating margin, %											
Total	-26	-61	-28	-16	-27	-30	-20	3	-32	-26	-46
Profit/loss before tax, SEK m											
Total	-33	-80	-40	-28	-42	-30	-17	-9	-57	-37	-75
Net profit/loss for the period, including discontinued operations, SEK m											
Total	-3	-114	-8	3,272	-42	-31	-17	-9	-57	-38	-74

1) 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.

The Parent Company

The Parent Company's revenue during the quarter totaled SEK 117 million (127) and the operating loss was SEK -62 million (-50). At the end of the period, the Parent Company had SEK 223 million (190) in cash and cash equivalents. The number of employees in the Parent Company was approximately 365 (350).

CONDENSED PARENT COMPANY INCOME STATEMENT

SEK m	Q3 2023	Q3 2022	Nine months 2023	Nine months 2022	Full year 2022
Revenue	117	127	364	385	615
Cost of goods and services sold	-38	-37	-118	-103	-164
Gross profit	79	90	246	282	451
Selling expenses	-46	-46	-139	-149	-199
Research and development expenses	-67	-68	-209	-199	-278
Administrative expenses	-28	-33	-88	-102	-129
Other operating income and operating expenses	-0	7	5	20	22
Operating profit/loss	-62	-50	-186	-148	-133
Financial items	-2	23	9	55	41
Group Contributions	-	-	-	-	0
Profit/loss before tax	-64	-27	-176	-94	-91
Tax	-	-	-	-	0
Net profit/loss for the period	-64	-27	-176	-94	-91

CONDENSED PARENT COMPANY BALANCE SHEET

SEK m	Sept 30 2023	Sept 30 2022	Dec 31 2022
NON-CURRENT ASSETS			
Intangible assets	399	321	339
Tangible fixed assets	9	5	4
Financial assets	372	401	377
Total non-current assets	780	727	721
CURRENT ASSETS			
Accounts receivable	88	93	104
Inventories	70	51	59
Other current receivables	56	41	95
Cash and bank balances	223	190	352
Total current assets	437	375	611
Total assets	1,218	1,102	1,331
EQUITY			
746			
NON-CURRENT LIABILITIES			
Interest-bearing liabilities	16	1	17
Other non-current liabilities	30	32	30
Total non-current liabilities	46	32	47
CURRENT LIABILITIES			
Other current liabilities	426	161	371
Total current liabilities	426	161	371
Total liabilities	472	193	418
Total equity and liabilities	1,218	1,102	1,331

Notes

Note 1. Accounting policies

The Interim Report complies with the provisions of IAS 34, and the report for the Parent Company has been prepared pursuant to the provisions of the Swedish Annual Accounts Act and RFR 2. In addition to the financial statements, disclosures under IAS 34.16A also appear in other parts of the interim report. The accounting policies of the Parent Company and the Group, and the calculation principles used in the report, are unchanged from those used in the most recently published Annual Report, with the exception of the application of new standards. The IASB has published amendments to standards effective from January 1, 2023, or later. These amendments have not had a material impact on the financial statements.

Note 2. Segments

Tobii is reporting two segments, Products & Solutions, and Integrations. For each segment revenue, gross profit, and gross margin are reported.

PRODUCTS & SOLUTIONS

The segment's products comprise hardware, software, and services and the customers include both B2B customers and consumers. Hardware consists 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 and the consumer gaming device Tobii Eye Tracker 5. Software consists of Tobii Pro Lab and Sticky, among others.

INTEGRATIONS

This segment provides Tobii's attention computing technology for integration into device manufacturers' (also known as original equipment manufacturers, or OEMs) products. It offers a versatile array of OEM integration products, including software, hardware components, system reference designs, services, and intellectual property licenses. These integrations are deployed in various OEM devices, from gaming laptops and medical technology devices to virtual reality headsets and cars.

Note 3. Business combinations

DISCONTINUED OPERATIONS

No divestments have occurred during the quarter.

ACQUISITIONS

On April 1, 2023, Tobii acquired all assets in Oculid GmbH and incorporated the employees into Tobii's operations. Oculid provides a leading solution for cloud-based mobile user research. The complementary acquisition will strengthen Tobii's consumer insight software portfolio. The acquisition is expected to have an insignificant effect on Tobii's short-term financial results and position. The purchase consideration amounted to SEK 6 million.

On August 9, 2023, Tobii acquired all shares in Eyevido GmbH. Eyevido offers a cloud-based software used for conducting web-based user studies with eye tracking. The software will complement and strengthen the consumer insight offering to enterprise

customers. The acquisition is expected to have an insignificant effect on Tobii's short-term financial results and position. The purchase consideration for the acquired net assets was SEK 9 million. Eyevido GmbH was consolidated into Tobii Group as of August 9, 2023.

Effects of Acquisitions¹

SEK m	Eyevido GmbH	Asset deal Oculid
Cash consideration	9	6
Contingent consideration	-	-
Total consideration	9	6

Change in acquired assets and liabilities

Intangible assets (excl. Goodwill)	11	6
Tangible fixed assets	0	-
Net other assets and liabilities	0	-0
Cash and cash equivalents	0	-
Deferred tax liability	-2	-
Net identifiable assets and liabilities	9	6

Goodwill	-	-
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Effects of acquisitions on consolidated cash and cash equivalents

Purchase price	-9	-6
Cash and cash equivalents in acquired companies	0	-
Direct costs relating to acquisition	-1	-0
Total impact on cash and cash equivalents	-11	-6

Impact on the income statement during the holding period

Revenue	0
Net profit/loss for the period	-0

Impact on the income statement as if the acquisition had taken place on 1 January 2023

Revenue	1
Net profit/loss for the period	-1

¹ The acquisition analysis is preliminary.

Note 4. Financial instruments

SEK m	Sept 30 2023		Sept 30 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets measured at fair value				
Contingent considerations	-	-	-	-
Financial liabilities measured at fair value				
Contingent considerations	19	19	18	18

Tobii classifies financial assets and liabilities measured at fair value in a hierarchy based on the information used in the valuation of each asset or liability. For level 3 financial instruments, information material to the fair value assessment is not observable and Tobii's own assessments are applied. Interest-bearing loans and contingent considerations are classified under level 3.

Change in contingent consideration

SEK m	
Liabilities	
Opening balance Jan 1, 2023	18
Translation differences	1
Closing balance Sept 30, 2023	19

Other than the contingent consideration, Tobii has no financial instruments that are measured at fair value in the income statement.

IMPAIRMENT OF GOODWILL

Impairment testing for goodwill was carried out at the end of the 2022 financial year, without any need for impairment being identified.

Note 5. Pledged assets and contingent liabilities

As of September 30, 2023, SEK 0 million (-) are guarantee commitments in the Swiss subsidiary through subordination guarantee. Tobii also has SEK 100 (-) million as pledged assets referring to the revolving credit facility.

Other information

RISKS AND UNCERTAINTY FACTORS

Tobii's business risks include the economic climate, the competitive situation, currency risks, credit risks in relation to customers, financing risks, the risk of impairment write-downs of capitalized R&D and other intangible assets, and regulatory risks. Tobii's risks and risk management are described in greater detail in the risk section on pages 47-52, in the Corporate Governance Report on pages 58-59, and note 3 on page 82 in Tobii's 2022 Annual Report. Tobii is of the opinion that this risk description remains correct.

SEASONALITY

Tobii's operations and revenue is characterized by variations between quarters. The seasonal patterns are different for the segments Product & Solutions and Integrations and there are also regional variations. The fourth quarter is normally the strongest quarter in terms of revenue and profits as the budget year closes in most of Tobii's geographic markets.

ORGANIZATION

The average number of full-time employees (FTEs), excluding consultants, was 541 (509) during the period January – September 2023.

SHARE CAPITAL AND SHAREHOLDERS

The company's registered share capital at 30 September 2023 amounted to SEK 786,359 distributed among 106,182,266 Class A shares and 2,177,379 Class C shares. The shares have a quotient value of SEK 0.007256934 per share. Each Class A share carries one vote and each Class C share carries one vote per ten shares. The sole purpose of the C-shares is to facilitate settlement of the company's long-term incentive programs. The C-shares are always held on the company's balance sheet and the company is not allowed to exercise the voting rights related to these shares.

On 30 September 2023, there were 24,209 shareholders in the company. The company's three largest shareholders were Handelsbanken Fonder (9.25% capital and 9.45% votes), Öhman Fonder (5.96% capital and 6.10% votes) and Lannebo Fonder (5.54% capital and 5.67% votes). For more information about Tobii's share and ownership structure, see <https://corporate.tobii.com/investors/the-share>.

TRANSACTIONS WITH RELATED PARTIES

No transactions have occurred between Tobii and related parties that have materially affected the Company's position and earnings.

DEFINITIONS OF ALTERNATIVE PERFORMANCE MEASURES (APM) NOT DEFINED BY IFRS

Alternative Performance Measures (APMs) are financial measures of financial performance, financial position, or cash flows other than those defined in the applicable financial reporting framework (IFRS). These are considered to be important supplemental measures of the company's performance. These measures may not be comparable to measures used by other companies since not all companies calculate financial measures in the same way. The key ratios and alternative performance measures that Tobii uses are defined on page 134 of the 2022 annual report.

RECONCILIATION OF ALTERNATIVE PERFORMANCE MEASURES

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

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

SEK m	Q3 2023	Q3 2022	Nine months 2023	Nine months 2022	Full year 2022
Operating profit/loss before depreciation, amortization and impairment, (EBITDA)	-29	1	-55	-16	27
Amortization and impairment	-32	-29	-91	-92	-119
Depreciation	-8	-8	-24	-23	-30
<i>of which Right-of-use assets (IFRS 16 Leasing)</i>	-6	-6	-20	-18	-24
Operating profit/loss (EBIT)	-69	-36	-170	-131	-122

Board's assurance

The Board of Directors and the Chief Executive Officer of Tobii AB (publ) hereby confirm that this interim report provides a true and fair overview of the operations, financial position and results of the parent company and the Group and describes material risks and factors of uncertainties faced by the parent company and the companies in the Group.

Tobii AB

Danderyd, November 7 2023

Mats Backman
Board member

Per Norman
Chairman of the Board

Henrik Eskilsson
Board member

Charlotta Falvin
Board member

Jörgen Lantto
Board member

Jan Wäreby
Board member

Anand Srivatsa
President and CEO

The report has been reviewed by the Company's auditors.

This report is published in Swedish and English. In case of any differences between the English version and the Swedish original text, the Swedish version shall apply.

FOR MORE INFORMATION, PLEASE CONTACT:

Magdalena Rodell Andersson, CFO
+46 (0)8 663 69 90

Carolina Strömlid, Head of IR
+46 (0)708 807 173
ir@tobii.com

PUBLICATION

This interim report comprises such information that Tobii AB is obligated to publish in accordance with the EU Market Abuse Regulation. This information was published through the agency of the persons set out above on November 7, 2023, at 7.30 a.m. CET.

WEBCASTED PRESENTATION

A webcasted presentation will be held in English today at 9.00 a.m. (CET). To participate, please visit:
<https://corporate.tobii.com/investors/calendar/interim-report-q3-2023>

The presentation material and a replay will be available at the website afterwards.

FINANCIAL CALENDAR 2023/2024

Year-end report 2023
February 6, 2024
Annual and Sustainability report 2023
April 29, 2024
Interim report Q1 2024
May 3, 2024
Annual General Meeting 2024
May 23, 2024
Interim report Q2 2024
July 19, 2024
Interim report Q3 2024
October 25, 2024
Year-end report 2024
February 4, 2025

Tobii AB (publ), Corp. Id. No. 556613-9654, Karlsrovägen 2D, SE-182 53 Danderyd, Sweden, phone: +46 8 663 69 90, www.tobii.com



Auditor's report

Tobii AB (publ) corp. reg. no. 556613-9654

INTRODUCTION

We have reviewed the condensed interim financial information (interim report) of Tobii AB (publ) as of 30 September 2023 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

SCOPE OF REVIEW

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Stockholm, 7 November 2023

PricewaterhouseCoopers AB

Henrietta Segenmark
Authorized Public Accountant