

Year-End Report

January – December 2017

Strong growth in Tobii Pro, good recovery in Tobii Dynavox, and widespread demand for eyetracking in VR

October – December

- The Group's sales totaled SEK 307 million (306) compared with the same period 2016. Adjusted for currency effects, sales grew by 8 %.
- The gross margin was 69% (71%).
- The Group's operating loss amounted to SEK -11 million (-10). Tobii Dynavox made a contribution of SEK 31 million (41) and Tobii Pro of SEK 18 million (12), while investments in Tobii Tech had an impact of SEK -61 million (-64) on the Group's earnings.
- Earnings per share amounted to SEK -0.07 (-0.02).

January – December

- The Group's sales totaled SEK 1,084 million (1,053), an increase of 3%. Also adjusted for currency effects, the increase was 3%.
- The gross margin was 71% (72%).
- The Group's operating loss amounted to SEK -186 million (-67). Tobii Dynavox made a contribution of SEK 79 million (125) and Tobii Pro of SEK 26 million (15), while investments in Tobii Tech had an impact of SEK -291 million (-207) on the Group's earnings.
- Earnings per share amounted to SEK -1.92 (-0.57).

Significant events

- Microsoft launched Microsoft Eye Control in Windows 10.
- Tobii Pro launched a new model of its Tobii Pro Spectrum eye tracker with a 1200 Hz frame rate, which further strengthens Tobii Pro's position within academic research.
- Tobii Tech's collaboration with game studios resulted in the number of games with support for eye tracking exceeding 100.
- Tobii Tech signed a supply agreement with four new customers in specialized markets for integration in solutions psychology/rehabilitation, health testing, assistive technology for communication and lie detection.
- The strong interest in Tobii's VR offering at CES at the beginning of 2018 confirms the industry's perception of eyetracking as a necessity in future VR headsets.
- Tobii was ranked #7 in Universum's 2017 list of Sweden's best employers.
- In conjunction with the Year-End Report 2017, Tobii updated its financial goals. These were communicated through press release and the company's home page.

Financial summary

SEK m (except for earnings per share)	Fourth quarter				Full Year			
	2017	2016	Change	Currency adjusted change	2017	2016	Change	Currency adjusted change
Net Sales								
Tobii Dynavox	189.0	204.6	-8%	-1%	713.4	761.7	-6%	-6%
Tobii Pro	97.2	73.9	32%	40%	304.4	244.9	24%	25%
Tobii Tech	37.0	40.9	-10%	1%	120.6	96.4	25%	28%
Eliminations and other, net	-16.0	-13.4	n/m	n/m	-54.0	-49.7	n/m	n/m
Total	307.3	305.9	0%	8%	1,084.3	1,053.3	3%	3%
Operating profit/loss (EBIT)								
Tobii Dynavox	30.8	41.5			78.7	124.7		
Tobii Pro	18.6	12.1			26.1	15.5		
Tobii Tech	-60.9	-64.1			-290.8	-207.2		
Other	0.0	0.0			0.0	0.0		
Total	-11.5	-10.5			-185.9	-67.0		
Earnings per share	-0.07	-0.02			-1.92	-0.57		

A conference call and online presentation will be held in English today at 2.00 p.m. CET. Go to www.tobii.com to follow the conference online or for the phone number you need to participate. The presentation will be available for download from the website.

Comments from the CEO

2017 was another eventful year for Tobii. Tobii Pro showed excellent performance, increasing sales on all fronts. Tobii Dynavox launched a large number of new products and recovered in the fourth quarter from the negative trend in the touch screen segment earlier in the year. In order to meet the rapid growth in demand for eye tracking in VR, Tobii Tech has established considerable operations in a short period of time and at year-end had collaborations with an increasing number of potential customers and technology partners. The Group's sales for the fourth quarter increased by 8% adjusted for currency effects, and by 3% for the full year.

Tobii Dynavox – good sales of new touch screen products

The fourth quarter marked a strong recovery at Tobii Dynavox, following several quarters of negative sales trend in the touch screen segment. All the new products that were launched over the past year have been very well received by the market and we are now well-equipped with a strong touch screen product portfolio. As new language versions are released, rollout of the products to additional markets will continue throughout the spring.

As expected, Tobii Dynavox's product strategy of clearly price-differentiated solutions resulted in a notable change in product mix towards much higher volumes but a lower average price point. Compared with the previous quarter, sales for the fourth quarter increased by 20% as sales of the new products gained traction and to some extent as a result of seasonal effects. Compared with the fourth quarter of the previous year, sales decreased by 1% adjusted for currency effects.

In 2017 Tobii Dynavox gave a voice to some 20,000 new users, something we're incredibly proud of. I strongly believe we are pursuing a powerful strategy that will generate increases in market share over the long-term and good growth.

Tobii Pro – very strong end to the year

Tobii Pro demonstrated excellent sales performance in 2017 and the final quarter of the year was the business unit's strongest ever, with a sales increase of 40% adjusted for currency effects. Demand for Tobii Pro's market-leading eye-tracking solutions has increased steadily in a growing number of research areas. We added several new offerings to the portfolio during the year, from highly advanced research solutions to cloud-based solutions, to solutions for studies in VR environments in order to meet the broader interest.

In addition to the positive momentum in our established customer segments of market research, user experience testing and academic research, Tobii Pro is expanding into new areas of use, which is notably increasing the business area's long-term growth potential. We also estimate that Tobii Pro has strengthened its market position during the year and currently has about 60 percent market share. Contributing to this was that Tobii Pro's largest competitor, SMI, was acquired by another company in 2017, and the competing operations were discontinued.

Tobii Tech – strong demand in virtual reality

Eye tracking gives devices the ability to understand the user, fundamentally changing the way we interact with technology. I believe that in the future, eye tracking will be integrated into a large proportion of all computers, smartphones, VR and AR devices vehicles, as well as in many niche applications.

2017 was characterized by a strong focus on VR and the PC gaming market.

In the final quarter of the year, we saw a further strengthening of the already strong interest in eye tracking in VR. There is general consensus in the industry that eye tracking will be widely introduced into future generations of headsets. Tobii is very well positioned as the leading supplier of eye-tracking technology, and this was reflected in the amazing response we received from both industry and media at CES 2018 at the start of January. Headlines like Engadget's "[Tobii proves that eye tracking is VR's next killer feature](#)" speak for themselves.

As we stated in the previous quarter, Tobii Tech was actively working on five large-scale projects with potential customers and partners in VR, with the aim of products primarily reaching the market in late 2018 or in 2019. In the fourth quarter, these projects progressed well and we added further collaborations on VR product integration and reference designs. In addition, business discussions are being conducted with about ten other potential customers and partners in VR.

We continue to address the PC gaming market and to develop strong experiences together with our customers and partners. We are also in discussions with potential customers in the smartphone industry. During the quarter, we signed agreements with four more integration customers in niche areas.

200 new Tobiiians

In 2017, we welcomed more than 200 new employees to Tobii's offices around the world. As the organization has expanded considerably, there has been a strong emphasis on effective programs for new employee orientation and training for both new and experienced managers. Our aim is to be a world-class employer, so we are extra proud that Tobii was ranked #7 in Universum's list of Sweden's best employers in 2017.

Henrik Eskilsson, CEO



The Tobii Group in Brief

Tobii is the world-leader in eye-tracking, a technology that can determine where a person is looking with high accuracy. An eye-tracking sensor provides information about what the user pays attention to or processes. This, in turn, can provide unique insights into human behavior or be used to create natural and more intuitive user interfaces for computers and other devices.

The Tobii Group has three business units that have their own distinct markets, products and organizations. Two of these units, Tobii Dynavox and Tobii Pro, are market leaders and have well established product portfolios in their respective markets. Tobii Dynavox is focused on assistive technology for communication that helps tens of thousands of users to speak and communicate. Tobii Pro makes specialized eye-tracking solutions that add deep insights and unique objectivity to a multitude of research areas devoted to

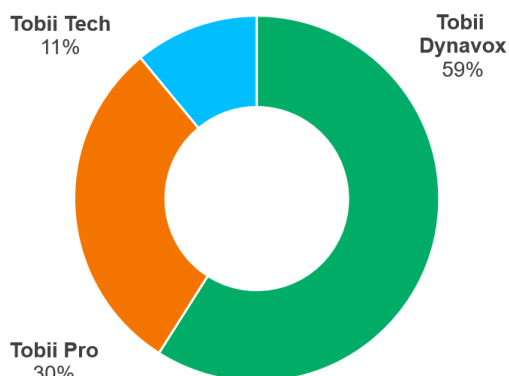
the study of behavior. The third business unit, Tobii Tech, is the world's leading supplier of eye-tracking technology to integration customers in high-volume markets such as computers, gaming products, VR, AR, and smartphones.

Tobii invests in high-paced development to maintain its market-leading position and advance its market penetration in all three business units.

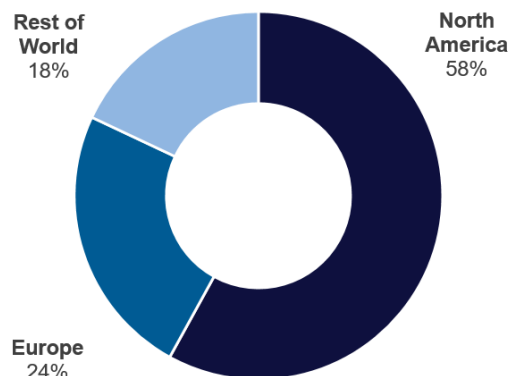
Tobii has over 900 coworkers and covers the global market through its own offices in Sweden, the USA, China, Japan, Norway, Germany, the UK, South Korea and Taiwan, and through a global network of resellers. Tobii is headquartered in Danderyd, Sweden, and its shares are listed on Nasdaq Stockholm since April 2015.



Sales per business unit
Q4, 2017



Sales per region
Q4, 2017



The Group • October – December

Sales

The Group's net sales for the fourth quarter amounted to SEK 307 million (306), unchanged compared with the same period in 2016. Adjusted for currency effects, sales increased by 8%. Tobii Dynavox contributed SEK 189 million, Tobii Pro SEK 97 million and Tobii Tech SEK 37 million.

In the fourth quarter, the North American market accounted for 58% (58%) of the Group's sales, the European market for 24% (21%), and the rest of the world for 18% (21%).

Earnings

The Group's gross margin was 69% (71%). The change was due to a change in the product mix in Tobii Dynavox and Tobii Pro, as well as certain negative non-recurring effects. The operating loss for the Group was SEK -11 million (-10) and the EBIT margin was -4% (-3%). Tobii Dynavox contributed to earnings with SEK 31 million (41) and Tobii Pro with SEK 19 million (12), while investments in Tobii Tech had an impact of SEK -61 million (-64) on the Group's operating loss. The operating loss was affected by the rapid organizational growth of the business (see Employees section for further details), but also contained significant positive non-recurring items.

Research & development (SEK m)	2017	2016
Total R&D expenditures	-104	-93
Capitalization	41	33
Amortization	-30	-26
R&D expenses in the income statement	-93	-86

Operating loss before depreciation and amortization (EBITDA) was SEK 24 million (21), yielding an EBITDA margin of 8% (7%).

Pretax loss was SEK -6 million, compared with SEK 5 million for the fourth quarter of 2016. Net financial items decreased to SEK 5 million (15), primarily as result of negative currency effects on the Group's dollar-denominated (USD) financial assets.

Net loss was SEK -7 million (-1) and the loss per share amounted to SEK -0.07, compared with SEK -0.02 in the corresponding period in 2016.

Cash flow, liquidity and financial position

Cash flow after continuous investments was SEK -42 million (-23) for the fourth quarter. Cash flow from operating activities was SEK 10 million (17) and continuous investments amounted to SEK 51 million (40), of which SEK 41 million (33) referred to capitalization of R&D.

Investments in tangible fixed assets totaled SEK 9 million (5), mainly due to an increase in demo units related to the large number of newly launched products by Tobii Dynavox. Compared with the third quarter, cash flow after continuous investments improved by SEK 14 million as a result of improved earnings.

At the close of the period, the Group had SEK 537 million (772) in net cash.

Employees

The number of employees at period-end, recalculated to full-time equivalents (FTE), was 842. Compared with the corresponding period of the previous year, the number of FTEs rose by 123, or 17%, through increased investments in the R&D, sales and marketing organizations.

Events after the end of the reporting period

In conjunction with the 2017 Year-End Report, Tobii updated its financial targets in order to present the stock market with an updated view of the Company's direction in the three business areas that reflects the current position and market development. The targets express the Company's ambition for the coming three-year period. This was communicated through a press release and the company's home page.

Tobii considers the company to be fully financed to execute on its current business plan, and the financial target for the Group is to reach profitability in 2020. Tobii conducts an active acquisition strategy in all three business units, and potential acquisitions may require separate financing.

The updated targets for the business units are included in this report under each section.

The Group • January – December

Sales

The Group's net sales for the full year 2017 increased by 3% to SEK 1,084 million (1,053) compared with 2016. Adjusted for currency effects, the increase was also 3%. The increase was attributable to growth in Tobii Pro and Tobii Tech, although was offset by a decrease in Tobii Dynavox.

During the period, the North American market accounted for 60% (62%) of the Group's sales, the European market for 22% (22%), and the rest of the world for 18% (16%).

Earnings

The Group's gross margin was 71% (72%).

Operating loss for the Group was SEK -186 million (-67) and the EBIT margin was -17% (-6%). Tobii Dynavox contributed SEK 79 million (125) and Tobii Pro SEK 26 million (15), while investments in Tobii Tech had an impact of SEK -291 million (-207) on the Group's operating loss. The operating loss was affected by the increased investment pace in Tobii Tech through, among other things, a rapid organizational growth, and by negative currency valuation effects on working capital.

Research & development (SEK m)	2017	2016
Total R&D expenditures	-420	-328
Capitalization	158	121
Amortization	-119	-94
R&D expenses in the income statement	-382	-302

Operating loss before depreciation and amortization (EBITDA) was SEK -47 million (50), yielding an EBITDA margin of -4% (5%).

Pretax loss was SEK -220 million, compared with SEK -48 million in the corresponding period in 2016. Net financial items amounted to SEK -34 million (19), primarily as result of negative currency effects on the Group's dollar-denominated (USD) financial assets.

Net loss was SEK -187 million (-50) and loss per share amounted to SEK -1.92, compared with SEK -0.57 for the full year 2016. The average number of outstanding shares was 97 million (88), and the number of shares at period-end was 97 million (97).

Cash flow, liquidity and financial position

Cash flow after continuous investments was SEK -221 million (-75). The operating loss was primarily affected by the increased investment pace in Tobii Tech and its rapid organizational growth. Cash flow from operations totaled SEK -56 million (57), while the change in working capital had a positive effect of SEK 21 million (10). Continuous investments increased by SEK 44 million to SEK 187 million, of which SEK 158 million referred to capitalization of R&D expenditures. The acquisition of Sticky in the second quarter had a negative impact of SEK -24 million on cash flow and cash flow after investments totaled SEK -245 million (-75). Additional financial information regarding the acquisition is presented on page 19 of this report.

Tobii Dynavox

- Strong recovery from earlier quarters.
- The market response to new products continued to be highly positive.



October – December

Trends and developments

There is good potential for long-term market growth in assistive technology for communication as the majority of individuals who truly need such products do not currently have access to them. There are growth opportunities both in the dozen or so countries that have functioning reimbursement systems for this type of technology and in many other countries where the market is still undeveloped.

Tobii Dynavox is the market leader with more than 40% of the overall market in assistive technology for communication and around 75% in eye-controlled products, a position Tobii Dynavox intends to retain and strengthen.

A central part of the growth strategy for Tobii Dynavox is to offer communication solutions at a broad range of price levels. Medical-grade products are sold bundled with comprehensive service packages in markets with access to well-functioning reimbursement systems and lower-priced products are sold directly to private individuals and schools. This strategy creates favorable conditions to significantly increase the number of units sold, expand into new customer groups and geographic markets, and increase the business unit's market shares.

As part of this strategy, Tobii Dynavox launched a large number of products in 2017. The portfolio was upgraded with brand new communication software, both medical-grade and lower priced touch screen products, as well as several lower-priced eye control solutions. Following a decrease in sales of older touch-screen products in the first half of the year and the transition to new products, which weighed on sales in the second and third quarters, sales returned up to the previous level in the fourth quarter. As new language versions are released, rollout of the products to additional markets will continue throughout the spring.

Sales

Net sales amounted to SEK 189 million (205), a decrease of 8% compared with the fourth quarter of 2016. Adjusted for currency effects, sales were largely unchanged. Compared with the third quarter of 2017, however, sales increased by 20%, reflecting a clear recovery from the effects that weighed on sales in the second and third quarters. Seasonal effects also contributed slightly to the increase on the previous quarter.

Earnings

The gross margin was 66% (71%). Operating profit totaled SEK 31 million (41) and the EBIT margin was 16% (20%). The decline in the gross margin was due to a change in product mix, as well as a number of non-recurring items, which reduced the margin in the fourth quarter. This was partly offset by good cost control and some positive non-recurring effects relating to operating costs and the impact of currency valuation on working capital.

Research & development (SEK m)	2017	2016
Total R&D expenditures	-26	-28
Capitalization	12	10
Amortization	-11	-9
R&D expenses in the income statement	-25	-27

Significant events

- The Indi speech tablet was named CES 2018 Innovation Awards Honoree in the Tech for a Better World category.

SEK m	Fourth quarter		Full Year	
	2017	2016	2017	2016
Net sales	189.0	204.6	713.4	761.7
Gross margin	66%	71%	69%	71%
EBITDA	46.0	55.0	140.3	184.9
EBITDA margin	24%	27%	20%	24%
Operating profit/loss (EBIT)	30.8	41.5	78.7	124.7
EBIT margin	16%	20%	11%	16%

January – December

Sales

Compared with the full year 2016, sales decreased by 6% to SEK 713 million (762). Currency effects had no impact on sales. Sales from the touch screen segment decreased owing to lower sales of older products and transition effects relating to the many new touch screen products launched during the year.

Earnings

The gross margin was 69% (71%). Operating profit totaled SEK 79 million (125) and the EBIT margin was 11% (16%). The decrease in gross margin was due to changes in the product mix and non-recurring costs in the fourth quarter. Operating costs were affected by positive non-recurring items and a negative impact from currency valuation on working capital.

Research & development (SEK m)	2017	2016
Total R&D expenditures	-115	-108
Capitalization	61	54
Amortization	-46	-41
R&D expenses in the income statement	-100	-96

About Tobii Dynavox

Tobii Dynavox is the world's leading supplier of assistive technology for individuals with reduced ability to speak and communicate due to conditions such as cerebral palsy, ALS, aphasia, spinal cord injuries or autism. The products include eye-controlled and touchscreen-based communication devices and a variety of software. Tobii Dynavox accounts for approximately 60% of the Group's sales. The business unit's long-term financial target is to increase revenue on average by 10% per year with an EBIT margin of 15-20%.



Tobii Pro

- Achieved highest ever sales revenues in the history of the business unit
- Expanded in new application areas
- Positive impact from changes in the competitive landscape



October – December

Trends and developments

The market trend for eye-tracking solutions for behavioral research studies was good across the board, with steadily increasing demand in established areas of application such as academic research, market research and usability testing. Tobii Pro sees long-term growth potential in these areas, but also sees significant potential to expand within new customer groups and application areas.

One new area where Tobii Pro has built up substantial business in 2017 is professional performance. Tobii Pro has sold solutions to a number of different customers in sectors including the automotive industry, process industry, simulators and sports, which use eye-tracking data for training and educational purposes. Often, consulting businesses initially engage Tobii Pro Insight to help them develop methodologies and analyze data. The methodology can then be taken over by the customer and rolled out to additional processes and facilities.

Another new area for Tobii Pro is eye-tracking studies in VR environments. There is good customer demand for conducting studies in an environment over which there is full control. The solution for eye-tracking studies in VR environments, which was launched in the second quarter, has quickly become a popular product in the market.

In order to meet additional user needs, Tobii Pro is working to expand its offering from advanced research solutions to also encompass solutions for cost-effective testing on a large scale. Investments are therefore being made to develop the product portfolio and to acquire complementary technologies and solutions.

The competitive landscape changed in 2017 as Tobii Pro's main competitor, SMI, was acquired and withdrew from the market. Tobii assesses this had a clear positive impact on Tobii Pro's market share and rate of growth in the second half of the year.

Sales

Net sales for the fourth quarter rose year-over-year by SEK 23 million, or 32%, to SEK 97 million (74). Adjusted for currency effects, sales grew by 40%. The increase was mainly due to strong sales performance in all product categories and in all major regions, expansion into new sub-segments and favorable changes in the competitive landscape.

Earnings

Gross margin amounted to 73% (76%), driven by changes in product mix, including an increased percentage of service sales by Tobii Pro Insight. Operating profit totaled SEK 19 million (12) and the EBIT margin was 19% (16%), driven by increased sales and greater efficiency in the sales organization, despite a negative earnings impact from the integration and development of the Sticky offering.

Research & development (SEK m)	2017	2016
Total R&D expenditures	-18	-15
Capitalization	14	8
Amortization	-10	-7
R&D expenses in the income statement	-15	-13

Significant events

- Launched a new model of its Tobii Pro Spectrum eye tracker with a frame rate of 1200 Hz, which further strengthens Tobii Pro's offering to academic research customers.

SEK m	Fourth quarter		Full Year	
	2017	2016	2017	2016
Net sales	97.2	73.9	304.4	244.9
Gross margin	73%	76%	74%	74%
EBITDA	29.4	19.9	65.9	45.1
EBITDA margin	30%	27%	22%	18%
Operating profit/loss (EBIT)	18.6	12.1	26.1	15.5
EBIT margin	19%	16%	9%	6%

January – December

Sales

Compared with the full year 2016, sales rose by 24% to SEK 304 million (245). Adjusted for currency effects, growth was 25%. The increase for the full year was also driven by strong sales performance across all product areas and all major regions, expansion into new sub-segments and favorable changes in the competitive landscape.

Earnings

Gross margin was unchanged at 74% (74%). Operating profit totaled SEK 26 million (15) and the EBIT margin was 9% (6%). In parallel with strong sales growth, Tobii Pro continued to invest in R&D, sales and marketing. Integration and development of the Sticky offering impacted earnings by SEK -7 million.

Research & development (SEK m)	2017	2016
Total R&D expenditures	-68	-57
Capitalization	49	31
Amortization	-36	-26
R&D expenses in the income statement	-55	-53

About Tobii Pro

Tobii Pro is the world's leading provider of eye-tracking hardware and analytics software used for understanding human behavior. Over 3,000 companies and 2,000 academic institutions are Tobii Pro customers, including several large corporations such as Procter & Gamble, Ipsos and Microsoft, as well as all of the world's 50 top-ranked universities. Tobii Pro accounts for approximately 30% of the Group's sales. The business unit's long-term financial target is to increase revenue on average by 15-20% per year, and to reach an EBIT margin of 15% by 2020.



Tobii Tech

- Several ongoing collaborations with potential customers and technology partners within VR.
- Very positive market response from CES 2018 in January.
- Continued high rate of recruitment and expansion of the organization.



October – December

Trends and developments

Tobii Tech is the world's leading supplier of eye-tracking technology for integration customers and supplies volume markets such as PC gaming, VR, AR, smartphones and numerous niche applications.

In 2017, Tobii Tech considerably expanded its organization within VR, a market in where interest in eye tracking has surged during the past year. It is highly probable that eye tracking will be integrated in a large proportion of future generation of VR headsets and Tobii is well positioned to take a leading position among independent suppliers. As stated in the previous quarter, Tobii was working actively on five large-scale projects with potential customers and partners. These are predominantly aiming for products to reach the market in late 2018 or in 2019. In the fourth quarter, important progress was made on these projects and further collaborations on VR product integration and reference designs were added. In addition, dialogues are ongoing with about ten other potential customers and partners.

Within the PC gaming segment, several products with built-in eye tracking from Tobii have been launched, including notebooks, monitors and peripherals. Tobii Tech has, in close collaboration with Dell Alienware and ELEAGUE, developed a concept for eye tracking in e-sports, which gives the audience insight into how the players read the game. This has so far been used in a couple of ELEAGUE's tournaments, most recently reaching an audience of a million live viewers. The experience has received very positive feedback. In order to reach additional integration customers and computer models, Tobii is investing in the development of both applications and the next generation platform for computer integration.

Overall, the interest in eye tracking and Tobii has increased as several smaller competitors have been acquired by major tech companies. Tobii also expects that Apple's launch of face recognition in the iPhone X and Microsoft's support for eye tracking in Windows will contribute to boosting interest in smart camera-based sensors, including eye tracking, in both computers and smartphones.

Sales

Net sales for the fourth quarter decreased year-over-year by SEK 4 million, or 10%, to SEK 37 million (41), of which SEK 16 million comprised sales of eye-tracking platforms to the other two business units and SEK 21 million comprised external sales. Adjusted for currency effects, the decrease was 1%. The decrease was mainly because of lower revenues from external sales in the quarter, which was due to larger initial deliveries to new PC gaming customers and non-recurring revenues in the comparison period.

Earnings

Gross margin was 43% (39%). The increase was driven by a higher share of internal sales. The operating loss was SEK -61 million (-64). Despite the business' rapid organizational growth, the improvement was due to positive non-recurring effects in operating costs for the quarter and significant non-recurring costs in the comparison period.

Research & development (SEK m)	2017	2016
Total R&D expenditures	-60	-51
Capitalization	15	15
Amortization	-9	-10
R&D expenses in the income statement	-54	-46

Significant events

- Microsoft launched Microsoft Eye Control eye-tracking functionality in Windows 10.
- Tobii Tech's collaboration with game studios resulted in the number of games with support for eye tracking exceeded 100.
- Tobii Tech signed supply agreements with four new customers in specialized markets for integration in solutions for psychology/rehabilitation, health testing, assistive technology for communication and lie detection.
- Tobii's developer kit 'VR for Vive Kit' was named CES 2018 Innovation Awards Honoree in the Virtual and Augmented Reality category.

SEK m	Fourth quarter		Full Year	
	2017	2016	2017	2016
Net sales	37.0	40.9	120.6	96.4
Gross margin	43%	39%	43%	43%
EBITDA	-51.6	-54.2	-253.2	-179.7
EBITDA margin	n/m	n/m	n/m	n/m
Operating profit/loss (EBIT)	-60.9	-64.1	-290.8	-207.2
EBIT margin	n/m	n/m	n/m	n/m

January – December

Sales

Net sales increased by 25% to SEK 121 million (96) compared with the full year 2016, and by 28% adjusted for currency effects. Growth was primarily driven by increased external sales to integration customers in the PC gaming segment. Sales of our own gaming peripheral Tobii Eyetracker 4C also increased sharply. Overall, external sales were SEK 67 million (47), an increase of 42%.

Earnings

Gross margin was 43% (43%). The operating loss amounted to SEK -291 million (-207). The change was due to a considerable expansion of the organization, the development of the next generation of eye-tracking platform and the further development of application software, as well as marketing initiatives.

Research & development (SEK m)	2017	2016
Total R&D expenditures	-238	-163
Capitalization	48	37
Amortization	-37	-27
R&D expenses in the income statement	-227	-153

About Tobii Tech

Tobii Tech is the world's leading supplier of components and platforms for eye tracking to OEM customers who integrate Tobii's technology into their own products. The business unit invests in technology development and marketing activities in a number of segments, several of which have the potential to become very large in the future. Primary areas of investment are gaming, computing, virtual reality, and smartphones. Tobii Tech is still in an early stage commercially and accounts for approximately 10% of the Group's sales, including internal sales to Tobii Dynavox and Tobii Pro. An overall objective for the business unit is to retain its position as the world's leading supplier of eye-tracking technology for integration into high-volume products and, in the long term, to achieve sales of several billion SEK with good profitability. This development is expected to take place gradually over a number of years and will require considerable investments in technology and market development. For Tobii Tech, the financial target is to reach profitability in 2021.



Consolidated Key Ratios

	Fourth quarter		Full Year	
	2017	2016	2017	2016
Earnings per share, SEK	-0.07	-0.02	-1.92	-0.57
Earnings per share, diluted ¹ , SEK	-0.07	-0.02	-1.92	-0.57
Equity per share, SEK	10.9	12.5	10.9	12.5
EBITDA, SEK m	23.8	20.8	-46.9	50.3
EBIT, SEK m	-11.5	-10.5	-185.9	-67.0
Cash flow from operating activities, SEK m	9.7	16.7	-34.9	67.6
Cash flow after continuous investments, SEK m	-41.7	-22.9	-221.4	-74.5
Working capital, SEK m	-5.1	16.8	-5.1	16.8
Total assets, SEK m	1,342.7	1,486.6	1,342.7	1,486.6
Net cash (+)/net debt (-), SEK m	536.8	771.7	536.8	771.7
Equity, SEK m	1,058.6	1,215.1	1,058.6	1,215.1
Average equity, SEK m	1,053.0	872.7	1,107.5	801.9
Equity/assets ratio, %	78.8	81.7	78.8	81.7
Net debt/equity, %	neg	neg	neg	neg
Gross margin, %	69.1	71.0	70.9	72.3
EBITDA margin, %	7.7	6.8	-4.3	4.8
Operating margin, %	-3.7	-3.4	-17.1	-6.4
Return on total equity, %	-0.7	-0.2	-16.8	-6.2
Average number of outstanding shares, million	97.1	88.8	97.1	87.9
Average number of outstanding shares after dilution, million	99.2	92.6	99.1	91.6
Number of outstanding shares at period-end, million	97.3	97.0	97.3	97.0
Number of outstanding shares after dilution at period-end, million	99.2	100.3	99.2	100.3
Average number of employees	834.3	714.2	779.0	682.1

1) The 2017 Annual General meeting resolved to implement a long-term incentive program, LTI 2017, and to issue new shares of not more than 969,000 warrants. The program comprises 2 series of warrants. Series 1 entitles the warrant holder to subscribe for one Tobii AB share at a price of SEK 60.90 per share during a fixed period in 2020/2021. There is a total of 800,000 warrants outstanding in the series. Series 2 entitles the warrant holder to subscribe for one Tobii AB share at a price of SEK 56.20 during a fixed period in 2021/2027. There is a total of 169,000 warrants out-standing in the series. At December 31, 2017, the number of emitted warrants totaled 3.5 million, an increase of 0.2 million since the end of 2016 which is due to the cancellation of 0.5 million unused warrants from previous years' incentive programs, emission of approximately 1 million warrants in LTI 2017 and the exercise of 0.2 million warrants. Of the total 3.5 million outstanding warrants, 3.4 million were transferred to participants in the incentive programs. The dilution effect of warrants in all of the company's incentive programs corresponds to a maximum of approximately 3.7%.

Condensed Consolidated Statement of Comprehensive Income

SEK m	Fourth quarter		Full Year	
	2017	2016	2017	2016
Net sales	307.3	305.9	1,084.3	1,053.3
Cost of goods and services sold	-95.1	-88.6	-315.7	-291.5
Gross profit	212.2	217.3	768.6	761.8
Selling expenses	-114.2	-113.1	-462.7	-429.1
Research and development expenses	-93.4	-85.9	-382.5	-301.8
Administrative expenses	-23.1	-32.9	-103.1	-101.6
Other operating income and operating expenses ¹	7.1	4.1	-6.3	3.6
Operating profit/loss	-11.5	-10.5	-185.9	-67.0
Net financial items ²	5.1	15.3	-33.7	19.4
Profit/loss before tax	-6.3	4.8	-219.6	-47.6
Tax	-0.7	-6.2	33.1	-2.2
Net profit/loss for the period	-7.0	-1.4	-186.5	-49.8
Other comprehensive income				
Items that may subsequently be reclassified to profit or loss for the period:				
Translation differences	-4.4	-4.0	13.1	-0.7
Other comprehensive income for the period, net after tax	-4.4	-4.0	13.1	-0.7
Total comprehensive income for the period	-11.4	-5.4	-173.4	-50.5
Of which depreciation and amortization	-35.2	-31.2	-139.0	-117.3
Of which write downs of fixed assets	0.0	0.0	0.0	0.0
Earnings per share, SEK	-0.07	-0.02	-1.92	-0.57
Earnings per share, diluted, SEK	-0.07	-0.02	-1.92	-0.57
Net profit/loss for the period attributable to:				
Parent company shareholders	-6.4	-1.6	-186.7	-49.7
Non-controlling interests	-0.6	0.2	0.1	-0.1
Net profit/loss for the period	-7.0	-1.4	-186.5	-49.8
Total comprehensive income for the period attributable to:				
Parent company shareholders	-10.8	-5.6	-173.6	-50.4
Non-controlling interests	-0.6	0.2	0.1	-0.1
Total comprehensive income for the period	-11.4	-5.4	-173.4	-50.5

1) Primarily foreign currency translation differences.

2) Net financial items include foreign currency translation differences totaling SEK 5 million (15) for the third quarter, SEK -34 million (19) for the full year 2017.

Condensed Consolidated Balance Sheet

SEK m	Dec 31, 2017	Dec 31, 2016
Fixed assets		
Intangible fixed assets	435.6	370.4
Tangible fixed assets	31.0	28.1
Financial fixed assets	93.5	58.3
Total fixed assets	560.1	456.8
Current assets		
Accounts receivable	145.9	151.7
Inventories	59.4	67.3
Other current receivables	40.5	39.2
Cash and cash equivalents	536.8	771.7
Total current assets	782.6	1,029.8
Total assets	1,342.7	1,486.6
Shareholders' equity		
Shareholders' equity, Parent Company shareholders	1,058.1	1,214.8
Non-controlling interests	0.4	0.3
Total shareholders' equity	1,058.6	1,215.1
Liabilities		
Long-term liabilities		
Interest-bearing liabilities	0.0	0.0
Other long-term liabilities	33.2	30.2
Total long-term liabilities	33.2	30.2
Current liabilities		
Interest-bearing liabilities	0.0	0.0
Other current liabilities	250.9	241.3
Total current liabilities	250.9	241.3
Total liabilities	284.1	271.5
Total shareholders' equity and liabilities	1,342.7	1,486.6

Condensed Consolidated Statement of Changes in Equity

SEK m	Attributable to Parent Company shareholders					Non-controlling interests	Total equity
	Share capital	Other contributed capital	Reserves	Retained earnings	Total		
Opening balance, Jan 1, 2016	0.6	1,095.2	-0.9	-301.4	793.5	0.3	793.8
Comprehensive income for the period			-0.7	-49.7	-50.4	0.0	
Rights issue		458.2			458.3		
Expenses related to rights issue		-9.4					
New share issue		16.4			16.4		
Sale of warrants, incentive programs		5.8			5.8		
Share based payments settled using equity instruments				0.6	0.6		
Closing balance, Dec 31, 2016	0.7	1,566.2	-1.6	-350.5	1,214.8	0.3	1,215.1
Comprehensive income for the period			13.1	-186.7	-173.6	0.1	
New share issue, exercise of warrants incentive programs	0.0	10.0			10.0		
Sale of warrants, incentive programs		5.3			5.3		
Share based payments settled using equity instruments				1.6	1.6		
Closing balance, Dec 31, 2017	0.7	1,581.5	11.5	-535.5	1,058.1	0.4	1,058.6

Condensed Consolidated Statement of Cash Flow

SEK m	Fourth quarter		Full Year	
	2017	2016	2017	2016
Cash flow from operating activities:				
Profit/loss after financial items	-6.3	4.8	-219.6	-47.6
Adjustment for items not included in the cash flow	26.1	26.0	163.1	108.7
Taxes paid	0.3	-0.8	0.6	-3.8
Cash flow from operating activities before change in working capital	20.0	30.0	-55.9	57.3
Cash flow from change in working capital	-10.3	-13.3	21.1	10.3
Cash flow from operating activities	9.7	16.7	-34.9	67.6
Investments				
Continuous investments:				
Investments in intangible, tangible and financial fixed assets	-51.3	-39.6	-186.5	-142.0
Cash flow after continuous investments	-41.7	-22.9	-221.4	-74.5
Acquisition of subsidiary company	0.0	0.0	-23.7	0.0
Cash flow after investments	-41.7	-22.9	-245.0	-74.5
Cash flow from financing activities	4.8	463.3	15.3	471.1
Cash flow for the period	-36.8	440.4	-229.7	396.6
Foreign currency translation, cash and cash equivalents	0.8	2.2	-5.2	4.2
Cash and cash equivalents at the beginning of the period	572.8	329.2	771.7	370.9
Cash and cash equivalents at the end of the period	536.8	771.7	536.8	771.7

Quarterly Data per Business Unit and the Group

Net sales, SEK m	2016				2017			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Tobii Dynavox	188.3	181.8	187.0	204.6	182.2	185.5	156.7	189.0
Tobii Pro	59.3	53.3	58.4	73.9	60.9	66.3	80.0	97.2
Tobii Tech*	16.0	18.3	21.2	40.9	29.1	29.4	25.2	37.0
Eliminations and other	-11.4	-12.7	-12.1	-13.4	-11.1	-15.2	-11.8	-16.0
The Group	252.2	240.7	254.5	305.9	261.0	265.9	250.1	307.3
*) Of which internal sales to Tobii Dynavox and Tobii Pro	11.4	12.7	12.1	13.4	11.1	15.2	11.8	16.0

Gross margin, %	2016				2017			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Tobii Dynavox	71.2	70.3	71.0	71.1	69.6	68.7	70.6	66.3
Tobii Pro	73.5	71.8	72.4	75.7	75.5	72.8	76.0	72.9
Tobii Tech	41.4	49.6	47.9	39.0	41.4	43.3	46.5	43.0
The Group	73.0	72.7	72.8	71.1	70.8	70.9	73.3	69.1

Operating profit/loss before depreciation and amortization (EBITDA), SEK m	2016				2017			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Tobii Dynavox	42.9	41.5	45.5	55.0	34.3	35.2	24.8	46.0
Tobii Pro	12.9	4.6	7.6	19.9	8.0	8.2	20.3	29.4
Tobii Tech	-47.5	-45.3	-32.8	-54.2	-66.4	-77.7	-57.4	-51.6
Eliminations and other	-	-	-	-	-	-	-	-
The Group	8.4	0.8	20.4	20.8	-24.1	-34.3	-12.2	23.8

Operating profit/loss (EBIT), SEK m	2016				2017			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Tobii Dynavox	26.6	25.4	31.2	41.5	19.5	19.2	9.2	30.8
Tobii Pro	5.9	-2.7	0.1	12.1	0.1	-1.7	9.1	18.6
Tobii Tech	-49.3	-51.9	-41.9	-64.1	-75.8	-87.1	-66.9	-60.9
Eliminations and other	-	-	-	-	-	-	-	-
The Group	-16.8	-29.2	-10.6	-10.5	-56.3	-69.6	-48.6	-11.5

Operating margin, %	2016				2017			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Tobii Dynavox	14.1	14.0	16.7	20.3	10.7	10.4	5.8	16.3
Tobii Pro	10.0	-5.1	0.1	16.4	0.1	-2.5	11.4	19.1
Tobii Tech	neg	neg	neg	neg	neg	neg	neg	neg
The Group	-6.6	-12.1	-4.2	-3.4	-21.5	-26.2	-19.4	-3.7

Profit/loss before tax, SEK m	2016				2017			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
The Group	-29.5	-17.5	-5.4	4.8	-62.8	-88.0	62.5	-6.3

Profit/loss for the period, SEK m	2016				2017			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
The Group	-24.9	-16.3	-7.2	-1.4	-55.1	-71.4	-53.0	-7.0

The Parent Company

The Group's Parent Company, Tobii AB (publ.), which has over 390 employees, focuses on sales, marketing, R&D, purchasing, manufacturing, technical support and IT. The Parent Company's net sales during the fourth quarter totaled SEK 232 million (189) and the operating profit/loss was SEK -78 million (-15). Net sales for the Full Year 2017 totaled SEK 745 million (633) and the operating loss was SEK -209 million (-50). At the period end the Parent Company had SEK 470 million (686) in cash and cash equivalents and SEK 0 million (170) in unutilized overdraft facilities.

Condensed Parent Company income statement

SEK m	Fourth quarter		Full Year	
	2017	2016	2017	2016
Net sales	232.0	188.7	745.1	632.9
Cost of goods and services sold	-90.4	-84.0	-313.1	-274.0
Gross profit	141.6	104.8	432.0	358.9
Selling expenses	-57.3	-39.9	-190.5	-135.0
Research and development expenses	-144.0	-64.4	-371.0	-225.1
Administrative expenses	-26.2	-20.8	-76.3	-55.9
Other operating income and operating expenses	8.1	4.9	-3.5	6.8
Operating profit/loss	-77.8	-15.4	-209.4	-50.3
Financial items	11.7	22.5	-10.1	46.1
Profit/loss before tax	-66.1	7.1	-219.4	-4.2
Tax	0.0	0.6	33.5	4.3
Profit/loss after tax	-66.1	7.7	-185.9	0.1
Depreciation and amortization, total	-53.2	-19.9	-121.4	-69.0

The Parent Company's profit/loss after tax corresponds to the total comprehensive income.

Condensed Parent Company balance sheet

SEK m	Dec 31, 2017	Dec 31, 2016
Fixed assets		
Intangible fixed assets	379.5	192.6
Tangible fixed assets	9.9	7.7
Financial fixed assets	506.7	562.6
Long-term financial receivables	0.0	1.8
Total fixed assets	896.0	764.7
Current assets		
Accounts receivable	120.5	98.1
Inventories	36.1	43.7
Other current financial receivables	70.0	71.1
Cash and bank balances	470.1	685.7
Total current assets	696.6	898.6
Total assets	1,592.6	1,663.3
Shareholders' equity	1,330.9	1,499.8
Long-term liabilities		
Other long-term liabilities	18.2	12.0
Total long-term liabilities	18.2	12.0
Current liabilities		
Other current liabilities	243.6	151.4
Total current liabilities	243.6	151.4
Total liabilities	261.7	163.5
Total equity and liabilities	1,592.6	1,663.3

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, due to the fact that not all companies calculate financial measures in the same way.

Gross margin

Gross profit relative to the operations' net sales.

Operating profit/loss (EBIT)

Operating profit/loss before financial income and expenses, and taxes. Also known as EBIT – Earnings before interest and taxes.

Operating margin

Operating profit relative to the operations' net sales.

EBITDA (Earnings before interest, taxes, depreciation and amortization)

Operating profit/loss before depreciation, amortization and write-downs.

EBITDA margin

Operating profit/loss before depreciation, amortization and write-downs relative to the operations' net sales.

Cash flow after continuous investments

Cash flow from operating activities minus investments in intangible, tangible and financial fixed assets.

Working capital

Inventories, accounts receivable, and other current receivables minus accounts payable and other non-interest-bearing current liabilities.

Net cash/net debt

Cash and cash equivalents minus interest-bearing liabilities.

Equity/assets ratio

Shareholders' equity as a percentage of the Balance Sheet total.

Debt/equity ratio

Interest-bearing liabilities divided by shareholders' equity.

Return on equity

Profit after tax, relative to the average shareholders' equity during the period.

Equity per share

Shareholders' equity at the period end attributable to the Parent Company's shareholders, divided by the number of shares at the period end.

Average number of employees

Average number of full time employees during the period, including part-time employees recalculated as full-time positions.

Total R&D expenditures

Gross amount of research and development expenses before capitalization and amortization.

n/m = not meaningful

Reconciliation of alternative performance measures

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

SEK m	Fourth quarter		Full year	
	2017	2016	2017	2016
Operating profit/loss before depreciation, amortization and impairment	23.8	20.8	-46.9	50.3
Amortization and impairment on intangible fixed assets	-30.0	-25.7	-119.4	-94.4
Depreciation and write down in property, plant and equipment	-5.2	-5.5	-19.6	-22.9
Operating profit/loss, EBIT	-11.5	-10.5	-185.9	-67.0

Net cash (net debt)

SEK m	Fourth quarter		Full year	
	2017	2016	2017	2016
Cash and cash equivalents ¹	536.8	771.7	536.8	771.7
Interest-bearing liabilities	-	-	-	-
Net cash (net debt)	536.8	771.7	536.8	771.7

1) Cash and cash equivalents are comprised of cash and bank and current investments.

Other information

Accounting principles

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. The accounting principles 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. No new or amended IFRS regulations have had any material impact on the Group.

ESMA's (European Securities and Markets Authority) guidelines on "Alternative Performance Measures" have been applied from July 3, 2016, requiring disclosure regarding financial measures that are not defined in accordance with IFRS.

Implementation of new accounting standards in accordance with IFRS

Tobii is preparing for two new IFRS standards that go into effect from January 1, 2018.

IFRS 15, Revenue from contracts with customers

IFRS 15, "Revenue from contracts with customers" goes into effect on January 1, 2018 and replaces the current IFRS standards and interpretations for revenue recognition. The new standard shall be applied for fiscal years starting January 1, 2018 or later. The standard and its clarifications have been endorsed by the EU. Tobii has not applied early adoption of the standard.

The Tobii Dynavox business unit sells certain products as packages comprised partly of computer products that are delivered 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. In accordance with current standards, Tobii recognizes revenue for the complete package in the reporting period in which the product is delivered. IFRS 15 states that revenue shall be recognized in the period that Tobii fulfills its commitment to customers for each part of the package. Compliance with the new standard impacts Tobii's 2017 proforma revenues negatively by 0.5%. The Tobii Pro business unit is affected to a lesser extent by the new standard.

Tobii applies IFRS 15 full retrospective method for transition to the new standard and has restated 2017 income statement and balance sheet. The impact is an opening balance adjustment of SEK 80 million as at January 1, 2017, which is reported as a decrease in equity and an increase in the liability contracts with customers. Tobii's 2017 proforma revenues were negatively impacted by SEK -6 million. The opening balance refers to warranties and customer support commitments which Tobii has sold in earlier years but has not yet fulfilled as at January 1, 2017.

SEK m	Retained earnings	Liability: Contracts with customers
Opening balance Jan 1, 2017	-80.1	80.1
Income statement and balance sheet impact during the year	-5.5	5.5
Currency valuation effect for the year	5.8	-5.8
Closing balance Dec 31, 2017	-79.8	79.8

IFRS 9, Financial instruments

IFRS 9 Financial instruments replaces IAS 39 Financial instruments from 2018. The standard deals with the classification, valuation and resolve of financial assets and financial liabilities, introduces new rules for hedge accounting and a new model for impairment

of financial assets. Tobii's assessment is that the new standard will not have a significant impact on the classification and valuation of financial instruments. Tobii does not use hedge accounting. The new model for calculating credit loss reserves is based on expected credit losses rather than realized credit losses, however this is deemed not to have an impact on the Group's credit loss reserve. The transition to IFRS 9 will not have a significant impact on the Group and therefore there is no opening balance adjustment for 2018.

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 Dynavox in the U.S. is under the supervisory control of the U.S. Food and Drug Administration (FDA)). The Group's risks and risk management are described in greater detail in the Directors' Report section of Tobii's 2016 Annual Report and Tobii is of the opinion that this risk description remains correct.

Transactions with related parties

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

Business combinations

On May 17, 2017 Tobii Group acquired through an asset acquisition the business operations of Sticky Ad, Inc. (A Delaware USA corporation) and Sticky AB (a Swedish corporation). Sticky delivers cost-efficient eye tracking tests of advertisements, home pages and video, primarily in the North American market. The use of web cameras for a simpler form of eyetracking enables large-scale market research using panels of participants on home computers. The acquisition will enhance Tobii's presence and scope of services in the market for eye tracking-based market research. The acquired Sticky business will be fully integrated into Tobii Pro and is well suited to the business unit's long-term ambition to expand its offerings in this market.

Purchase price of assets

MSEK	June 30 2017
Cash	28.1
Contingent consideration	13.2
Total purchase price	41.2
Fair value of acquired assets	-11.5
Goodwill	29.7
Acquired assets:	
Intangible assets (excl. goodwill)	9.8
Trade receivables	1.7
Total fair value of acquired assets	11.5

The total consideration paid for the assets received amounts to SEK 41.2 million, of which cash at acquisition is SEK 23.7 million, and an additional cash payment of SEK 4.4 million to be made 15 months after purchase. The contingent consideration is attributable to Sticky-related net sales trend over 2017 – 2019. The total maximum contingent consideration amounts to SEK 53 million. Fair value of the contingent consideration is SEK 13.2 because Tobii's management assesses there is a 25% probability that the maximum outcome in accordance with the conditions of the agreement will be achieved.

Goodwill of SEK 29,7 million is allocated to business unit Tobii Pro and refers to the potential for a broader product portfolio and scaling up of operations as well as synergy effects.

The gross contractual amount of trade receivables is MSEK 2,2 and it is estimated that MSEK 1,7 will be collected. Besides trade receivables, there are no other classes of receivables included in the acquisition.

Revenue from Sticky operations during the period from acquisition date until December 31, 2017 was SEK 5 million, and corresponding operating profit (EBIT) for the same period was SEK -1 million. The consolidated revenue calculated as if Sticky operations were included in the Tobii Group from January 1, 2017 until December 31, 2017 is approximately SEK 1 095 million and the consolidated operating profit (EBIT) from January 1, 2017 until December 31, 2017 is approximately SEK -196 million.

Transaction costs incurred for the acquisition amount to approximately MSEK 0.6. Acquisition-related costs are included in general and administrative expenses in the consolidated income statement.

Fair value measurement

The contingent consideration related to the Sticky-acquisition is a level 3 financial instrument and is measured at fair value in the consolidated statement of comprehensive income. Change in fair value of the balance sheet item is shown in the table below.

Change in contingent consideration

SEK m	Dec 31 2017
Opening balance Jan 1, 2017	-
Acquisitions during the year	13.2
Change in fair value reported as other operational income/loss	-
Currency differences	-0.9
Closing balance Dec 31, 2017	12.3

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

The Board of Directors and the CEO certify that this financial statement provides a fair view of the operations, position and earnings of the Parent Company and the Group, and that it describes the significant risks and uncertainty factors faced by the Company and the companies that make up the Group.

Danderyd, February 8, 2017

Tobii AB (publ)

Kent Sander

Chairman

Heli Arantola

Nils Bernhard

John Elvesjö

Åsa Hedin

Jan Wäreby

Henrik Eskilsson

President & CEO

This year-end report has not been audited.

This is a translation of the original Swedish interim report. In the event of a discrepancy between this translation and the Swedish original, the Swedish interim report takes precedence.

This information is information that Tobii AB (publ) is obliged to make public, pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out below, on February 8, 2017 at 8.00 a.m. CET.

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Financial calendar

Annual Report 2017	April 12, 2018
Interim Report Q1, 2018	April 26, 2018
AGM 2018	May 8, 2018
Half-Year Report Q2, 2018	July 20, 2018
Interim Report Q3, 2018	October 25, 2018
Year-End Report Q4, 2018	February 6, 2019