



# Year-End Report

## Q4 2021

### October–December 2021



Photo: Tobii Horizon, a webcam-based head and eye tracking software application that enhances gaming immersion, shipping on Lenovo Legion 5 Pro series

#### THE QUARTER OCTOBER-DECEMBER

- Revenue increased to SEK 196 million (178), corresponding to organic growth of 10 %.
- Gross margin was 77 % (70 %)
- Operating result (EBIT) was SEK -31 million (-43)
- The net profit for the period amounted to SEK 3,272 million (4)
- Earnings per share amounted to SEK 31.73 (0.07)
- Free cash flow amounted to SEK 23 million (-24)

#### SIGNIFICANT EVENTS DURING THE PERIOD

- Microsoft Flight Simulator integrated Tobii's head and eye tracking technologies to enhance gaming immersion
- Tobii and Pimax announced a partnership to integrate eye tracking in virtual-reality consumer headsets
- Tobii received five design wins in the quarter, one for integration of Aware with MSI, a global PC OEM, one for integration of Tobii Horizon in the Lenovo Legion 5 Pro series gaming laptop, and three for our Ocumen middleware solution for healthcare applications in XR
- Anand Srivatsa was appointed the new CEO of Tobii
- All ordinary shares in Tobii Dynavox were distributed to Tobii shareholders
- Tobii carried out a directed issue of approximately SEK 300 million, mainly to finance Tobii Dynavox's acquisition of Acapela group, which was agreed prior to the spin-off of Tobii Dynavox
- Tobii completed the early redemption of its outstanding 2019/2022 bonds

#### SIGNIFICANT EVENTS AFTER THE PERIOD END

- Tobii announced that it is in negotiation with Sony Interactive Entertainment to be the eye tracking technology provider in their new VR headset, PlayStation VR2 (PS VR2)

#### FINANCIAL OVERVIEW

SEK m (except for earnings per share)	Q4 2021	Q4 2020	Change	Organic change	Full year 2021	Full year 2020	Change	Organic change
<b>REVENUE</b>								
Products and Solutions	142	137	3 %	2 %	455	405	12 %	17 %
Integrations	54	41	32 %	37 %	161	173	-7 %	-2 %
<b>Total</b>	<b>196</b>	<b>178</b>	<b>10 %</b>	<b>10 %</b>	<b>616</b>	<b>578</b>	<b>7 %</b>	<b>12 %</b>
<b>Operating profit/loss from continuing operations (EBIT)</b>	<b>-31</b>	<b>-43</b>			<b>-186</b>	<b>-230</b>		
Profit/loss from discontinued operations	3,302	47			3,330	131		
<b>Net profit/loss for the period</b>	<b>3,272</b>	<b>4</b>			<b>3,147</b>	<b>-134</b>		
Earnings per share (SEK)	31.73	0.07			31.36	-1.36		
- whereof continuing operations	-0.30	-0.43			-1.83	-2.67		
Free cash flow	23	-24			-152	-130		

# Comments from the CEO

Looking back at 2021, I see a year of tremendous effort and solid achievement across the organization. Our business returned to healthy organic growth while we successfully executed the spin-off of Tobii Dynavox and integration of Tobii Pro and Tobii Tech. We end the year on a strong note and are confidently looking forward to an exciting 2022.

## 2021 — an intense and unpredictable year

2021 was an intense year for large parts of the organization. The see-saw effect of the coronavirus pandemic strained supply chains, impacting our customers' ability to ship products, and run studies. The global uncertainty and volatility forced us to implement dynamic ways of working, and I am proud of the dedication and successful delivery from the team. During all this, we also completed the spin-off of Tobii Dynavox and the integration of the remaining Tobii with business units Tobii Tech and Tobii Pro, which has laid the foundation for the new Tobii.

## The new Tobii

The value created by the integration of Tobii Tech and Tobii Pro is already bearing fruit, and I am certain that we will continue to unlock untapped potential in the coming years. The new Tobii is a more focused company and a more clear-cut investment opportunity. It operates in the attention computing space and in highly attractive growth markets fueled by mega trends such as the metaverse, the attention economy, and the digitalization of education and healthcare.

## Q4 2021 – healthy revenue growth and strong business progress

Recovery continued in most of our markets during the quarter. Our business delivered 10 % organic growth. Our Products and Solutions segment grew 2 % organically, reaching an all-time high, beating the pre-pandemic peak levels of Q4 2019, and our Integrations segment achieved an impressive 37 % organic growth. Gross profit rose 18% organically — raising our gross margin by a full 7 points to 77 %, driven by a mix shift toward licenses and software.

Our strategy to invest in technology leadership and market reach continued to yield results. Existing partnerships are deepening and new ones are forming, while our customer engagements are spanning ever larger parts of our markets. Examples announced in this quarter include our solutions integrated with Microsoft Flight Simulator, a partnership with the sensor vendor Omnivision for eye tracking systems in XR, and the development of a PC specialized for education purposes together with Intel and Tencent. Progress in this dimension is a key indicator of Tobii's performance as it forms the central building blocks for long-term value creation and success.

## The markets and ecosystems are developing in our favor

We are seeing stronger tailwinds in the markets and the ecosystems we operate in are moving in the right direction. I would like to specifically highlight the XR segment, which has experienced a marked increase in activity during 2021. I daresay, few have missed the hype around the metaverse. In its wake, we are experiencing unprecedented interest in our XR solutions, and our integration team is progressing deeply with multiple key accounts.

## Direction ahead

The uncertainty caused by COVID-19 and its variants remain high, and supply chain challenges remain present. Despite these external factors, we are exiting the year on a strong note and have a lot of confidence in our ability to execute during 2022.

Tobii is now ready for a new phase, where increased market adoption and a step-up of our sales and marketing efforts will drive stronger than historical organic growth. Our business momentum is strong, and we are looking forward to delivering on our ambition to build a global powerhouse in attention computing.



**Anand Srivatsa**  
CEO, Tobii

## New reporting structure

*In this quarter, Tobii is reporting in two segments, one named Products and Solutions, and the other named Integrations. Tobii Dynavox is reported as discontinued operations, both for the full quarter and for the full year. Previous periods have been restated accordingly.*

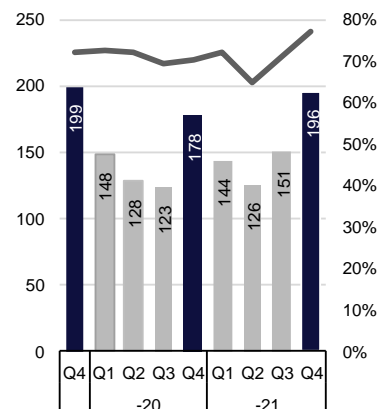
Anand Srivatsa  
CEO

# Financial performance

## KEY RATIOS\*

SEK m	Q4 2021	Q4 2020	Full year 2021	Full year 2020
Revenue	196	178	616	578
Revenue change:	10%		7%	
- of which organic	10%		12%	
- of which currency	0%		-5%	
Gross profit*	151	125	444	411
Gross margin*	77%	70%	72%	71%
EBITDA	11	-5	-27	-97
EBITDA margin	6%	-3%	-4%	-17%
Operating profit/loss (EBIT)	-31	-43	-186	-230
EBIT change	-		-	
EBIT margin	-16%	-24%	-30%	-40%

## REVENUE, SEK M, AND GROSS MARGIN, %



## PRODUCTS AND SOLUTIONS

SEK m	Q4 2021	Q4 2020	Full year 2021	Full year 2020
Revenue	142	137	455	405
Revenue change:	3%		12%	
- of which organic	2%		17%	
- of which currency	1%		-5%	
Gross profit	111	105	343	313
Gross margin	78%	76%	75%	77%

## RESEARCH AND DEVELOPMENT, Q4, 2021\*

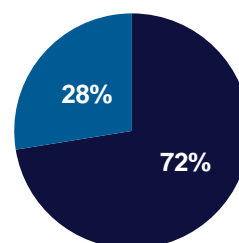
SEK m	2021	2020
Total R&D expenditures	-72	-70
Capitalization	38	22
Amortization	-32	-31
R&D expenses in the income statement	-67	-78

## INTEGRATIONS

SEK m	Q4 2021	Q4 2020	Full year 2021	Full year 2020
Revenue	54	41	161	173
Revenue change:	32%		-7%	
- of which organic	37%		-2%	
- of which currency	-5%		-5%	
Gross profit	40	20	101	99
Gross margin	75%	50%	63%	57%

\*In Q1 2021, Tobii changed presentation of costs related to revenue from non-recurring engineering, which affects gross margin and R&D expenses. For details see Other information on page [19](#).

## PERCENTAGE OF REVENUE PER SEGMENT Q4, 2021



■ Products & Solutions ■ Integrations

**OCTOBER-DECEMBER****REVENUE**

Revenue increased to SEK 196 million (178), corresponding to organic growth of 10 %.

Product and Solutions increased to SEK 142 million (139), corresponding to organic growth of 2 %. The growth was driven by healthy demand for our scientific research solutions but held back by a challenging development within our solutions aimed at the professional training market, primarily in Asia. This is mostly a result of pandemic restrictions and customers' supply chain issues within the automotive and semiconductor industry.

Integrations increased to SEK 54 million (39), corresponding to an organic growth of 37 %. Growth in license revenue and sales of integration development modules within XR and PC solutions were the main drivers.

**RESULTS**

The gross margin was 77 % (70 %).

Products and Solution's gross margin was 78 % (76 %).

Integrations gross margin was 75 % (50 %).

The strong year-on-year performance is explained by a higher share of license and software-related revenues primarily in the Integrations segment.

Operational expenses were affected by the Tobii Dynavox spin-off. Transactions between the companies resulted in approximately SEK 8 million one-time administrative expenses, and SEK 8 million one-time income in other operating income. In addition, temporary expenses related to mainly consultants, IT-spend, and year-end adjustments resulted in additional costs of around SEK 10m in the quarter. The remaining opex increase is split between a growing organization and overhead dyssynergies resulting from the split.

The operating result improved to SEK -31 million (-43) and the operating margin was -16 % (-24 %).

Net financial items amounted to SEK 3 million (-3) and includes SEK 8 million (-15) in currency translation effects on balance sheet items, SEK -5 million (-8) of interest expenses related to bond loans and finance leases under IFRS 16 as well as interest from intra-group loans to Tobii Dynavox, SEK 1 million (18).

Pretax profit was SEK -28 million (-46). Profit from discontinued operations was SEK 3,302 million (47), of which the majority is related to the recognition of Tobii Dynavox's market value based on the share price on the closing of first day of trading. The net profit for the period was SEK 3,272 million (4) and diluted earnings per share reached SEK 30.16 (0.07).

**CASH FLOW AND FINANCIAL POSITION**

Cash flow from operating activities before changes in working capital amounted to SEK 11 million (4). Change in working capital amounted to SEK 51 million (-6).

Investments in intangible, tangible, and financial fixed assets amounted to SEK 39 million (23), including SEK 38 million (22) in capitalization of R&D costs. Free cash flow was SEK 23 million (37). The acquisition of Phasya impacted cash flow in the period with SEK -17 million and the impact of the divestment of Tobii Dynavox was SEK -154 million, relating to cash in the Dynavox companies at the time of the divestment.

Financing activities for the quarter included a directed share issue which raised a net of SEK 294 million and the redemption of the outstanding bond of SEK 450 million.

At the close of the period, Tobii had SEK 438 million (410) in cash. Consolidated net cash totaled SEK 344 million (net debt, 143), including SEK 77 million (89) in IFRS 16 finance leases.

**JANUARY-DECEMBER****REVENUE**

Revenue for the full year 2021 was SEK 616 million (578), corresponding to organic growth of 12 %, driven by our Products and Solutions business. The pandemic and global supply chain disruptions continued to have a dampening effect on sales.

Product and Solutions increased to SEK 455 million (405), corresponding to organic growth of 17 %. The growth was mainly driven by demand returning for our scientific research products. Integrations amounted to SEK 161 million (173), corresponding to an organic decline of 2 %, resulting from a mix-shift from Tobii Integration Platform IS5 to Tobii Aware/Tobii Horizon integrations, several delayed customer projects, and supply chain disruptions for some of our customers.

**RESULTS**

The gross margin was 72% (71%).

Products and Solution's gross margin was 75% (77%).

Integrations gross margin was 63% (57%). The year-on-year increase was a result of a higher share of license and software-related revenues.

The operating loss was SEK -186 million (-230) and the operating margin was -30% (-40%).

Net financial items amounted to SEK 6 million (-34) and includes SEK 21 million (-24) in currency translation effects on balance sheet items, SEK -29 million (-30) of interest expenses related to bond loans, and finance leases under IFRS 16 as well as interest from intra-group loans to Tobii Dynavox, SEK 13 million (19).

Pretax loss was SEK -181 million (-264). Profit from discontinued operations was SEK 3,330 million (131), of which the majority is related to the recognition of Tobii Dynavox's market value at market close on the first day of trading. Net profit for the period was SEK 3,147 million (-134) and diluted earnings per share was SEK 29.87 (-1.36).

**CASH FLOW AND FINANCIAL POSITION**

Cash flow from operating activities before changes in working capital was SEK -34 million (-115), while the change in working capital was SEK 11 million (76). Investments in intangible, tangible, and financial fixed assets increased to SEK 129 million (91), of which SEK 124 million (87) related to capitalization of R&D. Free cash flow was SEK --152 million (-130). The acquisition of Phasya impacted cash flow in the period with SEK -17 million and the impact of the divestment of Tobii Dynavox was SEK -154 million, relating to cash in the Dynavox companies at the time of the divestment.

Financing activities included a directed share issue which raised a net of SEK 294 million and the redemption of the outstanding bond of SEK 450 million.

At the close of the period, Tobii had SEK 438 million (410) in cash. Consolidated net cash totaled SEK 344 million (net debt, 143), including SEK 77 million (89) in IFRS 16 finance leases.

**ORGANIZATION**

The number of FTEs, excluding consultants, on average during the period was 500 (527).

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK m	Q4 2021	Q4 2020	Full year 2021	Full year 2020
<b>Continuing operations</b>				
Revenue	196	178	616	578
Cost of goods and services sold <sup>1</sup>	-44	-53	-172	-167
<b>Gross profit<sup>1</sup></b>	<b>151</b>	<b>125</b>	<b>444</b>	<b>411</b>
Selling expenses	-76	-62	-253	-242
Research and development expenses <sup>1</sup>	-67	-78	-271	-319
Administrative expenses	-53	-22	-124	-75
Other operating income and operating expenses	14	-5	17	-5
<b>Operating profit/loss (EBIT)</b>	<b>-31</b>	<b>-43</b>	<b>-186</b>	<b>-230</b>
Net financial items	3	-3	6	-34
<b>Profit/loss before tax</b>	<b>-28</b>	<b>-46</b>	<b>-181</b>	<b>-264</b>
Tax	-3	3	-3	-1
<b>Net profit/loss for the period from continuing operations</b>	<b>-31</b>	<b>-43</b>	<b>-184</b>	<b>-264</b>
<b>Discontinued operations</b>				
Net profit/loss for the period from discontinued operations	3,302	47	3,330	131
<b>Net profit/loss for the period</b>	<b>3,272</b>	<b>4</b>	<b>3,147</b>	<b>-134</b>
<b>Other comprehensive income</b>				
Items that may subsequently be reclassified to profit or loss for the period:				
Translation differences	-18	10	-24	5
Other comprehensive income for the period, net after tax	-18	10	-24	5
<b>Total comprehensive income for the period</b>	<b>3,253</b>	<b>15</b>	<b>3,123</b>	<b>-129</b>
Earnings per share, SEK	31.73	0.07	31.36	-1.36
- whereof continuing operations	-0.30	-0.43	-1.83	-2.67
Earnings per share, diluted, SEK	30.16	0.07	29.87	-1.36
- whereof continuing operations	-0.30	-0.43	-1.83	-2.67
Net profit/loss for the period attributable to:				
Parent company shareholders	3,271	7	3,146	-134
Non-controlling interests	0	-2	0	0
Total comprehensive income for the period attributable to:				
Parent company shareholders	3,253	17	3,123	-129
Non-controlling interests	0	-2	0	0

1) In Q1 2021, Tobii changed presentation of costs related to revenue from non-recurring engineering, which affects gross profit, gross margin, and R&D expenses. For more details, see Other information on page 19.

## CONDENSED CONSOLIDATED BALANCE SHEET

SEK m	Dec 31 2021	Dec 31 2020
<b>NON-CURRENT ASSETS</b>		
Intangible assets	366	605
Tangible fixed assets	13	46
Right-of-use assets	66	88
Financial and other non-current assets	83	122
<b>Total non-current assets</b>	<b>528</b>	<b>860</b>
<b>CURRENT ASSETS</b>		
Accounts receivable	132	199
Inventories	55	88
Other current receivables	70	98
Cash and cash equivalents	438	410
<b>Total current assets</b>	<b>696</b>	<b>794</b>
<b>Total assets</b>	<b>1,224</b>	<b>1,655</b>
<b>SHAREHOLDERS' EQUITY</b>		
Shareholders' equity, Parent Company shareholders	840	555
Non-controlling interests	2	1
<b>Total shareholders' equity</b>	<b>842</b>	<b>556</b>
<b>LIABILITIES</b>		
<b>NON-CURRENT LIABILITIES</b>		
Interest-bearing loans	17	464
Leasing liabilities	49	63
Other non-current liabilities	22	97
<b>Total non-current liabilities</b>	<b>88</b>	<b>623</b>
<b>CURRENT LIABILITIES</b>		
Leasing liabilities	28	26
Other current liabilities	266	449
<b>Total current liabilities</b>	<b>294</b>	<b>475</b>
<b>Total liabilities</b>	<b>382</b>	<b>1,098</b>
<b>Total equity and liabilities</b>	<b>1,224</b>	<b>1,655</b>

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEK m	Attributable to Parent Company shareholders						
	Share capital	Other contributed capital	Reserves	Retained earnings	Total	Non-controlling interests	Total equity
<b>Opening balance, Jan 1, 2020</b>	<b>1</b>	<b>1,636</b>	<b>-2</b>	<b>-960</b>	<b>675</b>	<b>1</b>	<b>676</b>
Comprehensive income for the period			5	-134	-129	0	-129
New share issue, exercise of warrants incentive programs	0				0		0
Sale of warrants, incentive programs		4			4		4
Share based payments settled using equity instruments				6	6		6
<b>Closing balance, Dec 31, 2020</b>	<b>1</b>	<b>1,639</b>	<b>3</b>	<b>-1,088</b>	<b>555</b>	<b>1</b>	<b>556</b>
<b>Opening balance, Jan 1, 2021</b>	<b>1</b>	<b>1,639</b>	<b>3</b>	<b>-1,088</b>	<b>555</b>	<b>1</b>	<b>556</b>
Comprehensive income for the period			-24	3,147	3,123	0	3,123
New share issue, exercise of warrants incentive programs	0	294			294		294
Dividend				-3,184	-3,184		-3,184
Sale of warrants, incentive programs		42			42		42
Sale of own shares				3	3		3
Share based payments settled using equity instruments				7	7		7
<b>Closing balance, Dec 31, 2021</b>	<b>1</b>	<b>1,976</b>	<b>-21</b>	<b>-1,116</b>	<b>840</b>	<b>2</b>	<b>842</b>



## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

SEK m	Q4 2021	Q4 2020	Full year 2021	Full year 2020
<b>Cash flow from operating activities</b>				
Profit/loss after financial items, continuing operations	-28	-46	-181	-264
Adjustment for items not included in the cash flow	39	52	148	155
Taxes paid	-1	-1	-1	-6
<b>Cash flow from operating activities before change in working capital</b>	<b>11</b>	<b>4</b>	<b>-34</b>	<b>-115</b>
Cash flow from change in working capital	51	-6	11	76
<b>Cash flow from operating activities</b>	<b>62</b>	<b>-1</b>	<b>-23</b>	<b>-39</b>
Investments in intangible, tangible and financial fixed assets	-39	-23	-129	-91
<b>Free cash flow</b>	<b>23</b>	<b>-24</b>	<b>-152</b>	<b>-130</b>
Acquisitions and divestments	-154	105	-172	105
<b>Cash flow after investments</b>	<b>-131</b>	<b>81</b>	<b>-323</b>	<b>-25</b>
Interest-bearing debt, including Bond issue	-451	0	-450	171
New share issue, net of issue costs	294	-	294	-
Sale/exercise of warrants, incentive program	-	-	42	4
Instalments of leasing liability IFRS 16	-6	-5	-25	-19
Other financing activities, net <sup>1</sup>	191	-72	294	-83
<b>Cash flow from financing activities</b>	<b>28</b>	<b>-76</b>	<b>156</b>	<b>73</b>
<b>Cash flow for the period, continuing operations</b>	<b>-103</b>	<b>5</b>	<b>-167</b>	<b>47</b>
Cash flow for the period, discontinued operations	269	119	188	196
<b>Cash flow for the period, total</b>	<b>166</b>	<b>123</b>	<b>21</b>	<b>243</b>
Cash and cash equivalents at the beginning of the period	271	298	410	185
Foreign currency translation, cash and cash equivalents	1	-12	7	-16
Change in Cash and cash equivalents classified as Assets held for sale	-	-	-	-3
<b>Cash and cash equivalents at the end of the period</b>	<b>438</b>	<b>410</b>	<b>438</b>	<b>410</b>

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

## BREAKDOWN OF REVENUE

SEK m	Q4 2021	Q4 2020	Full year 2021	Full year 2020
REVENUE BY PRODUCT CATEGORY				
Goods	160	147	495	452
Services	30	28	107	114
Royalties	6	2	14	11
<b>Total revenues</b>	<b>196</b>	<b>178</b>	<b>616</b>	<b>578</b>
REVENUE BY TIMING CATEGORY				
At a point in time	192	174	604	565
Over time	4	3	12	13
<b>Total revenues</b>	<b>196</b>	<b>178</b>	<b>616</b>	<b>578</b>
REVENUE BY GEOGRAPHIC MARKET				
Europe	69	57	192	158
North America	56	45	158	151
Other countries	70	75	266	269
<b>Total revenues</b>	<b>196</b>	<b>178</b>	<b>616</b>	<b>578</b>

## CONSOLIDATED KEY RATIOS

	Q4 2021	Q4 2020	Full year 2021	Full year 2020
Earnings per share, SEK	31.73	0.07	31.36	-1.36
- whereof continuing operations	-0.30	-0.43	-1.83	-2.67
Earnings per share, diluted, SEK	30.16	0.07	29.87	-1.36
- whereof continuing operations	-0.30	-0.43	-1.83	-2.67
Equity per share, SEK	8	6	8	6
EBITDA, continuing operations, SEK m	11	-5	-27	-97
EBIT, continuing operations, SEK m	-31	-43	-186	-230
Cash flow from operating activities, SEK m	62	-1	-23	-39
Free cashflow, SEK m	23	-24	-152	-130
Working capital, SEK m	-9	-65	-9	-65
Total assets, SEK m	1,224	1,655	1,224	1,655
Net cash(+)/net debt (-), SEK m	344	-143	344	-143
Net cash(+)/net debt (-); IFRS 16 Leasing excluded, SEK m	421	-54	421	-54
Equity, SEK m	842	556	842	556
Average equity, SEK m	630	532	551	584
Equity/assets ratio, %	69	34	69	34
Debt/equity, %	11	99	11	99
Gross margin, continuing operations, % <sup>1</sup>	77	70	72	71
EBITDA margin, continuing operations, %	6	-3	-4	-17
Operating margin, continuing operations, %	-16	-24	-30	-40
Return on total equity, %	519	1	571	-23
Average number of outstanding shares, million	103	99	100	99
Average number of outstanding shares after dilution, million	108	102	105	100
Number of outstanding shares at period end, million	105	99	105	99
Number of outstanding shares after dilution at period end, million	110	102	110	102
Average number of employees	500	527	512	560

1) In Q1 2021 Tobii has changed presentation of costs related to revenue from non-recurring engineering, which affects gross profit, gross margin and R&D expenses. For more information see "Other information" on page 19.

\*) On December 31, 2021, a total of 3.4 million warrants, stock options, and stock units were outstanding, which is a decrease of 0.5 million since the end of 2020.

During the year, 829,912 warrants and stock options have been redeemed, relating to the following programs: LTI 2014/24:1 (36,279), LTI 2018:1 (42,875), LTI 2018:2 (9,625), LTI 2017:1 (574,883), LTI 2017:2 (38,500), LTI 2019 (41,750) and LTI 2020 (86,000).

In addition, 258,964 warrants and stock options have expired, relating to the following programs: LTI 2016:2 (3,600), LTI 2017:1 (127,517), LTI 2017:2 (7,875), LTI 2018:1 (15,750), LTI 2018:2 (4,375), LTI 2019 (29,437), LTI 2019:1 (91,200), LTI 2020 (63,810) and LTI 2021 (6,600).

575,406 stock units have been allotted within the LTI 2020 program (29,350) and the new LTI 2021 program (546,056).

The dilution effect of warrants, stock options, and stock units in all the Company's incentive programs and maximum issuance under LTI 2020 and LTI 2021 corresponds to a maximum of approximately 3.5%.

Due to the distribution of Tobii Dynavox to Tobii's shareholders the incentive programs have been recalculated in January 2022 to reflect the new share price (in relation to the Tobii Dynavox share price). This resulted in an increase of the total number of instruments in the incentive programs. Due to the distribution, the LTI 2020 and LTI 2021 programs for Dynavox employees will also be terminated. Adjusted for this, the total number warrants, stock options, and stock units outstanding as of December 31, 2021 would have been 5.6 million and the potential dilution effect 5.4%.

## QUARTERLY DATA

DATA RELATE TO CONTINUING OPERATIONS UNLESS OTHERWISE SPECIFIED

	2020				2021			
REVENUE, SEK m	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Products and Solutions	103	73	91	137	109	90	113	142
Integrations	45	55	32	41	35	36	38	54
Total	148	128	123	178	144	126	151	196
<b>GROSS MARGIN, %</b>								
Products and Solutions	79	79	74	76	79	73	69	78
Integrations	60	62	53	51	49	43	81	76
Total <sup>1</sup>	73	72	70	70	72	65	71	77
<b>EBITDA, SEK</b>								
Total	-31	-41	-19	-5	2	-37	-3	11
<b>EBIT, SEK m</b>								
Total	-59	-74	-54	-43	-37	-76	-42	-31
<b>OPERATING MARGIN, %</b>								
Total	-40	-58	-44	-24	-26	-61	-28	-16
<b>PROFIT/LOSS BEFORE TAX, SEK m</b>								
Total	-54	-96	-68	-46	-33	-80	-40	-28
<b>PROFIT/LOSS FOR THE PERIOD, INCLUDING DISCONTINUED OPERATIONS, SEK m</b>								
Total	-16	-74	-49	4	-3	-114	-8	3,272

1) In Q1 2021, Tobii has changed presentation of costs related to revenue from non-recurring engineering, which affects gross profit, gross margin and R&D expenses. For more information see "Other information" on page 19

# The Parent Company

The Parent Company, Tobii AB (publ), has primarily focused on Group-wide services such as overarching management, business and funding, legal affairs, and IT as of January 1, 2019. The number of employees in the Parent Company is approximately 90.

In December 2021 the subsidiary Tobii Dynavox AB was distributed to Tobii AB's shareholders. In connection with this transaction Tobii AB sold IP rights to Tobii Dynavox AB resulting in a profit of SEK 280 million, which have been recorded as an Other operating income.

During the quarter the company carried out a direct share issue which amounted to approximately SEK 300 million, before transaction costs.

Tobii's bond financing with a total limit of SEK 600 million, of which SEK 450 million was issued, originally had maturity date in February 2022. The Company leveraged its right to early voluntary redemption of the bond. The bond was fully redeemed on October 21, 2021.

During the fourth quarter of 2020, Tobii sold the subsidiary Smartbox, which resulted in a capital gain of SEK 10 million. The contingent consideration relating to the sale has now been agreed and Tobii will receive the full amount, GBP 3.5 million, of which GBP 3.0 million was received during the fourth quarter of 2021.

The Parent Company's revenue during the fourth quarter totaled SEK 46 million (41) and the operating profit was SEK 249 million (-4). At the end of the period, the Parent Company had SEK 284 million (72) in cash and cash equivalents

## CONDENSED PARENT COMPANY INCOME STATEMENT

SEK m	Q4 2021	Q4 2020	Full year 2021	Full year 2020
<b>Revenue</b>	<b>46</b>	<b>41</b>	<b>158</b>	<b>134</b>
Cost of goods and services sold	-2	-10	-27	-37
<b>Gross profit</b>	<b>44</b>	<b>31</b>	<b>131</b>	<b>97</b>
Selling expenses	-4	-0	-7	-0
Research and development expenses	-1	-2	-8	-14
Administrative expenses	-76	-29	-159	-96
Other operating income and operating expenses	286	-3	286	-2
<b>Operating profit/loss</b>	<b>249</b>	<b>-4</b>	<b>243</b>	<b>-15</b>
Financial items	8	47	24	26
Group Contributions	0	61	0	61
<b>Profit/loss before tax</b>	<b>256</b>	<b>104</b>	<b>266</b>	<b>72</b>
Tax	-0	4	-0	-0
<b>Profit/loss after tax</b>	<b>256</b>	<b>108</b>	<b>266</b>	<b>72</b>
Depreciation, amortization and write-downs, total	-2	-3	-9	-13

**CONDENSED PARENT COMPANY BALANCE SHEET**

SEK m	Dec 31 2021	Dec 31 2020
NON-CURRENT ASSETS		
Intangible assets	34	36
Tangible fixed assets	5	7
Financial assets	1,526	1,659
<b>Total non-current assets</b>	<b>1,565</b>	<b>1,702</b>
CURRENT ASSETS		
Accounts receivable	46	27
Inventories	0	0
Other current receivables	124	187
Cash and bank balances	284	72
<b>Total current assets</b>	<b>454</b>	<b>286</b>
<b>Total assets</b>	<b>2,019</b>	<b>1,988</b>
<b>SHAREHOLDERS' EQUITY</b>	<b>1,740</b>	<b>1,310</b>
NON-CURRENT LIABILITIES		
Interest-bearing liabilities	-	448
Other non-current liabilities	17	0
<b>Total non-current liabilities</b>	<b>17</b>	<b>448</b>
CURRENT LIABILITIES		
Other current liabilities	262	230
<b>Total current liabilities</b>	<b>262</b>	<b>230</b>
<b>Total liabilities</b>	<b>279</b>	<b>678</b>
<b>Total equity and liabilities</b>	<b>2,019</b>	<b>1,988</b>

# Notes

## Not 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 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, 2021, or later. These amendments have not had a material impact on the financial statements.

In this report, sales to Tobii Dynavox have been regarded as sales to external parties and have not been eliminated. Profit for the period for Tobii Dynavox is recognized on a separate line in the consolidated income statement; Profit/loss from discontinued operations. Comparative periods have been restated accordingly. The cash flow statement includes a full cash flow statement for continuing operations and a total cash flow for discontinued operations. At December 31, 2021, only the continuing operations are included in the balance sheet. At December 31, 2020, both continuing and discontinued operations are included.

## Not 2. Segments

Pursuant to the divestment of Tobii Dynavox and the organizational merger of Tobii Pro and Tobii Tech, Tobii's reporting structure has changed. Going forward Tobii will report two segments, Products and Solutions, and Integrations. For each segment will be reported revenue, gross profit and gross margin. Research and development, sales and marketing as well as central functions can now be leveraged across the whole company and will not be allocated to any segment.

### PRODUCTS AND SOLUTIONS

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

### INTEGRATIONS

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

## Not 3. Business combinations

### ACQUISITIONS

On August 9, 2021, Tobii acquired all shares in Phasya SA, a private company registered in Liège, Belgium. Phasya's technology and long experience within development and validation of algorithms to assess cognitive states is highly complementary to Tobii's expertise and eye tracking technology. This will enhance Tobii's Driver Monitoring System, Tobii DMS. It also opens new opportunities for using cognitive state information in several markets, such as VR, AR, scientific research, and gaming, providing substantial synergies. The company currently collaborates with numerous customers within automotive, technology, and aviation, as well as with leading industry associations providing key relationships for Tobii and Phasya to build on.

Phasya is in its early pre-revenue commercialization phase. By leveraging its resources and capabilities, Tobii will be able to accelerate the commercialization of Phasya's offering. Tobii expects the business to scale rapidly, driven by integrations of the algorithms in Tobii's existing solutions as well as in new applications, and with the mass market adoption for automotive DMS expected in 2024/25.

The purchase price for the company is shown in the table below. The acquisition analysis is preliminary pending final valuation of the acquired assets and liabilities.

SEK m	Aug 9 2021
Cash	20
Contingent consideration	17
Total purchase price	37
Fair value of acquired assets and liabilities	-3
Goodwill	34
Acquired assets and liabilities	
Intangible assets (excl. Goodwill)	4
Tangible fixed assets	1
Current assets	3
Accounts payable and other payables	-5
Total acquired assets and liabilities	3

The total consideration for the acquired net assets amounted to EUR 3.6 million. A cash payment of EUR 1.9 million was paid at acquisition date. The agreed upon contingent consideration relates to performance over the coming five years. The maximum contingent consideration amounts to EUR 1.7 million. Tobii's management assesses that the fair value of the contingent consideration is EUR 1.7 million.

Goodwill of SEK 34 million is reported and refers to the future potential of the company's technology and products.

Revenues from the Phasya business during the period from acquisition up to and including December 31, 2021, amounted to SEK 0 million and operating profit for the same period was SEK -2 million. If the acquisition had taken place on January 1, 2021, the company would have contributed revenue of SEK 2 million and operating profit of SEK -3 million for the twelve-month period.



Transaction costs incurred for the acquisition amounted to approximately SEK 1 million and are included in administrative expenses in the consolidated income statement.

#### DISCONTINUED OPERATIONS

On October 25, 2021 an Extraordinary General Meeting approved the distribution of Tobii Dynavox AB to Tobii AB's shareholders. The distribution was completed during December and the shares of Tobii Dynavox AB were listed on Nasdaq Stockholm on December 9, 2021. The gain from the distribution was calculated as the difference between the carrying amount of the assets distributed and the fair value of the dividend, corresponding to the market value of Tobii Dynavox AB at listing.

All related effects are referred to as Discontinued operations in the report. The financial information presented below consists of Tobii Dynavox's contribution to the Tobii Group consolidated financial information.

SEK m	Q4 2021	Q4 2020	Full year 2021	Full year 2020
Revenue	157	233	778	894
Cost of goods and services sold	-59	-77	-267	-302
<b>Gross profit</b>	<b>97</b>	<b>156</b>	<b>511</b>	<b>592</b>
Selling expenses	-55	-69	-288	-288
Research and development expenses	-21	-26	-105	-109
Administrative expenses	-17	-19	-72	-68
Other operating income and operating expenses	-0	-7	2	-2
<b>Operating profit/loss (EBIT)</b>	<b>4</b>	<b>34</b>	<b>49</b>	<b>125</b>
Net financial items	-1	-21	-13	-22
<b>Profit/loss before tax</b>	<b>3</b>	<b>14</b>	<b>36</b>	<b>103</b>
Tax	-2	39	-7	38
<b>Net profit/loss for the period, Tobii Dynavox</b>	<b>1</b>	<b>53</b>	<b>29</b>	<b>141</b>
Gain from distribution of Tobii Dynavox	3,301	-	3,301	-
<b>Net profit/loss for the period from discontinued operations</b>	<b>3,302</b>	<b>-</b>	<b>3,330</b>	<b>-</b>

SEK m	Dec 31 2021	Dec 31 2020
Intangible assets	-	204
Tangible fixed assets	-	28
Right-of-use assets	-	50
Financial and other non-current assets	-	371
<b>Total non-current assets</b>	<b>-</b>	<b>653</b>
Accounts receivable	-	165
Inventories	-	41
Other current receivables	-	338
Cash and cash equivalents	-	173
<b>Total current assets</b>	<b>-</b>	<b>716</b>
<b>Total assets</b>	<b>-</b>	<b>1,369</b>
Non-current leasing liabilities	-	43
Other non-current liabilities	-	88
<b>Total non-current liabilities</b>	<b>-</b>	<b>509</b>
Leasing liabilities	-	9
Other current liabilities	-	612
<b>Total current liabilities</b>	<b>-</b>	<b>621</b>
<b>Total liabilities</b>	<b>-</b>	<b>1,130</b>

SEK m	Q4 2021	Q4 2020	Full year 2021	Full year 2020
Cash flow from operating activities	-48	71	54	224
Cash flow from investments	-39	-23	-115	-105
Cash flow from financing activities	357	70	250	76
<b>Cash flow for the period</b>	<b>269</b>	<b>119</b>	<b>188</b>	<b>196</b>

#### Not 4. Financial instruments

SEK m	Dec 31 2021		Dec 31 2020	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial liabilities measured at amortized cost for which fair value is disclosed for information purposes</b>				
Bond issue	-	-	448	450
<b>Financial assets measured at fair value</b>				
Contingent considerations	6	6	37	37
<b>Financial liabilities measured at fair value</b>				
Contingent considerations	17	17	1	1

Fair value for interest-bearing loans is calculated for disclosure purposes by discounting future cash flows at the current interest rate for the remaining maturity

Tobii classifies financial assets and liabilities measured at fair value in a fair-value hierarchy based on the information used in the valuation of each asset or liability. For financial instruments in level 3,

information that is material to the fair value of the asset or liability is not observable and Tobii's own assessments are applied. Both interest-bearing loans and contingent considerations are classified under level 3.

All operations related to Smartbox, which was acquired in 2018, were divested during the fourth quarter of 2020. Receivables for contingent consideration relate in their entirety to the sale of Smartbox.

#### **Change in contingent consideration**

<b>SEK m</b>	
<b>Assets</b>	
Opening balance January 1, 2021	37
Payments	-37
Change in fair value reported as income/loss	3
Translation differences	3
Closing balance December 31, 2021	6
<b>Liabilities</b>	
Opening balance January 1, 2021	1
Acquisitions during the year	17
Payments	-0
Change in fair value reported as other operational income/loss	-1
Translation differences	0
Closing balance December 31, 2021	17

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 2021 financial year, without any need for impairment being identified.

## **Not 5. Pledged assets and contingent liabilities**

As of December 31, 2020 the total amount of outstanding bonds was SEK 450 million. The Parent Company Tobii AB was the issuer of the bond loan. The Bonds were secured by collateral in shares in Tobii Dynavox AB, Tobii Pro AB, and Tobii Tech AB.

On October 21, 2021, the Bond was fully redeemed. Thus there are no collaterals as of December 31, 2021.

## 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 Dynavox in the U.S. is under the supervisory control of the U.S. Food and Drug Administration (FDA)). Tobii's risks and risk management are described in greater detail in the risk section on page 42 in the Directors' Report and in note 3 in Tobii's 2020 Annual Report. 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.

### 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 120 of the 2020 annual report, together with additions below.

Cashflow after continuous investments has been renamed Free cashflow.

In 2020, Tobii introduced the new growth measure organic growth, defined as change in revenue adjusted for change due to currency

and, where applicable, structural changes. At group level, structural changes are defined as acquisitions or disposals of businesses, and at the segment level, it may also include structural changes between segments. Phasya SA was acquired in the current period, however the acquisition has no effect on structural change. No structural change occurred in comparative periods.

### RECONCILIATION OF ALTERNATIVE PERFORMANCE MEASURES

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

#### Operation profit/loss before depreciation, amortization and impairment, EBITDA

SEK m	Q4 2021	Q4 2020	Full year 2021	Full year 2020
Operating profit/loss before depreciation, amortization and impairment, (EBITDA)	11	-5	-27	-97
Amortization and impairment	-32	-31	-125	-106
Depreciation	-10	-7	-35	-27
<i>of which Right-of-use assets (IFRS 16 Leasing)</i>	-8	-5	-26	-20
<b>Operating profit/loss (EBIT)</b>	<b>-31</b>	<b>-43</b>	<b>-186</b>	<b>-230</b>

### CHANGED PRESENTATION OF COST OF SERVICES

Previously, non-recurring revenue has been charged with cost of services sold on a flat-rate basis. From Q1 2021, the reporting has been changed, to enhance consistency. The change has no effect on operating profit, but results in a higher gross profit and higher R&D costs.

#### Effect on previous periods from changed presentation

	2020				Full year
	Q1	Q2	Q3	Q4	
<b>Group</b>					
Cost of services	-7	-13	-4	-4	-27
Gross profit	7	13	4	4	27
<i>Gross margin, percentage points</i>	2	4	1	1	2
RnD costs	7	13	4	4	27
Operating result	0	0	0	0	0

Danderyd, February 8, 2021

**Kent Sander**  
Chairman of the Board

**Heli Arantola**  
Board member

**Nils Bernhard**  
Board member

**Jan Wäreby**  
Board member

**Charlotta Falvin**  
Board member

**Jörgen Lantto**  
Board member

**Henrik Eskilsson**  
Board member

The report has not been reviewed by the Company's auditors.

*This information is information that Tobii AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out below, on February 8, 2022 at 7:30 a.m. CET.*

Contact person: Henrik Mawby, Head of Investor Relations, Tobii AB,  
e-mail: [Henrik.mawby@tobii.com](mailto:Henrik.mawby@tobii.com), tel. +46 (0) 72 219 82 15

## Information to shareholders

### WEB PRESENTATION

A conference call and online presentation will be held in English today at 9:00 a.m. (CET). See [tobii.com](https://tobii.com) for more information about the conference call. The slides from the presentation will be available for download from the website afterwards.

### CONTACT DETAILS

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### FINANCIAL CALENDAR

Interim report, Q1 2022	May 5, 2022
Interim report, Q2 2022	August 19, 2022
Interim report, Q3 2022	November 8, 2022
Interim report, Q4 2022	February 7, 2023