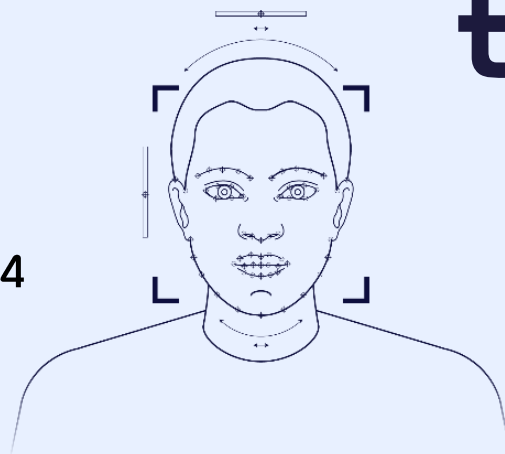


# Q1 2024



## Interim report January - March 2024

### Tobii becomes top-three in automotive interior sensing

#### FIRST QUARTER 2024

- Net sales decreased by 4% to SEK 161 million (168), with an organic growth of -9%.
- Gross margin was 74% (73%).
- Operating result (EBIT) was SEK -75 million (-53).
- Profit/loss for the quarter amounted to SEK -89 million (-57).
- Earnings per share amounted to SEK -0.84 (-0.55).
- Free cash flow amounted to SEK -126 million (46).

#### SIGNIFICANT EVENTS DURING AND AFTER THE QUARTER

- The acquisition of FotoNation Ltd, including AutoSense, was completed on January 31.
- New financial targets were announced on February 1. In 2026, Tobii targets a positive free cash flow and an EBIT margin of around 10% for the full-year, followed by an EBIT margin target of around 20% for 2028.
- A rights issue was successfully completed on April 3, and Tobii received total net proceeds of SEK 267 million after the end of the quarter.
- A new DMS design win for commercial vehicles was secured on April 9.

#### FINANCIAL PERFORMANCE INDICATORS FOR THE GROUP

	Q1 2024	Q1 2023	Δ	Organic Δ%	Jan-Dec 2023
Net sales, SEK million	161	168	-4%	-9%	758
Gross profit, SEK million	119	122	-3		567
Gross margin, %	74%	73%	-		75%
Operating profit/loss (EBIT), SEK million	-75	-53	-21		-184
Operating margin (EBIT-margin), %	-46%	-32%	-		-24%
Profit/loss for the period	-89	-57	-32		-198
Earnings per share (SEK)	-0.84	-0.55	-0.29		-1.87
Free cash flow, SEK million	-126	46	-172		-119

For more information, see financial definitions on pages 17-18.

# Comments from the CEO

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## Key quarter with completion of strategic acquisition

This quarter we completed the acquisition of FotoNation/Autosense establishing our position as a top three player in the automotive interior sensing market. Subsequently, we saw increased interest from automotive OEMs and tier 1 suppliers to engage more deeply with Tobii. I am also pleased that we announced a new design win for driver monitoring system in early April, bringing our total to nine automotive OEM customers so far. In the first week of April, we successfully executed a rights issue, raising SEK 267 million net to finance operational expenses for the acquisition, including the Autosense business segment in 2024 and 2025. To reinforce our commitment to profitability, we introduced new financial targets. We anticipate achieving a positive free cash flow and an EBIT margin of around 10 percent for the full-year 2026, followed by an EBIT margin target of around 20 percent for 2028.

## Solid Integrations and weak Products & Solutions

Excluding the acquisition, net sales organically decreased by 9 percent in the quarter, mainly attributed to sustained weaker demand for Products & Solutions in Asia. Integrations, on the other hand, delivered a solid performance, achieving organic net sales growth of 23 percent. We continued to see a surge in interest for XR engagements from a broader spectrum of customers. Our new Autosense segment's net sales over the two-month period following the acquisition aligned with our quarterly expectations.

## Increased segment transparency and profitability focus

Starting from this quarter, we are increasing transparency around our segments and will report on EBIT level for each segment going forward.

Our largest segment Products & Solutions comprised 69 percent of our net sales in the quarter, serving thousands of customers. While we have invested in our product portfolio over the past decade, our current focus is on enhancing commercialization and market penetration, aimed at reaching profitability. During the quarter, Products & Solutions delivered an EBIT of SEK -23 million.

The Integrations segment, representing 27 percent of our net sales, offers substantial potential for rapid expansion with high gross margins. Its growth depends on key customers utilizing our technology for mass-market scale. Diversifying design wins and prospects is the segment's priority, targeting high-margin license volume net sales in the near-term. EBIT in the quarter was SEK -13 million.

The newly established Autosense segment, comprising 4 percent of net sales, is presently in an investment phase that significantly affects both cash flow and EBIT, expected to reach its peak in 2024. EBIT in the quarter was SEK -38 million. As the design wins transition into production in 2025 and 2026, generating high-margin net sales from software, the segment is expected to accelerate towards profitability.

We expect continued quarter-to-quarter fluctuations for both Products & Solutions and Integrations, while foreseeing a more predictable trajectory for the Autosense business.

## Integration synergies and outlook

We have already realized some synergies through the integration of our expanded Autosense business but anticipate more significant cost synergies as this process continues into the second half of 2024. The integration process is a key focus and is proceeding according to plan. We intend to deliver the market's most comprehensive interior sensing offering, strengthening our competitive outlook, and securing new design wins that demonstrate our leading position.

Due to the postponement of the acquisition's closure from early January to February 1, we now anticipate that net sales from the acquisition for the full-year 2024 will be towards the lower end of the previously communicated range of SEK 180 to 220 million. Furthermore, we expect net sales to be tilted towards the second half of the year.

We are firm in our commitment to enhancing profitability, leveraging our technology investments, and improving efficiency across all three segments. Building upon the cost-saving initiatives implemented in the fourth quarter of 2024, we will continue to further reduce our expenses throughout the year by optimizing our product portfolio and realizing synergies gained from integrating Autosense.

Tobii exits this quarter as a more robust organization as we drive toward profitability, and I am confident that we will deliver a significant improvement in the EBIT result for the full-year 2024.

**Anand Srivatsa**  
CEO



**Anand Srivatsa**  
CEO, Tobii

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**“We are firm in our commitment to enhancing profitability, leveraging our technology investments, and improving efficiency across all three segments.”**

# Financial performance

## GROUP

SEK m	Q1 2024	Q1 2023	Jan-Dec 2023
Net sales	161	168	758
Net sales change:	-4%		
- of which organic	-9%		
- of which currency	-2%		
- of which acquisition	7%		
Gross profit	119	122	567
Gross margin	74%	73%	75%
Operating profit/loss (EBIT)	-75	-53	-184
EBIT margin	-46%	-32%	-24%

## PRODUCTS & SOLUTIONS

SEK m	Q1 2024	Q1 2023	Jan-Dec 2023
Net sales	112	137	532
Net sales change:	-18%		
- of which organic	-15%		
- of which currency	-3%		
Gross profit	71	94	365
Gross margin	64%	69%	69%
Operating profit/loss (EBIT)	-23		
EBIT margin	-21%		

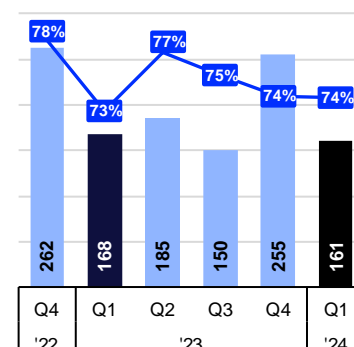
## INTEGRATIONS

SEK m	Q1 2024	Q1 2023	Jan-Dec 2023
Net sales	43	30	219
Net sales change:	41%		
- of which organic	23%		
- of which currency	1%		
Gross profit	41	28	197
Gross margin	96%	91%	90%
Operating profit/loss (EBIT)	-13		
EBIT margin	-31%		

## AUTOSENSE

SEK m	Q1 2024	Q1 2023	Jan-Dec 2023
Net sales	7	1	7
Net sales change:	945%		
- of which organic	-70%		
- of which currency	1%		
- of which acquisition	1,014%		
Gross profit	7	1	7
Gross margin	99%	83%	95%
Operating profit/loss (EBIT)	-38		
EBIT margin	-571%		

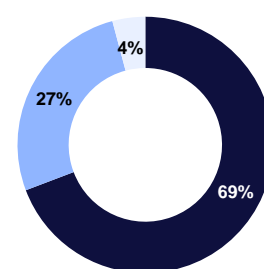
## NET SALES, SEK M, AND GROSS MARGIN, %



## RESEARCH AND DEVELOPMENT, Q1, 2024

SEK m	2024	2023
Total R&D expenditures	-130	-91
Capitalization	81	54
Amortization	-36	-29
R&D expenses in the income statement	-86	-65

## PERCENTAGE OF NET SALES PER SEGMENT Q1, 2024



- Products & Solutions
- Integrations
- Autosense

## JANUARY-MARCH

### NET SALES

The Group's net sales decreased by 4% to SEK 161 million (168) corresponding to an organic growth of -9%. Net growth from acquisition was 7% and exchange rates affected sales by -2%.

Products & Solutions net sales totaled SEK 112 million (137), corresponding to an organic growth of -15%. The decrease was mainly attributable to sustained weaker demand in Asia.

Integrations net sales were SEK 43 million (30), corresponding to an organic growth of 23%. The growth was driven by increased interest in XR.

Autosense net sales totaled SEK 7 million (1), which was in line with expectations.

Net sales from the acquisition of FotoNation/AutoSense for the quarter represented two months' worth, reflecting the timing of the FotoNation/AutoSense acquisition closure on January 31, 2024.

### RESULTS

The gross margin was 74% (73%). The strengthened gross margin was an effect of the change in product mix.

Products & Solution's gross margin was 64% (69%). The difference in gross margin was related to lower volumes.

Integrations gross margin was 96% (91%). The gross margin was high, reflecting the trend towards a more software, service and license-based product mix.

Autosense gross margin was 99% (83%). The gross margin, primarily from software-related revenue, is anticipated to remain at high levels.

Operational expenses increased to SEK 194 million (176). In addition to the cost reduction initiatives implemented in the fourth quarter of 2023, which lowered operational expenses by more than 10%, the increase was influenced by the expanded cost base associated with the acquisition of FotoNation/Autosense.

The operating result was SEK -75 million (-53) and the operating margin was -46% (-32%).

Net financial items amounted to SEK -13 million (-4) and included SEK -6 million (-1) in currency effects and SEK -7 million (-3) of interest expenses primarily related to interest of interest-bearing liabilities and interests due to temporary covid tax reliefs.

Profit/loss before tax was SEK -88 million (-57).

Profit/loss for the quarter was SEK -89 million (-57) and diluted earnings per share was SEK -0.84 (-0.55).

### CASH FLOW AND FINANCIAL POSITION

Cash flow from operating activities before changes in working capital amounted to SEK -40 million (-16). Change in working capital amounted to SEK 2 million (123). The corresponding quarter last year working capital was positively affected by SEK 63 million in temporary covid-related tax reliefs. Tobii has been granted a three year repayment plan for the tax reliefs of SEK 161 million, which originally expired in February 2024. Half of the amount will be paid in the third quarter of 2025, with the remainder to be paid in the first quarter of 2027.

Investments in intangible, tangible, and financial fixed assets amounted to SEK 88 million (61), including SEK 80 million (54) in capitalization of R&D costs. Free cash flow was SEK -126 million (46).

Investment of the acquisition of FotoNation in the quarter amounted to SEK 294 million.

Cash flow from financing activities amounted to SEK 290 million (-8), of which SEK 298 million is additional interest-bearing loan (promissory note) for the acquisition of FotoNation.

At the close of the period, Tobii had SEK 107 million (439) in cash and cash equivalents. In addition, the company has an unutilized credit facility of SEK 50 million. Consolidated net debt totaled SEK -306 million (375).

# The Group

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK m	Q1 2024	Q1 2023	Jan-Dec 2023
Net sales	161	168	758
Cost of goods and services sold	-42	-45	-191
<b>Gross profit</b>	<b>119</b>	<b>122</b>	<b>567</b>
Selling expenses	-75	-79	-350
Research and development expenses	-86	-65	-278
Administrative expenses	-39	-34	-122
Other operating income and operating expenses	5	2	-1
<b>Operating profit/loss (EBIT)</b>	<b>-75</b>	<b>-53</b>	<b>-184</b>
Net financial items	-13	-4	-13
<b>Profit/loss before tax</b>	<b>-88</b>	<b>-57</b>	<b>-197</b>
Tax	-1	0	-1
<b>Profit/loss for the period</b>	<b>-89</b>	<b>-57</b>	<b>-198</b>
<b>Other comprehensive income</b>			
Items that may subsequently be reclassified to profit or loss for the period:			
Translation differences	10	2	4
<b>Other comprehensive income for the period, net after tax</b>	<b>10</b>	<b>2</b>	<b>4</b>
<b>Total comprehensive income for the period</b>	<b>-79</b>	<b>-55</b>	<b>-194</b>
Earnings per share, SEK	-0.84	-0.55	-1.87
Earnings per share, diluted, SEK	-0.84	-0.55	-1.87
<b>Profit/loss for the period attributable to:</b>			
Parent Company shareholders	-89	-58	-199
Non-controlling interests	0	1	0
Profit/loss for the period	-89	-57	-198
<b>Total comprehensive income for the period attributable to:</b>			
Parent Company shareholders	-79	-56	-194
Non-controlling interests	0	1	0

## CONDENSED CONSOLIDATED BALANCE SHEET

SEK m	Mar 31 2024	Mar 31 2023	Dec 31 2023
<b>NON-CURRENT ASSETS</b>			
Intangible assets	1,100	449	517
Tangible fixed assets	35	14	14
Right-of-use assets	101	49	68
Financial and other non-current assets	197	71	70
<b>Total non-current assets</b>	<b>1,433</b>	<b>584</b>	<b>669</b>
<b>CURRENT ASSETS</b>			
Accounts receivable	97	84	116
Inventories	68	67	70
Other current receivables	86	49	58
Cash and cash equivalents	107	439	236
<b>Total current assets</b>	<b>359</b>	<b>639</b>	<b>480</b>
<b>Total assets</b>	<b>1,792</b>	<b>1,223</b>	<b>1,149</b>
<b>EQUITY</b>			
Equity, Parent Company shareholders	485	699	562
Non-controlling interests	2	3	2
<b>Total equity</b>	<b>487</b>	<b>701</b>	<b>564</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Interest-bearing loans	309	15	12
Leasing liabilities	71	22	43
Other non-current liabilities	411	32	33
<b>Total non-current liabilities</b>	<b>792</b>	<b>68</b>	<b>88</b>
<b>CURRENT LIABILITIES</b>			
Leasing liabilities	32	27	24
Other current liabilities	480	426	473
<b>Total current liabilities</b>	<b>512</b>	<b>453</b>	<b>497</b>
<b>Total liabilities</b>	<b>1,304</b>	<b>522</b>	<b>585</b>
<b>Total equity and liabilities</b>	<b>1,792</b>	<b>1,223</b>	<b>1,149</b>

## 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		
<b>Opening balance, Jan 1, 2023</b>	<b>1</b>	<b>1,996</b>	<b>-40</b>	<b>-1,205</b>	<b>752</b>	<b>2</b>	<b>754</b>
Comprehensive income for the period			2	-58	-56	1	-55
New share issue	0	0			0		0
Share based payments settled using equity instruments				2	2		2
<b>Closing balance, Mar 31, 2023</b>	<b>1</b>	<b>1,996</b>	<b>-38</b>	<b>-1,260</b>	<b>699</b>	<b>3</b>	<b>701</b>
<b>Opening balance, Jan 1, 2024</b>	<b>1</b>	<b>1,996</b>	<b>-35</b>	<b>-1,400</b>	<b>562</b>	<b>2</b>	<b>564</b>
Comprehensive income for the period			10	-89	-79	0	-79
Share based payments settled using equity instruments				2	2		2
<b>Closing balance, Mar 31, 2024</b>	<b>1</b>	<b>1,996</b>	<b>-24</b>	<b>-1,488</b>	<b>485</b>	<b>2</b>	<b>487</b>

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

SEK m	Q1 2024	Q1 2023	Jan-Dec 2023
<b>Cash flow from operating activities</b>			
Profit/loss after financial items	-88	-57	-197
Adjustment for items not included in the cash flow	49	43	163
Taxes paid	-1	-2	-3
<b>Cash flow from operating activities before change in working capital</b>	<b>-40</b>	<b>-16</b>	<b>-37</b>
Cash flow from change in working capital	2	123	132
<b>Cash flow from operating activities</b>	<b>-38</b>	<b>107</b>	<b>95</b>
Investments in intangible, tangible and financial fixed assets	-88	-61	-214
<b>Cash flow after continuous investments</b>	<b>-126</b>	<b>46</b>	<b>-119</b>
Acquisitions and divestments	-294	-	-15
<b>Cash flow after investments</b>	<b>-420</b>	<b>46</b>	<b>-134</b>
Interest-bearing debt	298	-1	-3
New share issue, net of issue costs	-	0	0
Instalments of leasing liability IFRS 16	-8	-7	-27
<b>Cash flow from financing activities</b>	<b>290</b>	<b>-8</b>	<b>-29</b>
<b>Cash flow for the period</b>	<b>-130</b>	<b>38</b>	<b>-163</b>
Cash and cash equivalents at the beginning of the period	236	402	402
Foreign currency translation, cash and cash equivalents	1	-1	-3
<b>Cash and cash equivalents at the end of the period</b>	<b>107</b>	<b>439</b>	<b>236</b>

## CONSOLIDATED KEY RATIOS

	Q1 2024	Q1 2023	Jan-Dec 2023
Earnings per share, SEK	-0.84	-0.55	-1.87
Earnings per share, diluted, SEK	-0.84	-0.55	-1.87
Equity per share, SEK	5	7	5
EBITDA, SEK m	-27	-16	-27
EBIT, SEK m	-75	-53	-184
Cash flow from operating activities, SEK m	-38	107	95
Cash flow after continuous investments , SEK m	-126	46	-119
Working capital, SEK m	-229	-226	-229
Total assets, SEK m	1,792	1,223	1,149
Net cash(+)/net debt (-), SEK m	-306	375	157
Net cash(+)/net debt (-); IFRS 16 Leasing excluded, SEK m	-202	425	224
Equity, SEK m	487	701	564
Average equity, SEK m	525	725	645
Equity/assets ratio, %	27	57	49
Debt/equity, %	85	9	14
Gross margin, %	74	73	75
EBITDA margin, %	-17	-10	-4
EBIT margin, %	-46	-32	-24
Return on total equity, %	-17	-8	-31
Average number of outstanding shares	106,182,266	105,921,458	105,973,395
Average number of outstanding shares after dilution	106,617,818	107,858,605	106,267,737
Number of outstanding shares at period end	106,182,266	105,925,772	106,182,266
Number of outstanding shares after dilution at period end	106,617,818	107,862,219	106,476,608
Average number of employees	686	536	541

<sup>1</sup>On March 31, 2024 a total of 2.6 million stock options, and stock units were outstanding, which corresponds to the same level as at the end of 2023. During the year, no stock options have been redeemed. The dilution effect of stock options, and stock units in all the Company's incentive programs and maximum issuance under LTI 2023 corresponds to a maximum of approximately 2.8%.

## BREAKDOWN OF NET SALES<sup>1</sup>

SEK m	Q1 2024	Q1 2023	Jan-Dec 2023
<b>NET SALES BY PRODUCT CATEGORY</b>			
<b>Hardware</b>	<b>83</b>	<b>101</b>	<b>439</b>
<i>whereof Product &amp; Solutions</i>	76	91	366
<i>whereof Integrations</i>	7	10	73
<i>whereof Autosense</i>	0	0	0
<b>Software</b>	<b>48</b>	<b>41</b>	<b>190</b>
<i>whereof Product &amp; Solutions</i>	21	26	104
<i>whereof Integrations</i>	23	15	82
<i>whereof Autosense</i>	4	0	5
<b>Services</b>	<b>29</b>	<b>26</b>	<b>128</b>
<i>whereof Product &amp; Solutions</i>	14	20	62
<i>whereof Integrations</i>	13	5	64
<i>whereof Autosense</i>	2	0	3
<b>Total net sales</b>	<b>161</b>	<b>168</b>	<b>758</b>
<b>NET SALES BY TIMING CATEGORY</b>			
<b>At a point in time</b>	<b>153</b>	<b>160</b>	<b>728</b>
<i>whereof Product &amp; Solutions</i>	103	129	502
<i>whereof Integrations</i>	43	30	219
<i>whereof Autosense</i>	7	1	7
<b>Over time</b>	<b>9</b>	<b>7</b>	<b>30</b>
<i>whereof Product &amp; Solutions</i>	9	7	30
<i>whereof Integrations</i>	-	-	-
<i>whereof Autosense</i>	-	-	-
<b>Total net sales</b>	<b>161</b>	<b>168</b>	<b>758</b>
<b>NET SALES BY GEOGRAPHIC MARKET</b>			
EMEA	52	55	253
Americas	50	52	251
Other countries	59	61	254
<b>Total net sales</b>	<b>161</b>	<b>168</b>	<b>758</b>

<sup>1</sup> During, 2023, Tobii has changed classifications of certain products in the net sales by products categories and net sales by timing categories. Also changes between geographic markets have been made compared to earlier reporting. For those reasons, the figures for the comparison period have been recalculated.

## QUARTERLY DATA

	2022				2023				2024
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
<b>Net sales</b>									
Products and Solutions	139	92	121	161	138	127	94	173	112
Integrations	32	75	55	101	30	55	53	81	43
Autosense					1	2	3	2	7
<b>Total</b>	<b>171</b>	<b>167</b>	<b>176</b>	<b>262</b>	<b>168</b>	<b>185</b>	<b>150</b>	<b>255</b>	<b>161</b>
<b>Gross margin, %</b>									
Products and Solutions	70	67	68	72	68	71	68	68	64
Integrations	76	96	90	88	91	92	89	88	96
Autosense					83	97	95	97	99
<b>Total</b>	<b>71</b>	<b>79</b>	<b>74</b>	<b>78</b>	<b>73</b>	<b>77</b>	<b>75</b>	<b>74</b>	<b>74</b>
<b>EBITDA, SEK m</b>									
<b>Total</b>	<b>-5</b>	<b>-11</b>	<b>1</b>	<b>43</b>	<b>-16</b>	<b>-10</b>	<b>-29</b>	<b>28</b>	<b>-27</b>
<b>EBIT, SEK m</b>									
Products and Solutions									-23
Integrations									-13
Autosense									-38
<b>Total</b>	<b>-45</b>	<b>-50</b>	<b>-36</b>	<b>9</b>	<b>-53</b>	<b>-48</b>	<b>-69</b>	<b>-14</b>	<b>-75</b>
<b>Operating margin, %</b>									
Products and Solutions									-21
Integrations									-31
Autosense									-571
<b>Total</b>	<b>-27</b>	<b>-30</b>	<b>-20</b>	<b>3</b>	<b>-32</b>	<b>-26</b>	<b>-46</b>	<b>-6</b>	<b>-46</b>
<b>Profit/loss before tax, SEK m</b>									
<b>Total</b>	<b>-42</b>	<b>-30</b>	<b>-17</b>	<b>-9</b>	<b>-57</b>	<b>-37</b>	<b>-75</b>	<b>-28</b>	<b>-88</b>
<b>Profit/loss for the period, SEK m</b>									
<b>Total</b>	<b>-42</b>	<b>-31</b>	<b>-17</b>	<b>-9</b>	<b>-57</b>	<b>-38</b>	<b>-74</b>	<b>-29</b>	<b>-89</b>

# The Parent Company

The Parent Company's net sales during the quarter totalled SEK 94 million (113) and the operating profit was SEK -84 million (-69). At the end of the period, the Parent Company had SEK 62 million (379) in cash and cash equivalents. The number of employees in the Parent Company was approximately 347 (360).

## CONDENSED PARENT COMPANY INCOME STATEMENT

SEK m	Q1 2024	Q1 2023	Jan-Dec 2023
<b>Net sales</b>	<b>94</b>	<b>113</b>	<b>570</b>
Cost of goods and services sold	-40	-43	-173
<b>Gross profit</b>	<b>54</b>	<b>70</b>	<b>398</b>
Selling expenses	-41	-45	-179
Research and development expenses	-71	-66	-273
Administrative expenses	-30	-30	-111
Other operating income and operating expenses	4	2	-3
<b>Operating profit/loss</b>	<b>-84</b>	<b>-69</b>	<b>-168</b>
Financial items	-9	-3	1
Group Contributions	-	-	0
<b>Profit/loss before tax</b>	<b>-93</b>	<b>-72</b>	<b>-166</b>
Tax	-	-	-0
<b>Profit/loss for the period</b>	<b>-93</b>	<b>-72</b>	<b>-166</b>

## CONDENSED PARENT COMPANY BALANCE SHEET

SEK m	Mar 31 2024	Mar 31 2023	Dec 31 2023
NON-CURRENT ASSETS			
Intangible assets	459	365	418
Tangible fixed assets	9	10	10
Financial assets	1,202	381	391
<b>Total non-current assets</b>	<b>1,670</b>	<b>756</b>	<b>818</b>
CURRENT ASSETS			
Accounts receivable	81	67	115
Inventories	62	62	60
Other current receivables	42	63	62
Cash and bank balances	62	379	194
<b>Total current assets</b>	<b>248</b>	<b>570</b>	<b>432</b>
<b>Total assets</b>	<b>1,918</b>	<b>1,327</b>	<b>1,251</b>
EQUITY	661	844	751
NON-CURRENT LIABILITIES			
Interest-bearing liabilities	433	17	24
Other non-current liabilities	390	30	29
<b>Total non-current liabilities</b>	<b>823</b>	<b>46</b>	<b>53</b>
CURRENT LIABILITIES			
Other current liabilities	434	437	447
<b>Total current liabilities</b>	<b>434</b>	<b>437</b>	<b>447</b>
<b>Total liabilities</b>	<b>1,257</b>	<b>483</b>	<b>499</b>
<b>Total equity and liabilities</b>	<b>1,918</b>	<b>1,327</b>	<b>1,251</b>

# Notes

## Note 1. Accounting policies

The Interim Report complies with the provisions of IAS 34, and the report for the Parent Company has been prepared pursuant to the provisions of the Swedish Annual Accounts Act and RFR 2. In addition to the financial statements, disclosures under IAS 34.16A also appear in other parts of the interim report. The accounting policies of the Parent Company and the Group, and the calculation principles used in the report, are unchanged from those used in the most recently published Annual Report, with the exception of the application of new standards. The IASB has published amendments to standards effective from January 1, 2024, or later. These amendments have not had a material impact on the financial statements.

## Note 2. Segments

From first quarter 2024 Tobii is reporting three segments, Products & Solutions, Integrations and Autosense. For periods before Q1 2024, net sales, gross profit, and gross margin are reported for each segment. From first quarter of 2024, each segment is reported at operating result (EBIT) level. The Autosense segment comprises of FotoNation's AutoSense business and Tobii Autosense. Tobii Autosense was previously included in the Integrations segment. The additional image processing and computer vision technologies stemming from the acquisition of FotoNation are included into the Integrations segment.

### PRODUCTS & SOLUTIONS

The segment's products include hardware, software, and services and the customers include both B2B customers and consumers. Hardware consists of a suite of eye tracking products, including the flagship eye tracking glasses Tobii Pro Glasses 3, research-grade screen-based eye trackers such as Pro Spectrum and Pro Fusion and the consumer gaming device Tobii Eye Tracker 5. Software consists of Tobii Pro Lab and Sticky, among others.

### INTEGRATIONS

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

### AUTOSENSE

The segment provides automotive interior sensing solutions, comprising of drive monitoring systems (DMS) and occupant monitoring systems (OMS), to automotive original manufacturers (OEM). The solutions are offered directly to the OEMs or indirectly to the OEM via Tier-1 suppliers and deployed in both commercial and passenger vehicles. The segment has design wins with a number of renowned OEMs and Tier-1 suppliers.

## Note 3. Business combinations

### DISCONTINUED OPERATIONS

No divestments have occurred during the quarter.

### ACQUISITIONS

#### Eyevido GmbH

On August 9, 2023, Tobii acquired all shares in Eyevido GmbH. Eyevido offers a cloud-based software used for conducting web-based user studies with eye tracking. The software will complement and strengthen the consumer insight offering to enterprise customers. The acquisition is expected to have an insignificant effect on Tobii's short-term financial results and position. The purchase consideration for the acquired net assets was SEK 9 million. Eyevido GmbH was consolidated into Tobii Group as of August 9, 2023.

#### FotoNation Ltd

On January 31, 2024, Tobii acquired all shares in FotoNation Ltd, including AutoSense business. This strategic acquisition strengthens Tobii's Interior Sensing offerings, including Driver Monitoring System (DMS) and Occupant Monitoring System (OMS).

The consideration for 100 percent of the shares in FotoNation Ltd amounts to a minimum of USD 45 million on a cash- and debt-free basis, of which approximately USD 30 million will be structured as a promissory note at 8% interest. The promissory note and interest are paid in three annual installments starting in 2027. A future payment of USD 15 million will be paid in four annual installments starting in 2028. There will thus be no upfront cash or share consideration.

Additional earnouts, estimated to be approximately USD 19 million at the time of closing, may be generated by the Autosense segment upon meeting specific volume targets, with payouts scheduled for 2031. This estimation will be continuously assessed and adjusted over time for accuracy.

FotoNation Ltd was consolidated into Tobii Group as of February 1, 2024.

Goodwill consists of the market position as one of the leaders in Automotive Interior Sensing with the potential of future revenue streams in multiple geographies. Goodwill is also attributable to the skills that many competent employees in new attractive markets bring, and scalability regarding both engineering and overhead resources with opportunities for synergies.

Since the acquisition, the company has contributed SEK 12 million to the Group's net sales, whereof SEK 7 million in the segment Autosense and SEK 5 million in the segment Integrations, and operating result of SEK -14 million. If the acquisition had been carried out on January 1, 2024, the contribution to the Group's net sales would have been SEK 44 million and to operating result SEK 5 million.

The costs of the acquisition amounted to SEK 31 million and were charged to earnings in 2023.

A preliminary purchase price allocation is presented on the next page.

## Effects of Acquisitions<sup>1</sup>

SEK m	FotoNation Ltd	Eyevido GmbH
Cash payment	-	9
Promissory note	312	-
Contingent consideration	352	-
Consideration cash and cash equivalents	115	-
Reduction assumed liabilities	-18	-
<b>Total consideration</b>	<b>760</b>	<b>9</b>
<b>Change in acquired assets and liabilities</b>		
Intangible assets (excl. goodwill)	187	12
Tangible fixed assets	58	0
Net other assets and liabilities	84	-0
Cash and cash equivalents	115	0
Deferred tax liability	-17	-2
<b>Net identifiable assets and liabilities</b>	<b>426</b>	<b>9</b>
<b>Goodwill</b>	<b>334</b>	<b>-</b>

<sup>1</sup> The acquisition analysis is preliminary.

## Note 4. Financial instruments

	Mar 31 2024		Mar 31 2023		Dec 31 2023	
SEK m	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial liabilities measured at fair value</b>						
Contingent considerations	380	380	19	19	18	18

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

### Change in contingent consideration

SEK m	
Liabilities	
Opening balance Jan 1, 2024	18
Acquisitions during the year	352
Payments	-0
Translation differences	10
Closing balance Mar 31, 2024	380

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 2023 financial year, without any need for impairment being identified.

## Note 5. Pledged assets and contingent liabilities

As of March 31, 2024, SEK 0 million (0) are guarantee commitments in the Swiss subsidiary through subordination guarantee. Tobii has pledged corporate mortgages of SEK 100 (100) million referring to the revolving credit facility and SEK 300 (-) million referring to the promissory note to Xperi Inc. (from the acquisition of FotoNation Ltd.).

# Other information

## RISKS AND UNCERTAINTY FACTORS

Tobii's business risks include the economic climate, the competitive situation, currency risks, credit risks in relation to customers, financing risks, the risk of impairment write-downs of capitalized R&D and other intangible assets, and regulatory risks. Tobii's risks and risk management are described in greater detail in the risk section on pages 40-44 and note 3 on page 68 in the 2023 Annual and Sustainability Report. Tobii is of the opinion that this risk description remains correct.

## SEASONALITY

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

## ORGANIZATION

The average number of full-time employees (FTEs), excluding consultants, was 686 (536) during the period January – March 2024. The increase was related to the acquisition of FotoNation/AutoSense.

## ACQUISITION OF AUTONSENSE

On December 13, 2023, Tobii entered into an agreement to acquire all shares in FotoNation Ltd, including the AutoSense business. The transaction was closed on January 31, 2024. This strategic acquisition enhances Tobii's automotive interior sensing offering, including driver monitoring systems (DMS) and occupant monitoring systems (OMS). AutoSense has design wins with several OEMs across more than 100 models. AutoSense has around 250 full-time employees, predominantly based in Romania and Ireland, with the majority within engineering.

The near-term net sales and positive EBIT contribution stems largely from the image processing and computer vision technologies while the mid to long-term net sales and EBIT contribution will come from automotive interior sensing. It is expected that the net sales generated outside the automotive business will decline after 2024.

For more details on the consideration and transaction, please refer to the related press release, webcast, and accompanying slide deck available at [corporate.tobii.com/investors](https://corporate.tobii.com/investors)

## EGM ON MARCH 4, 2024

An extraordinary general meeting was held on March 4, 2024, which, inter alia, authorized the Board of Directors to resolve on the issue of ordinary shares for the execution of the fully guaranteed rights issue of approximately SEK 300 million.

## RIGHS ISSUE

A rights issue of approximately SEK 301 million was executed in the end of March and completed on 3 April 2024. The outcome showed that subscriptions by exercise of subscription rights and subscription applications for subscription without subscription rights together corresponded to approximately 139 percent of the offered shares. Thus, the rights issue was fully subscribed and no guarantee commitments were utilized. As a result of the rights issue, Tobii received total net proceeds of SEK 267 million subsequent to the quarter's end.

## SHARE CAPITAL AND SHAREHOLDERS

Tobii has issued two classes of shares: ordinary shares and C shares. Ordinary shares carry one vote per share while C shares carry one vote per ten shares. The shares have a quotient value of SEK 0.007256934 per share. The sole purpose of the C-shares is to facilitate settlement of the company's long-term incentive programs. The C-shares are always included in the company's balance sheet and Tobii is not allowed to exercise the voting rights for these shares. Hence, in practice there is only one share class exercising its voting rights and available for trading in Tobii's free float.

As a result of the rights issue completed after the end of the quarter and finally registered with the Swedish Companies Registration Office on April 9, 2024, the company's share capital increased by 924,670 to SEK 1,711,028 and the number of shares increased by 127,418,718 to 233,600,984 ordinary shares, corresponding to an equal number of votes. As of 30 April, the total number of shares in the company amounts to 235,778,363, divided into 233,600,984 ordinary shares and 2,177,379 class C shares. The total number of votes in the company amounts to 233,818,721.9, of which ordinary shares correspond to 233,600,984 votes and the class C shares correspond to 217,737.9 votes.

After the rights issue and the most recent filing as of April 30, 2024, Tobii has 24,132 shareholders. The company's three largest shareholders were Mårten Skogö (6.06% capital and 6.11% votes), Öhman Fonder (6.05% capital and 6.11% votes) and Henrik Eskilsson (5.89% capital and 5.95% votes). For more information about Tobii's share and ownership structure, see <https://corporate.tobii.com/investors/the-share>.

## AGM ON MAY 23, 2024

The annual general meeting (AGM) in Tobii will be held on May 23, 2024, at 13:00 CEST at Tobii's head office, Karlsrovägen 2D, SE-182 53 Danderyd. For more information about notification, participation and related documents, visit <https://corporate.tobii.com/investors/calendar/2024-annual-general-meeting>.

## FINANCIAL TARGETS AND DIVIDEND POLICY

On 1 February 2024, the board of directors adopted new financial targets for the Tobii group. Tobii is targeting:

- Positive free cash flow for the full-year 2026
- Operating margin (EBIT) of around 10% for the full-year 2026
- Operating margin (EBIT) of around 20% for the full-year 2028

These new targets focusing on profitability replace the previous targets.

Tobii will continue to reinvest cash flows in growth initiatives and therefore in the near term does not foresee any annual dividends.

## TRANSACTIONS WITH RELATED PARTIES

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

## Tobii AB (publ)

Stockholm, May 15, 2024

Anand Srivatsa  
CEO

This report has not been reviewed by the company's auditors.

# Alternative performance measures

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 the next page.

## Reconciliation of APMs

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

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

SEK m	Q1 2024	Q1 2023	Jan-Dec 2023
Operating profit/loss before depreciation, amortization and impairment, (EBITDA)	-27	-16	-27
Amortization and impairment	-36	-29	-125
Depreciation	-12	-8	-32
<i>of which Right-of-use assets (IFRS 16 Leasing)</i>	-8	-7	-27
<b>Operating profit/loss (EBIT)</b>	<b>-75</b>	<b>-53</b>	<b>-184</b>

# Definitions

Key performance measures	Definition	Purpose
<b>Gross margin</b>	Gross profit in relation to the net sales of the business.	Gross margin is used to measure production profitability.
<b>EBITDA</b>	Operating profit/loss before depreciation, amortization and impairment.	EBITDA is used to measure earnings from operating activities excluding depreciation, amortization and impairment.
<b>EBITDA margin</b>	Operating profit/loss before depreciation, amortization and impairment in relation to the net sales of the business.	The EBITDA margin is used to illustrate EBITDA in relation to sales.
<b>Operating profit/loss (EBIT)</b>	Operating profit/loss in relation to the net sales of the business.	The EBIT margin is used to illustrate EBIT in relation to sales and is a measure of the company's profitability.
<b>Operating margin (EBIT margin)</b>	Operating profit/loss in relation to the net sales of the business.	The EBIT margin is used to illustrate EBIT in relation to sales and is a measure of the company's profitability.
<b>Cash flow from operating activities</b>	Cash flow from operating activities including change in working capital and before cash flow from investing and financing activities.	Cash flow from operating activities is used as a measure of the cash flow the Group generates before investments and financing.
<b>Free cash flow</b>	Cash flow after continuous investments, meaning cash flow from operating and investment activities, excluding acquisitions and disposals of subsidiaries.	Free cash flow is used as a measure of the cash flow generated by the underlying business excluding cash flow from acquisitions, divestments and the financing activities.
<b>Working capital</b>	Inventories, trade receivables and other current receivables less trade payables and other current non interest-bearing liabilities.	Working capital is used to measure the company's capacity to meet its current capital requirements.
<b>Net cash (+)/net debt (-)</b>	Cash and cash equivalents less interest-bearing liabilities.	Net debt represents the company's capacity to pay off all of its debts should they fall due for payment as of the balance sheet date using the company's available cash and cash equivalents on the balance sheet date.
<b>Organic growth</b>	Change in total sales for the period adjusted for acquisitions, disposals and currency, compared with total sales for the comparative period.	Organic growth is used to measure the underlying growth in local currencies of the business.
<b>Equity/assets ratio</b>	Total equity as a percentage of total assets.	The equity/assets ratio shows the percentage of total assets financed by the shareholders through equity.
<b>Net debt/equity ratio</b>	Interest-bearing liabilities divided by shareholders' equity.	The net debt/equity ratio measures the extent to which the company is financed through loans.
<b>Return on equity</b>	Profit after tax in relation to average equity during the period.	Return on equity is used to analyze profitability over time.
<b>Equity per share</b>	Equity at the end of the period attributable to the parent company's shareholders divided by the number of shares at the end of the period.	Equity per share measures the Group's net value per share.
<b>Average number of employees</b>	The average number of permanent employees, including part-time employees converted to full-time employment.	Average number of employees measures the number of full-time employees in the Group needed to generate the period's earnings.

# This is Tobii

Twenty years ago, Tobii pioneered the world's first plug & play eye tracker. Today we are the global leader in our industry with a mission to improve the world with technology that understands human attention and intent. We build cutting-edge attention computing solutions and technologies that empower our clients to truly capture human attention and intent.

## WHO WE ARE

Tobii is a leading developer, manufacturer and partner on eye tracking and attention computing solutions across various industries worldwide. Around 700 passionate Tobiians drive our diverse organization, developing technologies for the next leap in human computer interaction, turning groundbreaking innovations into reality.

## WHAT WE DO

Our technologies fuel digital transformation across scientific research, gaming, extended reality, assistive tech, and auto- motive interior sensing. Integrated into devices like glasses, headsets, personal computers, gaming accessories, medical equipment and vehicles. They support thousands of enterprises, including global tech and automotive OEMs, and leading research institutes worldwide.

## OUR FOOTPRINT

Tobii, headquartered in Stockholm, Sweden, operates in 13 countries across Asia, Europe, and North America. We engage customers directly in key markets and collaborate with resellers in other markets.



Strong position in growing markets



Global presence in 13 countries



~700 Tobiians



>1,000 patents



Thousands of B2B and academic clients

## FOR MORE INFORMATION, PLEASE CONTACT:

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## PUBLICATION

This interim report comprises such information that Tobii AB is obligated to publish in accordance with the EU Market Abuse Regulation. This information was published through the agency of the persons set out above on May 16, 2024, at 7.30 a.m. CEST.

## WEBCASTED PRESENTATION

A webcasted presentation will be held in English today at 9.00 a.m. (CET). To participate, please visit:  
<https://ir.financialhearings.com/tobii-q1-report-2024>

The presentation material and a replay will be available at the [investor website](#) afterwards.

## FINANCIAL CALENDAR 2023/2024

Annual General Meeting 2024  
May 23, 2024

Interim report Q2 2024  
July 19, 2024

Interim report Q3 2024  
October 25, 2024

Year-end report 2024  
February 4, 2025