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GOTHENBURG, 20 January 2023

Press release

Smart Eye publishes preliminary results for the fourth quarter of 2022

By reason of the planned fully secured rights issue of shares, corresponding to approximately SEK 325 million before deductions for transaction costs (the "Rights Issue"), Smart Eye Aktiebolag (publ) ("Smart Eye" or the "Company") publishes preliminary net sales, EBITDA and cash flow for the fourth quarter of 2022. The figures are preliminary and may be adjusted in the 2022 year-end report, which is expected to be published on 23 March 2023.

Smart Eye's net sales during the fourth quarter of 2022 preliminarily amounted to approximately SEK 56 million (SEK 44 million corresponding period last year), of which the Automotive business area accounted for approximately SEK 15 million (SEK 14 million) and the Behavioral Research business area accounted for approximately SEK 41 million (SEK 30 million). Net sales for the group increased preliminarily by approximately 29 percent, of which organic growth amounted to approximately 19 percent, compared to the corresponding period last year. Underlying invoicing was approximately SEK 9 million higher during the quarter, but as a result of changed accounting principles introduced during the year, these revenues were accrued during the contract period.

Smart Eye's EBITDA preliminarily amounted to approximately SEK -61 million (SEK -21 million) during the quarter. During the quarter, the Company reduced the number of employees and consultants in order to adjust its cost profile, which resulted in adjustment costs during the quarter. This is in part of the Company's previously announced intention to reduce personnel expenses of around ten per cent on a yearly basis, which corresponds to approximately SEK 30 million per annum. The measures are initiated and are expected to be fully implemented by the end of the second quarter 2023. In addition, the Company has had one-off costs linked to securing the Company's financing. In total, the one-off costs amount to approximately SEK 9 million during the quarter.

The Company's cash flow amounted to approximately SEK -20 million (SEK -48 million) during the quarter. In connection with the publication of the plans to carry out the Rights Issue, a bridge loan of SEK 60 million was communicated. The cash flow excluding the bridge loan amounted to approximately -80 million SEK and includes one-off costs of approximately 2 million SEK linked to the dismissal of employees.

Smart Eye has during Q4 received up to 100 design wins, representing an estimated lifetime value of SEK 1,450 million and been nominated for four new OEMs. In total, Smart Eye has now received a

total of up to 194 design wins from 18 OEMs. The combined estimated lifetime value from current design wins is now larger than SEK 3,835 million. Estimated value over the product lifecycle from possible additional design wins with existing car manufacturers on existing platforms is SEK 4,075 million. The production ramp up of the above car models is expected to contribute to Smart Eye's goal of becoming cash flow positive during the second half of 2024.

The financial information above is based on the Company's internal accounting system and preliminary group consolidation. A smaller part of the revenues within Automotive is estimated based on previous periods' sales volumes, due to the fact that they are in nature reported late. The preliminary result has been compiled and prepared on a basis that is comparable to the Company's historical financial information and is consistent with the accounting principles that the Company applies. The preliminary result has not been reviewed by the Company's auditor.

For further information, please contact

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This information is such information that Smart Eye AB is obligated to make public pursuant to the EU Market Abuse Regulation 596/2014. The information was submitted, through the agency of the contact person above, for publication on 20 January 2023, 08:30 CET. Above responsible person can also be contacted for further information.

About Smart Eye

Smart Eye is the global leader in Human Insight AI, technology that understands, supports, and predicts human behavior in complex environments. We are bridging the gap between humans and machines for a safe and sustainable future. Our multimodal software and hardware solutions provide unprecedented human insight in automotive and behavioral research—supported also by Affectiva and iMotions, companies we acquired in 2021.

In automotive, we are leading the way towards safer and human-centric mobility through Driver Monitoring Systems and Interior Sensing solutions. Our technology is embedded in next-generation vehicles and available as a standalone aftermarket solution for existing vehicles, fleet, and small-volume OEMs.

Our industry-leading eye tracking systems and iMotions biosensor software enable advanced research and training in academic and commercial sectors. Affectiva's Emotion AI provides the world's largest brands and market researchers with a deeper understanding of how consumers engage with their content, products, and services.

Smart Eye was founded in 1999 and is headquartered in Sweden with offices in the US, UK, Germany, Denmark, Egypt, Singapore, China and Japan. A publicly traded company since 2016, our customers include NASA, Nissan, Boeing, Honeywell, Volvo, GM, BMW, Geely, Harvard University, over 1,300 research organizations around the world, 70% of the world's largest advertisers and 28% of the Fortune Global 500 companies.

Visit <https://smarteye.se/> for more information.

Visit our investor web for more financial information: <https://smarteye.se/investors/>

Smart Eye is listed on Nasdaq First North Growth Market. Erik Penser is Certified Adviser.

Important information:

This announcement is not and does not form a part of any offer for selling, or a request to submit an offer to buy or acquire, shares or other securities of the Company.

Copies of this announcement are not being made and may not be distributed or sent into the United States, Australia, Hong Kong, Japan, Canada, New Zealand, or any other jurisdiction in which such distribution would be unlawful or would require registration or other measures.

The securities referred to in this announcement have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and accordingly may not be exercised, offered, sold, resold, delivered or otherwise transferred, directly or indirectly, in or into the United States, except pursuant to an applicable exemption from, or in a transaction not subject to, the requirements of the Securities Act and in compliance with any applicable securities legislation in any state or other jurisdiction of the United States. The Company do not intend to register any offering in the United States or to conduct a public offering of securities in the United States.

Forward-looking statements

Matters discussed in this announcement may constitute forward-looking statements. Forward looking statements are statements that are not historical facts and may be identified by words such as "believe", "expect", "anticipate", "deems", "intends", "estimate", "will", "may", "continue", "should" and similar expressions. This applies in particular to statements relating to future results, financial position, cash flow, plans and expectations of the Company's operations and management, future growth and profitability, general economic and regulatory environment and other factors affecting the Company, many of which are based on further assumptions, such as no changes in existing political, legal, fiscal, market or economic conditions or applicable law (including but not limited to accounting principles, accounting methods and tax policies), which may or may not be of importance to the Company results or its ability to operate. Although the Company believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies and other important factors which are difficult or impossible to predict and are beyond its control. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward looking statements.

Potential investors should therefore not attach undue confidence to the forward-looking information herein, and potential investors are urged to read the parts of the prospectus that include a more detailed description of factors that may affect the Company's operations and the market in which the Company operates.

The information, opinions and forward-looking statements contained in this announcement speak only as at its date and could be subject to change without notice.