

GOTHENBURG, 26 October 2021
Smart Eye press release

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Smart Eye has completed a directed share issue of approximately SEK 220 million

The Board of Directors of Smart Eye Aktiebolag (publ) ("Smart Eye" or the "Company") has, as communicated earlier today and partly based on the authorization given by the Company's annual general meeting on 14 April 2021, resolved on a directed issue of 1,200,000 new shares (corresponding to 6.0 percent of the total number of shares and votes in the Company) at a subscription price of SEK 183.0 per share (the "Directed Share Issue"), raising proceeds of approximately SEK 219,600,000 before transaction costs. The subscription price in the Directed Share Issue has been determined through an accelerated bookbuilding procedure conducted by Carnegie Investment Bank AB (publ). A number of Swedish and international institutional investors as well as certain existing shareholders participated in the Directed Share Issue.

As communicated earlier today, Smart Eye has entered into an agreement with the shareholders of iMotions A/S ("iMotions") to acquire 100 percent of the shares in iMotions (the "Acquisition") for a consideration corresponding to an enterprise value of iMotions of SEK 400 million based on iMotions' financial position as of 31 December 2020 (the "Consideration"). iMotions is a provider of multimodal software for human behavior research with offices in Copenhagen, Boston, Singapore and Berlin. The proceeds from the Directed Share Issue is intended to be used to fund the cash component of the Consideration amounting to approximately SEK 200 million as well as general corporate purposes.

A number of Swedish and international institutional investors as well as certain existing shareholders participated in the Directed Share Issue, including Swedbank Robur, The First Swedish National Pension Fund, Handelsbanken Fonder and Niclas Eriksson with related parties.

The reasons for deviating from the shareholders' preferential right was to, in a time- and cost-effective manner raise necessary capital to carry out the acquisition of iMotions. Thus, Smart Eye's Board of Directors assessed that the reason to carry out the Directed Share issue with deviation from the shareholders' preferential rights outweighed the principal rule that new share issues

shall be carried out with preferential rights for existing shareholders and that a share issue with deviation from the shareholders' preferential rights is most favorable for Smart Eye and its shareholders. As the subscription price in the Directed Share Issue was determined through a bookbuilding procedure, it is the Board of Directors' assessment that the subscription price reflects current market conditions and demand.

The Directed Share Issue is partly based (870,466 shares) on the share issue authorization granted to the Board of Directors by the annual general meeting held on 14 April 2021, and partly (329,534 shares) by way of the Board of Directors resolving on the remainder of the shares to be issued following approval by the extraordinary general meeting (the "EGM") expected to be held on 12 November 2021. A convening notice to the EGM will be published in a separate press release. In order to facilitate the delivery of the shares to the investors in the part of the Directed Share Issue based on the latter resolution by the Board of Directors, the Chairman of the Board Anders Jöfelt will lend 329,534 shares to Carnegie Investment Bank AB (publ). The lent shares will be returned after the shares issued have been registered with the Swedish Companies Registration Office (Sw. *Bolagsverket*), which is expected to take place shortly after the EGM provided that the EGM approves the resolution by the Board of Directors. The shares issued based on the share issue authorization granted to the Board of Directors by the annual general meeting will, due to technicalities, be subscribed for by Carnegie Investment Bank AB (publ) at quota value for subsequent transfer to investors.

Mats and Martin Krantz as well as Anders and Linda Jöfelt, who together hold approximately 17 percent of the shares in Smart Eye have undertaken to vote in favor of the resolution to approve the part of the Directed Share Issue that is subject to the EGM's approval at the EGM. In addition, large shareholders who jointly hold approximately 25 percent of the shares in Smart Eye have expressed their intention to vote in favor of the resolution at the EGM.

The Directed Share Issue entails a dilution of approximately 5.7 percent of the share capital in relation to the number of shares in Smart Eye after the Directed Share Issue, through an increase in the number of outstanding shares by 1,200,000 from 19,929,157 to 21,129,157 and a share capital increase by SEK 120,000.00 from SEK 1,992,915.70 to SEK 2,112,915.70.

Lock-up

In connection with the Directed Share Issue, the Company's CEO and Founder, Martin Krantz, Board Member and Founder, Mats Krantz, and Chairman of the Board, Anders Jöfelt, have entered into a 720 days lock-up for 50 percent of their holdings in Smart Eye and 360 days lock-up for 50 percent of their holdings after the settlement date of the Directed Share Issue. The Company's CFO, Anders Lyrheden, CTO, Martin Rydberg, and the other members of the Board of Directors have entered into 180 days lock-up after the settlement date of the Directed Share Issue. Furthermore, the Company has agreed to a commitment, with customary exceptions, not to carry out any additional issuances for a period of 180 calendar days after the settlement date of the Directed Share Issue.

Advisers

Carnegie Investment Bank AB (publ) is acting as financial adviser to Smart Eye in relation to the Acquisition and Sole Global Coordinator and Bookrunner in the Directed Share Issue.

Advokatfirman Vinge KB is acting as legal adviser to Smart Eye.

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This is information that Smart Eye Aktiebolag (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 persons set out above, on 26 October 2021 at 22.30 CEST.

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 bridge the gap between humans and machines for a safe and sustainable future.

Today, our technology is embedded in next-generation vehicles, leading the way towards human-centric mobility through Driver Monitoring Systems and Interior Sensing solutions. Our Research Instruments offer unparalleled insights into Automotive, Aviation & Aerospace, Assistive Technology, Media & Marketing, Psychology and many more fields. Our subsidiary Affectiva is pioneering Emotion AI, connecting machine logic with human empathy to gain a deeper understanding of how consumers engage with content and products.

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

Visit www.smarteye.ai for more information.

Visit our investor web for more financial information: <http://www.corp.smarteye.se/en/>

Visit www.corp.smarteye.se for more financial information.

Smart Eye is listed on Nasdaq First North Growth Market. Erik Penser is Certified Adviser and can be reached at +46-8-463 8000 or certifieradviser@penser.se.

About iMotions

Founded in 2005 and headquartered in Copenhagen with offices in Boston, Singapore and Berlin, iMotions has successfully developed the world's leading human behavior software solution. The software combines data from +50 sensors - eye tracking, facial expressions, sweat gland activity, brain activity and more - in one easy-to-use software that uniquely and in real-time tracks, aggregates and analyses nonconscious emotional, cognitive and behavioral data providing research teams a deeper, more comprehensive understanding of human behaviors.

More than 1,300 organizations around the world - from leading academic institutions to global brands to highly respected healthcare organizations - use iMotions. Customers include worldwide top tier universities, corporations, agencies, government, and military customer segments. iMotions successfully developed the multimodal research market from the eye tracking research market and is today a global SaaS company and leader in the early-stage niche market for multimodal software for human behavior research as well as a knowledge intensive organization with in-depth neuroscience expertise as part of the global organization.

For more information, [visit imotions.com](http://www.imotions.com).

IMPORTANT INFORMATION

This announcement is not and does not form a part of any offer for sale of securities. Copies of this announcement are not being made and may not be distributed or sent into the United States, Australia, Canada, Japan, Great Britain, Hong Kong, Singapore, South Africa 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 sold in the United States absent registration or an exemption from the registration requirements of the Securities Act and in accordance with applicable U.S. state securities laws. The Company does not intend to register any securities in the United States or to conduct a public offering of securities in the United States.

This announcement and this offering are only addressed to and directed at persons in member states of the European Economic Area, except for Sweden, (a "Relevant State") who are "Qualified Investors" within the meaning of Article 2(e) of the Prospectus Regulation. The securities are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such securities will be engaged in only with, Qualified Investors. This announcement should not be acted upon or relied upon in any Relevant State by persons who are not Qualified Investors. For the purposes of this provision the expression "Prospectus Regulation" means Regulation (EU) 2017/1129.

In the United Kingdom, this document and any other materials in relation to the securities described herein is only being distributed to, and is only directed at, and any investment or investment activity to which this document relates is available only to, and will be engaged in only with, qualified investors (as defined in the Prospectus Regulation as it forms part of domestic law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018) and who are (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order") or (ii) high net worth entities, and other persons to whom this announcement may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "Relevant Persons"). This communication must not be acted on or relied on by persons who are not Relevant Persons. Any investment or investment activity to which this communication relates is available only to Relevant Persons and will be engaged in only with Relevant Persons. Persons distributing this communication must satisfy themselves that it is lawful to do so.

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," "intends," "estimate," "will," "may," "continue," "should" and similar expressions. The forward-looking statements in this press release are based upon various assumptions, many of which are

based, in turn, upon further assumptions. 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. The information, opinions and forward-looking statements contained in this announcement speak only as at its date, and are subject to change without notice.

Information to distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended (“MiFID II”); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the “MiFID II Product Governance Requirements”), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer” (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the shares in Smart Eye have been subject to a product approval process, which has determined that such shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the “Target Market Assessment”).

Notwithstanding the Target Market Assessment, Distributors should note that: the price of the shares in Smart Eye may decline and investors could lose all or part of their investment; the shares in Smart Eye offer no guaranteed income and no capital protection; and an investment in the shares in Smart Eye is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Directed Share Issue.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the shares in Smart Eye.

Each distributor is responsible for undertaking its own target market assessment in respect of the shares in Smart Eye and determining appropriate distribution channels.