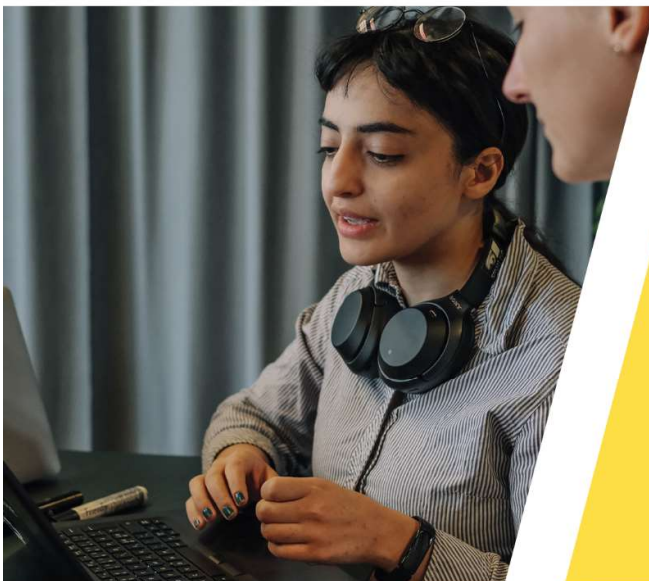


Interim Report Q1

January - March 2023



Technology that
understands, simplifies
and predicts human
intentions and actions.

High Organic Growth and improved Cash Flow

January-March 2023

- Net sales amounted to SEK 64.3 (53.5) million, an increase of 20% compared to the corresponding period the previous year. Underlying invoicing was approximately SEK 6 million higher during the quarter, but as iMotions started periodization of recurring revenue as from Q3 2022, this revenue will instead be recognized over the contract period. With the above effect in consideration, the organic growth for the total group was 31%.
- EBITDA amounted to SEK -44.2 (-36.1) million. The lower result is largely due to an addition of resources to deliver more advanced content on Driver Monitoring Systems (DMS) and Interior Sensing. The quarter was burdened by one-time costs due to the funding process amounting to SEK 2.8 million.
- Operating loss amounted to SEK -81.9 (-71.5) million. Depreciation of the surplus value created in conjunction with the Affectiva and iMotions acquisitions amounts to SEK 28.2 million.
- Earnings after tax per share is -2.34 (-2.75), and after full dilution -2.34 (-2.75).
- Cash and cash equivalents totaled SEK 239.1 million at the end of March.
- The funding process of a fully covered rights issue was finalized in late February 2023, with total proceeds of approximately SEK 324 million before deduction of transaction costs.
- Late January Smart Eye was nominated to deliver its DMS software to 3 additional car models with an existing Japanese OEM customer. The estimated revenue of the order is SEK 30 million based on estimated product life cycle projections.
- Late February the company was awarded its first design win for heavy trucks by a global commercial vehicle customer. The company was chosen to deliver its technology to eight new heavy vehicle models. The estimated revenue of the order is SEK 150 million based on product life cycle projections.
- Early March Smart Eye was nominated to deliver its DMS software to 12 additional car models with an existing Korean OEM customer. The estimated revenue of the order is SEK 350 million based on estimated product life cycle projections.

Financial summary

| TSEK | | Jan-Mar | | Full Year |
|---|------|------------|------------|------------|
| | | 2023 | 2022 | 2022 |
| Net sales | TSEK | 64 324 | 53 501 | 219 539 |
| Operating profit/loss | TSEK | -81 912 | -71 464 | -343 034 |
| Operating margin | % | neg. | neg. | neg. |
| EBITDA | TSEK | -44 156 | -36 115 | -193 822 |
| Profit/loss after tax | TSEK | -81 600 | -71 808 | -340 285 |
| Profit per share* | SEK | -2,34 | -2,75 | -12,98 |
| Return on total capital | % | -5,40 | -5,11 | -26,12 |
| Equity per share | SEK | 43,24 | 63,45 | 58,60 |
| Equity per share after full dilution | SEK | 43,24 | 61,84 | 56,27 |
| Equity ratio | % | 82,55 | 91,34 | 77,50 |
| Number of shares | | 34 937 491 | 26 119 518 | 26 218 933 |
| Number of shares after full dilution | | 34 937 491 | 26 800 554 | 27 300 925 |
| Average number of shares before full dilution | | 30 287 593 | 26 119 518 | 26 194 079 |
| Average number of shares after full dilution | | 30 287 593 | 26 800 554 | 27 276 071 |

* The subscription price in the rights issue carried out in February 2023 was SEK 25.50 per share, corresponding to approximately 58% of the share's fair value on the last day before the separation of subscription rights. The comparison figures are recalculated, as a consequence of the rights issue, with the calculated bonus factor of 1.18.

Comments from the CEO

We are pursuing our focus on cost control and increasing sales. We are expecting that both Behavioral Research and Automotive will increase their revenue significantly during the coming quarters. That together with high gross margins and tight control over costs and cash flow will bring us to profitability no later than the second half of 2024. The first quarter of this year was a very important steppingstone towards that goal. We decreased our OPEX with 10% compared to quarter four 2022. We also increased top line slightly more than expected primarily thanks to strong Research sales. Together with that we managed to decrease the working capital, we improved the cash flow from operating activities from -54 MSEK in Q4 2022 to -34 MSEK, ending the quarter with 239 MSEK in the bank. We are expecting the growth of sales to continue in the coming quarters without us having to increase the cost base in any significant way.

Automotive

We are still in the starting blocks for several of the large platform SOP:s with many of the world's largest car OEMs. In several cases the production has started but isn't ramping as fast as the original production plan schedules. Sometimes it's because of components and sometimes because of general car software architectural issues. We are carrying on with the development work and the organic revenue increase of 20% is mostly coming from NRE, development services. Another source is that the fleet and aftermarket product has started to sell albeit at low levels. We are very positive in our outlook that our customers will ramp up production in the coming quarters and are expecting growth at higher levels than the current 20%. The upcoming European legislation is a hard stop for the OEMs and yields a market size of more than 18 million cars in Europe alone by 2026.

Behavioral Research

The research side of Smart Eye was already making profit on a stand-alone basis last quarter at a revenue of 41 MSEK. This quarter at 50 MSEK the three units were even more profitable. Organic growth has more than doubled, from 15% to 34% compared to last quarter, which is clearly above the market. Hence we are gaining market share.



Our offering is very complete with eye tracking hardware, Emotion AI SaaS as well as the leading multi modal software platform, so it's no surprise that we are gaining momentum as the effects of the pandemic are losing its grip on the research market. We are expecting continued strong traction for the rest of the year.

Final Words

The first quarter gave us record topline, 31% organic growth, improved capital structure and subsequently better cash flow than last quarter. We are sitting on the most important contracts and customers in Automotive and our sales of aftermarket product is starting to ramp up. We are gaining market share in our business area Research, growing at a record pace. We will continue with tight cost control and extreme sales focus to make sure we break even next year. The upcoming regulations regarding DMS and our market-leading product has put us in a very advantageous position, to say the least.

Martin Krantz
CEO Smart Eye

Estimated value of obtained design wins

As of the report for the second quarter of 2018, the company provides information on the estimated market value of obtained design wins at the time of publication of the report. The figures in brackets show the levels at the time of the publication of the preceding report, which in this case was March 23rd, 2023.

The total estimated value of the company's 217 (217) design wins announced to date amounts to SEK 4,365 (4,365) million over a product life cycle.

If the company's system had been used in all car models on existing platforms by the 19 (19) car manufacturers with whom design wins have been communicated, the estimated value would amount to at least SEK 8,460 (8,460) million over a product life cycle.

The calculations have been made by the company based on OEMs' estimated production volumes of car models and may change due to changed conditions for life cycle estimates of the car platforms.

One of the main reasons for the large number of Driver Monitoring System (DMS) design wins that has been awarded lately is due to the legislation that is about to take effect in Europe. Advanced Driver Distraction Warning will be required for new type approvals starting July 2024 and as of July 2026 all new vehicle registrations will require the same technology. Given the length of an automotive development project most of the OEMs have been taking their decisions during 2021 and 2022, to fulfil the legislation once it becomes effective.

| Design Win Year / (MSEK) | 2015-2021 | 2022 | 2023 | Total |
|--|------------------|-------------|-------------|--------------|
| Estimated revenue over the product life cycle from current design wins | 2 275 | 1 560 | 530 | 4 365 |
| Estimated revenue over the product life cycle from possible additional designs wins with existing car manufacturers on existing platforms | 3 975 | 100 | 20 | 4 095 |
| Estimated revenue over the product life cycle including current and possible additional designs wins with existing car manufacturers on existing platforms | 6 250 | 1 660 | 550 | 8 460 |

The Group

Revenue

First quarter 2023

Net sales for the period January to March 2023 amounted to SEK 64.3 (53.5) million, which is an increase of 20%. The growth is due to higher business activity in both business areas. Underlying invoicing was approximately SEK 6 million higher during the quarter, but as iMotions started periodization of recurring revenue as from Q3 2022, this revenue will instead be recognized over the contract period. With the above effect in consideration, the organic growth for the total group was 31%.

Net sales for the **Automotive** business area (Automotive Solutions and Fleet & Aftermarket) during the first quarter was SEK 13.7 million, compared with SEK 11.4, million in the first quarter of the previous year. Revenue from ongoing development projects is on a stable level and project activity is ramping up due to the design wins that have been awarded lately. The organic growth in the Automotive business area is 20%.

For the **Behavioral Research** business area (Research Instruments, Media Analytics and iMotions) net sales during the first quarter amounted to SEK 50.6 (42.1) million. The growth of 20% is due to high business activity in all three business units. Organic growth in the Research business area, i.e. adjusted for the introduction of periodization of recurring revenue in iMotions, is 34%.

Results

First quarter 2023

EBITDA amounted to SEK -44.2 (-36.1) million. The lower result is largely due to an addition of resources to deliver more advanced content on Driver Monitoring Systems (DMS) and Interior Sensing. The quarter was burdened by one-time costs due to the funding process amounting to SEK 2.8 million.

EBITDA was 16.4 MSEK better than last quarter, which is mainly due to the cost reduction program but also due to higher sales in the quarter.

The operating result for the first quarter totaled SEK -81.9 (-71.5) million. Depreciation of the surplus value created in conjunction with the Affectiva and iMotions acquisitions amounts to SEK 28.2 million in the quarter.

Financial position

In addition to cash and cash equivalents of 239.1 SEK million, the Group has two unutilized bank overdrafts facilities of SEK 5 million and DKK 8 million.

Important events during the period

The funding process of a fully covered rights issue was finalized in late February 2023, with total proceeds of approximately SEK 324 million before deduction of transaction costs. The Rights Issue was fully subscribed and no guarantee commitments were utilized.

During the period the company was nominated to deliver its DMS software to 15 additional car models with two existing OEM customers. The estimated revenue of the orders is SEK 380 million based on estimated product life cycle projections.

The company was also awarded its first design win for heavy trucks by a global commercial vehicle customer. The company was chosen to deliver its technology to eight new heavy vehicle models. The estimated revenue of the order is SEK 150 million. Based on product life cycle projections.

Events after the end of the period

During the AGM on May 2nd Tobias Sjögren was elected to join the board.

Parent company

Revenue

First quarter 2023

Net sales for the period January to March 2023 amounted to SEK 25.0 (20.6) million, which amounts to an increase of 21% compared with the same period last year.

Results

First quarter 2023

The operating result for the first quarter totaled SEK -61.1 (-34.3) million. The number of employees was higher during the first quarter which explains the lower result compared to last year's first quarter.

Significant risks and uncertainties in summary

Operational risks

The business operations are subject to risk factors that could impact the company's commercial and financial position. The risks relate in part to development operations proceeding as planned and in part to the company's success in recruiting qualified personnel to the necessary extent.

Financial risks

The company is financed through share capital and finalized a Rights Issue late February. The purpose of the Rights Issue was to strengthen the company's financial position and finance the remaining capital requirement until the company becomes cash flow positive, which is expected during the second half of 2024. Should the company not generate revenue to the extent and over the time perspective assessed by the Board, this could result in additional capital requirements.

The most significant risks related to the revenue is the planned ramp up in license revenue, should the automotive industry face further component issues or additional delays in OEM projects.

Subsequently, should the inflationary situation in the global economy accelerate, there is a risk of continued upward pressure on the cost base of the company.

Longer term as the sales increase, the company will face an increased currency exposure since most of the company's sales will be denominated in a currency other than Swedish kronor.

Market risks

Eye tracking is an emerging technology, whereby the company's products are currently used in behavioral research and as integrated products in the automotive industry. Regarding the Automotive business segment, a delay or the non-materialization of a launch of eye tracking in the automotive industry could entail a risk of a lower-than-expected growth rate.

The future growth rate is strongly connected to the introduction of legislation in the European Union and at the time of publishing this report, there are no indications of a delay of this legislation. In the Research business area, the biggest market risk is the availability of funding in the academic field. A general decline in funding could be partly offset by an increased penetration of the market as the presence of the group's technology is still emerging.

Otherwise, regarding risks and uncertainties, refer to the 2022 Annual Report, page 35-36.

Transactions with related parties

Except for shared based incentive programs and intercompany transactions there were no transactions with related parties during the period.

Share Information

The Company is listed on Nasdaq First North Growth Market. Certified Advisor is Erik Penser Aktiebolag.

Number of shares

The number of shares now totals 34,937,491.

Share-based incentive scheme

At the AGM 2nd May 2023 it was resolved on the adoption of a long-term incentive program in the form of performance-based share options directed at employees within the Smart Eye group. The maximum number of performance shares will amount to 580,000.

The company also has four current incentive programs adopted by the AGMs 8th May 2020, 14th April 2021, the EGM 8th October 2021 and the EGM 29th June 2022.

Dividend policy

The Company is in a development phase and any surpluses are scheduled for reinvestment in the Company's development. The Board is not intending to submit a dividend proposal.

Accounting policies

The interim report has been prepared in accordance with the Annual Accounts Act and the general advice and guidelines of the Swedish Accounting Standards Board, BFNAR 2012:1, Annual Reports and Consolidated Financial Statements (K3).

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

Signing of the report

The Board of Directors and the CEO assure that the interim report provides a fair overview of the Parent Company's and the Group's operations, position and results and describes the significant risks and uncertainties in the Parent Company and the companies included in the Group.

Gothenburg, May 16th, 2023

Anders Jöfelt
Chairman of the board

Lars Olofsson
Board member

Mats Krantz
Board member

Magnus Jonsson
Board member

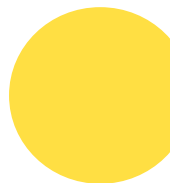
Eva Elmstedt
Board member

Cecilia Wachtmeister
Board member

Tobias Sjögren
Board member

Martin Krantz
CEO

Smart Eye Aktiebolag (publ)



Condensed Consolidated Statement of Income

| TSEK | Jan-Mar 2023 | Jan-Mar 2022 | Full Year 2022 |
|--|-----------------|-----------------|-------------------|
| Net sales | 64 324 | 53 501 | 219 539 |
| Cost of goods sold | -9 645 | -9 136 | -27 040 |
| Gross Profit | 54 679 | 44 365 | 192 499 |
| Sales expenses | -42 865 | -38 600 | -162 529 |
| Administrative expenses | -39 259 | -30 867 | -142 225 |
| Research and development expenses | -56 156 | -56 308 | -245 526 |
| Other operating income | 2 639 | 10 889 | 19 190 |
| Other operating expenses | -950 | -943 | -4 443 |
| Operating profit/loss | -81 912 | -71 464 | -343 034 |
| Financial income and expenses | | | |
| Interest income and similar profit items | 4 | 0 | 26 |
| Interest expenses and similar loss items | -579 | -83 | -1 044 |
| Total financial income and expenses | -575 | -83 | -1 018 |
| Profit/loss after financial items | -82 487 | -71 547 | -344 052 |
| Tax on the result for the period | 887 | -261 | 3 767 |
| Result for the period | -81 600 | -71 808 | -340 285 |

Condensed Consolidated Balance Sheet

| TSEK | 2023-03-31 | 2022-03-31 | 2022-12-31 |
|-------------------------------------|------------------|------------------|------------------|
| ASSETS | | | |
| Intangible assets | 1 481 197 | 1 391 120 | 1 505 346 |
| Tangible assets | 7 643 | 5 692 | 6 282 |
| Total fixed assets | 1 488 840 | 1 396 812 | 1 511 628 |
| Inventories | 13 402 | 6 116 | 10 397 |
| Trade receivables | 50 082 | 42 417 | 50 968 |
| Current tax receivables | 3 928 | 3 080 | 4 556 |
| Other current receivables | 6 807 | 7 183 | 8 440 |
| Prepaid expenses and accrued income | 27 889 | 23 158 | 32 435 |
| Current receivables | 88 706 | 75 838 | 96 399 |
| Cash and cash equivalents | 239 136 | 214 627 | 62 658 |
| Total current assets | 341 244 | 296 581 | 169 454 |
| TOTAL ASSETS | 1 830 084 | 1 693 393 | 1 681 082 |

Condensed Consolidated Balance Sheet

| TSEK | 2023-03-31 | 2022-03-31 | 2022-12-31 |
|-------------------------------------|------------------|------------------|------------------|
| Equity | | | |
| Share Capital | 3 494 | 2 215 | 2 223 |
| Other contributed Equity | 2 181 831 | 1 867 060 | 1 887 874 |
| Other Equity | -674 608 | -463 942 | -587 325 |
| Total equity | 1 510 716 | 1 405 333 | 1 302 772 |
| Deferred tax liabilities | 130 731 | 122 152 | 134 185 |
| Provisions | 130 731 | 122 152 | 134 185 |
| Other long-term debt | 0 | 76 098 | 0 |
| Other debt to credit institutions | 1 504 | 2 922 | 1 741 |
| Non-current liabilities | 1 504 | 79 020 | 1 741 |
| Interest-bearing liabilities | 0 | 0 | 60 000 |
| Other debt to credit institutions | 895 | 0 | 1 006 |
| Advance payments from customer | 1 141 | 1 725 | 1 002 |
| Trade payables | 21 442 | 20 080 | 28 414 |
| Current tax liability | 0 | 0 | 21 |
| Other current debt | 85 191 | 26 493 | 84 573 |
| Accrued expenses and prepaid income | 78 465 | 38 590 | 67 368 |
| Current liabilities | 187 134 | 86 888 | 242 384 |
| TOTAL EQUITY AND LIABILITIES | 1 830 084 | 1 693 393 | 1 681 082 |

Condensed Consolidated change in equity

| TSEK | Share capital | Other contributed Equity | Other Equity | Total equity |
|-----------------------------------|---------------|--------------------------|-----------------|------------------|
| Opening balance 2022-01-01 | 2 215 | 1 867 060 | -419 378 | 1 449 895 |
| Set-off issue | 8 | 20 814 | | 20 822 |
| Option program 2021 | | | 2 345 | 2 345 |
| Incentive program 2022 | | | 2 124 | 2 123 |
| Translation difference | | | 167 870 | 167 870 |
| Profit/loss for the year | | | -340 285 | -340 285 |
| Equity 2022-12-31 | 2 223 | 1 887 874 | -587 324 | 1 302 772 |
| Opening balance 2023-01-01 | 2 223 | 1 887 874 | -587 324 | 1 302 772 |
| New issue after issue costs* | 1 270 | 293 957 | | 295 227 |
| Option program 2021 | | | 563 | 563 |
| Incentive program 2022 | | | 1 126 | 1 126 |
| Translation difference | | | -7 373 | -7 373 |
| Profit/loss for the year | | | -81 600 | -81 600 |
| Equity 2023-03-31 | 3 494 | 2 181 831 | -674 608 | 1 510 716 |

The share capital consists of 34 937 491 shares with a quota value of SEK 0.1.

*During the period ongoing a new issue was registered and the share capital increased by SEK 1 270 454.00.

Condensed Consolidated Cash Flow Analysis

| TSEK | Jan-Mar 2023 | Jan-Mar 2022 | Jan-Dec 2022 |
|--|-----------------|-----------------|-----------------|
| Operating activities | | | |
| Operating profit/loss after depreciation | -81 912 | -71 464 | -343 034 |
| Reversal of depreciation | 37 756 | 35 349 | 149 212 |
| Reversal of non-cash items | 2 860 | 1 083 | 11 329 |
| Financial payments received | 4 | 0 | 26 |
| Financial disbursements | -579 | -83 | -1 044 |
| Tax | 0 | 0 | -1 590 |
| <i>Cash flow from operating activities before changes of working capital</i> | -41 871 | -35 114 | -185 101 |
| Change in working capital | | | |
| Change in stocks | -3 005 | 441 | -3 840 |
| Change in trade receivables | 886 | 594 | -7 957 |
| Change in other current receivables | 6 807 | 2 369 | -8 051 |
| Change in trade payables | -6 972 | -155 | 8 179 |
| Changes in other current liabilities | 10 551 | -10 782 | 16 654 |
| <i>Changes in working capital</i> | 8 267 | -7 533 | 4 984 |
| Cash flow from operating activities | -33 604 | -42 647 | -180 117 |
| Investment activities | | | |
| Acquisition of intangible assets | -23 242 | -18 304 | -90 096 |
| Acquisition of tangible assets | -2 161 | -2 019 | -5 341 |
| <i>Cash flow from investment activities</i> | -25 403 | -20 324 | -95 436 |
| Financing activities | | | |
| New issue | 295 227 | 0 | 0 |
| Option program | 0 | 0 | 0 |
| Current liabilities | -60 000 | 0 | 60 000 |
| Non-current liabilities | -237 | -162 | -859 |
| <i>Cash flow from financing activities</i> | 234 990 | -162 | 59 141 |
| <i>Translation difference</i> | 495 | -600 | 710 |
| Cash flow | 176 479 | -63 733 | -215 702 |
| Opening cash and cash equivalents | 62 658 | 278 360 | 278 360 |
| Closing cash and cash equivalents | 239 136 | 214 627 | 62 658 |

Condensed Parent Company's Statement of Income

| TSEK | Jan-Mar 2023 | Jan-Mar 2022 | Full Year 2022 |
|--|-----------------|-----------------|-------------------|
| Net sales | 25 015 | 20 608 | 96 554 |
| Cost of goods sold | -3 657 | -2 683 | -12 321 |
| Total operating revenue | 21 358 | 17 925 | 84 233 |
| Sales expenses | -24 877 | -18 439 | -84 068 |
| Administrative expenses | -21 885 | -13 523 | -64 184 |
| Research and development expenses | -37 232 | -22 489 | -110 130 |
| Other operating income | 2 282 | 3 080 | 19 825 |
| Other operating expenses | -751 | -859 | -4 190 |
| Operating profit/loss | -61 105 | -34 305 | -158 514 |
| Financial income and expenses | | | |
| Interest income and similar profit items | 121 | 0 | 157 |
| Interest expenses and similar loss items | -530 | -1 | -259 |
| Total financial income and expenses | -409 | -1 | -102 |
| Profit/loss after financial items | -61 514 | -34 306 | -158 616 |
| Tax on the result for the period | 0 | 0 | 0 |
| Result for the period | -61 514 | -34 306 | -158 616 |

Condensed Parent Company's Balance Sheet

| TSEK | 2023-03-31 | 2022-03-31 | 2022-12-31 |
|-------------------------------------|------------------|------------------|------------------|
| ASSETS | | | |
| Intangible assets | 183 415 | 151 121 | 173 977 |
| Tangible assets | 5 647 | 2 600 | 4 091 |
| Financial assets | 1 211 885 | 1 159 083 | 1 210 035 |
| Total fixed assets | 1 400 947 | 1 312 804 | 1 388 103 |
| Inventories | 13 402 | 6 116 | 10 397 |
| Trade receivables | 23 085 | 10 971 | 32 090 |
| Receivables from Group companies | 12 408 | 1 445 | 14 838 |
| Current tax receivables | 3 928 | 3 080 | 4 556 |
| Other current receivables | 4 254 | 5 447 | 5 919 |
| Prepaid expenses and accrued income | 19 565 | 16 466 | 24 233 |
| Current receivables | 63 240 | 37 409 | 81 636 |
| Cash and cash equivalents | 220 286 | 207 117 | 46 154 |
| Total current assets | 296 928 | 250 642 | 138 187 |
| TOTAL ASSETS | 1 697 875 | 1 563 446 | 1 526 290 |

Condensed Parent Company's Balance Sheet

| TSEK | 2023-03-31 | 2022-03-31 | 2022-12-31 |
|-------------------------------------|------------------|------------------|------------------|
| Equity | | | |
| Restricted equity | | | |
| Share capital | 3 494 | 2 215 | 2 223 |
| Share premium fund | 21 914 | 21 914 | 21 914 |
| Fund for development costs | 180 530 | 142 475 | 170 528 |
| | 205 938 | 166 604 | 194 665 |
| Unrestricted equity | | | |
| Share premium fund | 2 159 916 | 1 845 145 | 1 865 959 |
| Retained profit | -744 226 | -553 117 | -577 297 |
| Profit/loss for the year | -61 514 | -34 306 | -158 616 |
| | 1 354 178 | 1 257 722 | 1 130 046 |
| Total equity | 1 560 116 | 1 424 327 | 1 324 712 |
| Other long term-debt | 0 | 76 098 | 0 |
| Non-current liabilities | 0 | 76 098 | 0 |
| Interest-bearing liabilities | 0 | 0 | 60 000 |
| Advance payments from customer | 1 141 | 1 725 | 1 002 |
| Trade payables | 15 368 | 13 318 | 21 359 |
| Debt to Group companies | 3 426 | 1 493 | 4 571 |
| Other current debt | 84 611 | 25 341 | 83 983 |
| Accrued expenses and prepaid income | 33 213 | 21 144 | 30 663 |
| Current liabilities | 137 759 | 63 021 | 201 578 |
| TOTAL EQUITY AND LIABILITIES | 1 697 875 | 1 563 446 | 1 526 290 |

Condensed Parent Company's Change in Equity

| TSEK | Share capital | Share premium fund (restricted) | Fund for develop- ment costs (restricted) | Share premium fund (un- restricted) | Other un- restricted equity | Profit/loss for the year | Total equity |
|--|------------------|--|--|--|-----------------------------------|--------------------------------|------------------|
| Opening balance 2022-01-01 | 2 215 | 21 914 | 138 626 | 1 845 145 | -466 602 | -83 262 | 1 458 037 |
| Appropriation of profit | | | | | -83 262 | 83 262 | |
| Set-off issue | 8 | | | 20 814 | | | 20 822 |
| Option program 2021 | | | | | 2 345 | | 2 345 |
| Incentive program 2022 | | | | | 2 124 | | 2 124 |
| Fund for development costs | | | 53 949 | | -53 949 | | |
| Reversal of fund for development costs | | | -22 047 | | 22 047 | | |
| Profit/loss for the year | | | | | | -158 616 | -158 616 |
| Equity 2022-12-31 | 2 223 | 21 914 | 170 528 | 1 865 959 | -577 297 | -158 616 | 1 324 712 |
| Opening balance 2023-01-01 | 2 223 | 21 914 | 170 528 | 1 865 959 | -577 297 | -158 616 | 1 324 712 |
| Appropriation of profit | | | | | -158 616 | 158 616 | |
| New issue after issue costs* | 1 270 | | | 293 957 | | | 295 227 |
| Option program 2021 | | | | | 563 | | 563 |
| Incentive program 2022 | | | | | 1 126 | | 1 126 |
| Fund for development costs | | | 16 294 | | -16 294 | | |
| Reversal of fund for development costs | | | -6 292 | | 6 292 | | |
| Profit/loss for the year | | | | | | -61 514 | -61 514 |
| Equity 2023-03-31 | 3 494 | 21 914 | 180 530 | 2 159 916 | -744 226 | -61 514 | 1 560 116 |

The share capital consists of 34 937 491 shares with a quota value of SEK 0.1.

*During the period ongoing a new issue was registered and the share capital increased by SEK 1 270 454.00.

Condensed Parent Company's Cash Flow Analysis

| TSEK | Jan-Mar 2023 | Jan-Mar 2022 | Jan-Dec 2022 |
|--|-----------------|-----------------|-----------------|
| Operating activities | | | |
| Operating profit after depreciation | -61 105 | -34 305 | -158 514 |
| Reversal of depreciation | 7 257 | 7 470 | 30 972 |
| Reversal of non-cash items | 1 010 | 350 | 2 656 |
| Financial payments received | 121 | 0 | 157 |
| Financial disbursements | -530 | -1 | -259 |
| Tax | 0 | 0 | -1 590 |
| <i>Cash flow from operating activities before changes of working capital</i> | -53 247 | -26 486 | -126 578 |
| Change in working capital | | | |
| Change in stocks | -3 005 | 441 | -3 840 |
| Change in trade receivables | 9 005 | 4 158 | -16 961 |
| Change in other current receivables | 9 027 | -7 213 | -29 741 |
| Change in trade payables | -7 136 | -581 | 12 031 |
| Change in other current liabilities | 2 512 | -3 531 | 1 758 |
| <i>Changes in working capital</i> | 10 403 | -6 726 | -36 753 |
| Cash flow from operating activities | -42 844 | -33 212 | -163 331 |
| Investment activities | | | |
| Acquisition of intangible assets | -16 295 | -8 888 | -53 949 |
| Acquisition of tangible assets | -1 957 | -922 | -3 708 |
| Issued shareholders contributions | 0 | 0 | -60 204 |
| Issued loan Group company | 0 | -17 207 | 0 |
| <i>Cash flow, investment activities</i> | -18 252 | -27 017 | -117 861 |
| Financing activities | | | |
| New issue | 295 227 | 0 | 0 |
| Option program | 0 | 0 | 0 |
| Current liabilities | -60 000 | 0 | 60 000 |
| <i>Cash flow from financing activities</i> | 235 227 | 0 | 60 000 |
| Cash flow | 174 131 | -60 229 | -221 192 |
| Opening cash and cash equivalents | 46 154 | 267 346 | 267 346 |
| Closing cash and cash equivalents | 220 286 | 207 117 | 46 154 |

Definition of key ratios

Equity ratio

Equity and untaxed reserves (less deferred tax) as a ratio of total assets.

Operating profit/loss

Profit/loss before financial items, costs and tax.

Operating margin

Operating profit as a ratio of net operating revenue.

EBITDA

Operating profit in before depreciation and amortization.

Return on total capital

Profit after tax as a ratio of average total capital during the period.

Earnings per share

Profit for the period divided by the number of outstanding shares at the end of the period.

Earnings per share after full dilution

Profit for the period divided by the number of outstanding shares after full dilution at the end of the period.

Equity per share

Equity divided by the number of shares at the end of the period.

Calendar

Interim report Apr-Jun, August 30th 2023

Interim report Jul-Sep, November 9th 2023

Contact

Martin Krantz, VD

Tel no. + (46) (0)70-329 26 98

Martin.krantz@smarteye.se

Marina Drazic, Interim CFO

Tel no. + (46) (0)70 -367 83 20

Marina.Drazic@smarteye.se

This information is information that Smart Eye AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication at 8:30 am CET on May 16th, 2023.

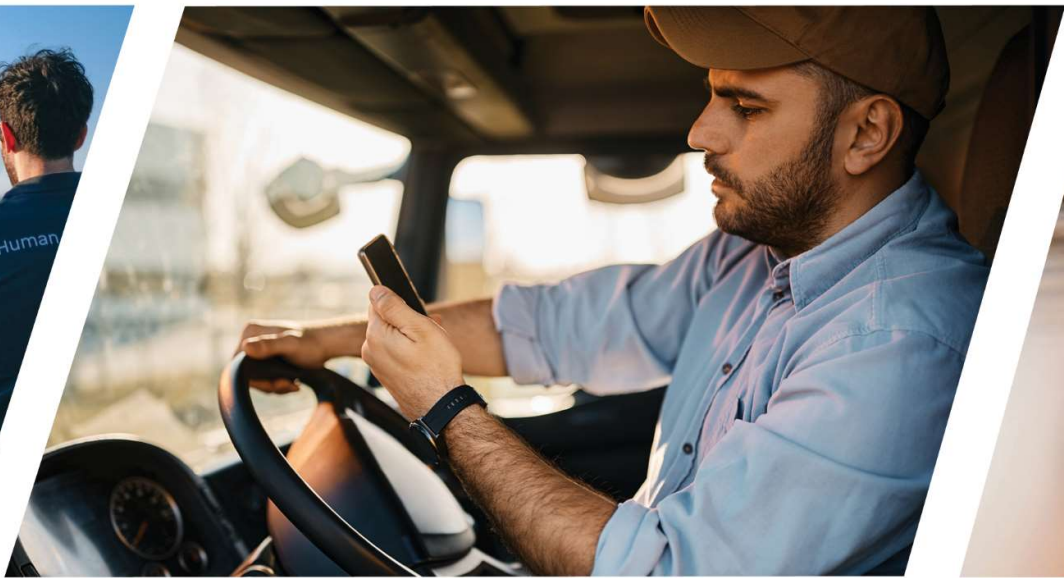
Smart Eye is the global leader in Human Insight AI, technology that understands, supports and predicts human behavior in complex environments. Bridging the gap between humans and machines for a safe and sustainable future.

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, assistive technology, behavioral science and many more fields.

Our subsidiary Affectiva is humanizing technology by pioneering Emotion AI, helping companies gain a deeper understanding of how consumers engage with their content, products and services, in automotive, media & entertainment, market research and beyond.

Our subsidiary iMotions provides the world's leading biosensor software platform, that synchronizes data streams in real time from multiple sensors.

Smart Eye was founded in 1999 and is headquartered in Sweden with offices in the US, UK, Germany, Denmark, Egypt, Japan, Singapore and China. 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.



| | |
|----------------|--------|
| SMILE | 100 |
| JOY | 99.991 |
| CONTEMPT | 0.00 |
| ANGER | 0.00 |
| EXPRESSIVENESS | 100.00 |



smart eye

Smart Eye AB
Första Långgatan 28B
SE-413 27 Göteborg
Tel +46 31 60 61 60
org. nr: 556575-8371
www.smarteye.ai

