



Smart Eye

Year-End Report

January - December 2022

Human Insight AI
Technology that understands,
supports and predicts human
behavior in complex environments.



A Record Number of New Design Wins

October - December 2022

- Net sales amounted to SEK 55.3 (43.7) million, an increase of 27% compared to the corresponding period the previous year. Underlying invoicing was approximately SEK 9 million higher during the quarter, but as iMotions started periodization of recurring revenue as from Q2 2022, this revenue will instead be recognized over the contract period. With these two effects in consideration, the organic growth for the total group was 12%.
- EBITDA amounted to SEK -60.6 (-21.1) million. The lower result is largely due to an addition of resources to deliver on the already won projects and further development of Driver Monitoring Systems (DMS) and Interior Sensing. The result is also burdened by one-time costs, mainly associated with the funding process that took place during the fourth quarter and finalized in the first quarter of 2023. During Q4 a cost reduction program was also carried out that generated one-time costs in the quarter. The total one-time costs in the quarter amounted to SEK 9 million, where of the costs associated with the cost reduction program was SEK 2 million.
- Operating loss amounted to SEK -100.1 (-43.6) million. Depreciation of the surplus value created in conjunction with the Affectiva and iMotions acquisitions amounts to SEK 29.7 million.
- Earnings after tax per share is -4.46 (-2.05), and after full dilution -4.46 (-2.05).
- Cash and cash equivalents totaled SEK 62.7 million at the end of December.
- In December, the Board of Directors at Smart Eye communicated the intent to resolve on a fully covered rights issue of approx. SEK 325 million. The decision was taken to ensure that the company can continue to invest in the long-term development of the future DMS generation and Interior sensing. The funding process was finalized in late February 2023, with total proceeds of approximately SEK 324 million before deduction of transaction costs.
- During Q4 the company was awarded a record number of new design wins, representing up to 100 car models, with a total estimated value of SEK 1,450 million. There were several significant contracts signed in the quarter, and the largest one represented up to 53 new Driver Monitoring System (DMS) design wins with a new North American car manufacturer. The estimated future revenue of that single contract is SEK 800 million, based on product life cycle projections.

January – December 2022

- Net sales amounted to SEK 219.5 (109.7) million, which corresponds to an increase of 100%. The full year organic growth was 14%.
- Operating loss amounted to SEK -343.0 (-130.9) million. Depreciation of the surplus value created in conjunction with the Affectiva and iMotions acquisitions amounts to SEK 111.1 million.
- Profit/loss after financial items amounted to SEK -344.1 (-131.2) million.
- Earnings after tax per share is -15.31 (-5.99), and after full dilution -15.31 (-5.99).

Financial summary

		Oct-Dec		Full Year	
TSEK		2022	2021	2022	2021
Net sales	TSEK	55 311	43 718	219 539	109 679
Operating profit/loss	TSEK	-100 115	-43 612	-343 034	-130 909
Operating margin	%	neg.	neg.	neg.	neg.
EBITDA	TSEK	-60 569	-21 082	-193 822	-71 711
Profit/loss after tax	TSEK	-99 180	-45 367	-340 285	-132 713
Profit per share	SEK	-4,46	-2,05	-15,31	-5,99
Return on total capital	%	-7,61	-3,13	-26,12	-9,15
Equity per share	SEK	58,60	65,46	58,60	65,46
Equity per share after full dilution	SEK	56,27	63,80	56,27	63,80
Equity ratio	%	77,50	83,07	77,50	83,07
Number of shares		22 232 951	22 148 650	22 232 951	22 148 650
Number of shares after full dilution		23 150 451	22 726 150	23 150 451	22 726 150
Average number of shares before full dilution		22 232 951	21 038 904	22 211 876	19 389 766
Average number of shares after full dilution		23 150 451	21 616 404	23 129 376	19 967 266

Comments from the CEO

Since our last quarterly report, we have secured 324 MSEK in funding that will take us all the way to profitability in 2024. The interest in the rights issue was high. It was concluded in February according to schedule without having to utilize the guarantees, a show of strength. We have also had a never-before-seen inflow of contracts for new car models. We started the fourth quarter with 94 design wins and ended the quarter with 194. We started 2023 strong with 23 more secured models already, with an industry leading total of 19 OEMs.

Automotive

We have recently commissioned a thorough study and analysis of the automotive market in the light of the delays experienced by the industry during the pandemic. Some of the results are worth sharing here, as, for example, the estimates on the development of the Driver Monitoring Systems (DMS) market. The pre-Covid estimates are added for comparative purposes:

(M cars)	World Pre-Covid	World After Covid	Europe After Covid
2023	3,6	2,8	1,7
2024	10,9	6,5	4
2025	21,8	10,4	6,3
2026	34,6	30,4	18,5

Conservative Estimation of market size, before and after the pandemic and the following supply chain effects.

Notable is the significant decrease in the expectation of market size in 2024 and 2025, due to the delays in the industry, while as of 2026 there is a substantial increase in volume expected, bringing the two estimations closer again. This is mainly because of the European volume of 18,5 million vehicles, driven by road safety legislation. It's notable to see the large proportion of the world market being

delivered in Europe until 2026. The non-European part of the market is surely more difficult to assess, but we believe there to be an upside potential. This study and analysis is the foundation for our stated financial goal of being cash flow positive in 2024, the year when the world production of DMS hits 6,5 million units. Given the recent streak of design wins and our expectations on the upcoming procurements, we confidently reiterate our targeted market share of at least 40%.

Behavioral Research

The research side of Smart Eye consists of three business units that all show profitable growth in the fourth quarter. Together they have had a revenue of 41 MSEK this quarter with 170 MSEK on full year basis. The organic growth continues at high levels and was 15% in the quarter. As the effects of the pandemic are abating, we expect further momentum for this business area for the year to come.

Final Words

We have set the stage for continued success by winning more automotive business than anyone else in the industry, by securing funding that lasts until breakeven and by having a vibrant research business unit that is back on profitable growth. The potential of the fleet product AIS and Interior Sensing has the potential to

further improve growth and profitability in the years ahead.

*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 October 20th, 2022.

The total estimated value of the company's 217 (100) design wins announced to date amounts to SEK 4,365 (2,485) million over a product life cycle.

If the company's system had been used in all car models on existing platforms by the 19 (14) car manufacturers with whom design wins have been communicated, the estimated value would amount to at least SEK 8,460 (7,000) 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

Fourth quarter 2022

Net sales for the period October to December 2022 amounted to SEK 55.3 (43.7) million, which is an increase of 27%. When comparing to the corresponding period previous year, the result is impacted by the consolidation of iMotions, that is reported as a part of the group since December 2021. Underlying invoicing was approximately SEK 9 million higher during the quarter, but as iMotions started periodization of recurring revenue as from Q2 2022, this revenue will instead be recognized over the contract period. With the two above effects in consideration, the organic growth for the total group was 12%.

Net sales for the **Automotive** business area (Automotive Solutions and Fleet & Aftermarket) during the fourth quarter was SEK 14.0 million, compared with SEK 13.9, million in the fourth 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 1%.

For the **Research** business area (Research Instruments, Media Analytics and iMotions) net sales during the fourth quarter amounted to SEK 41.3 (29.8) million. The growth of 39% is partly due to the fact that iMotions has been consolidated into the group numbers. Organic growth in the Research business area, i.e. adjusted for the consolidation of Affectiva and iMotions and the introduction of periodization of recurring revenue in iMotions, is 15%.

January- December 2022

Net sales amounted to SEK 219.5 (109.7) million, which is an increase of 100% compared to the corresponding period

previous year, of which 14% was organic growth.

Net sales for **Automotive** business area (Automotive Solutions and Fleet & Aftermarket) during the four quarters was SEK 49.9 million, compared with SEK 47.2 million for the same period previous year, corresponding to an increase of 6%. The increase in sales is due a combination of both increased project revenue and increased license revenue.

Research business area (Research Instruments, Media analytics and iMotions) net sales during the period amounted to SEK 169.7 (62.5) million, which is an increase of 172% compared to the corresponding period previous year. Adjusted for the consolidation effects from the acquisitions of Affectiva and iMotions and the change to periodization of recurring revenue in iMotions, the organic growth in the Research business area is 16%.

Results

Fourth quarter 2022

EBITDA amounted to SEK -60.6 (-21.1) million. The lower result is largely due to a continued addition of resources. These investments are made in order to deliver on the already won projects and further development of DMS and Interior Sensing. The result is also burdened by one-time costs, mainly associated with the funding process. During Q4 the company also implemented a cost reduction program that generated one-time costs in the quarter. The total one-time costs in the quarter amounted to SEK 9 million, where of the costs associated with the cost reduction program was SEK 2 million. The cost reduction program will reduce the personnel cost with 10% on an annual basis and will have an effect already from the first quarter of 2023.

The operating result for the fourth quarter totaled SEK -100.1 (-43.6) million. Depreciation of the surplus value created in conjunction with the Affectiva and iMotions

acquisitions amounts to SEK 29.7 million in the quarter.

January- December 2022

EBITDA amounted to SEK -193.8 (-71.7) million. The main driver for the lower result compared to last year is the addition of product development resources in the second half of the year.

Operating loss amounted to SEK -343.0 (-130.9) million. Depreciation of the surplus value created in conjunction with the Affectiva and iMotions acquisitions amounts to SEK 111.1 million.

Financial position

In addition to cash and cash equivalents of 62.7 SEK million, the Group has two unutilized bank overdrafts facilities of SEK 5 million and DKK 8 million.

Important events during the period

In December, the Board of Directors in Smart Eye communicated the intent to resolve on a fully covered rights issue of approximately SEK 325 million. The decision was taken to ensure that the company can continue to invest in the long-term development of the future DMS generation and Interior sensing.

During Q4 the company was awarded several new design wins, representing up to 100 car models, with a total estimated value of SEK 1,450 million. There were several significant contracts signed in the quarter, but the largest one represented up to 53 new Driver Monitoring System (DMS) design wins with a new North American car manufacturer. The estimated future revenue of that single contract is SEK 800 million, based on product life cycle projections.

Events after the end of the period

The Rights Issue process was finalized late February 2023. Together, subscriptions with support of subscription rights and subscription applications for subscription without support of subscription rights corresponded to approximately 160 percent of the offered shares in the Rights Issue. Thus, the Rights Issue was fully subscribed and no guarantee commitments have been utilized. As a result of the Rights Issue, Smart Eye has received total issue proceeds of approximately SEK 324 million before deduction of transaction costs.

Late February the company was awarded its first design win for heavy trucks by a global commercial vehicle customer. 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.

Parent company

Revenue

Fourth quarter 2022

Net sales for the period October to December 2022 amounted to SEK 26.9 (23.0) million. Which amounts to an increase of 17%.

January-December 2022

Net sales for the period January to December 2022 amounted to SEK 96.6 (78.1) million.

Results

Fourth quarter 2022

The operating result for the fourth quarter totaled SEK -70.2 (-25.1) million. The number of employees was higher during the fourth quarter which explains the lower result compared to last year's fourth quarter.

January-December 2022

The operating result for the four quarters of 2022 totaled SEK -158.5 (-83.2) million.

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 2021 Annual Report, page 56-57.

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 an EGM 29th June 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 440,000.

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

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 year-end 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, March 23rd, 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

Martin Krantz
CEO

Smart Eye Aktiebolag (publ)

Condensed Consolidated Statement of Income

TSEK	Oct-Dec 2022	Oct-Dec 2021	Full Year 2022	Full Year 2021
Net sales	55 311	43 718	219 539	109 679
Cost of goods sold	-4 305	-5 624	-27 040	-12 429
Gross Profit	51 006	38 094	192 499	97 250
Sales expenses	-41 792	-32 551	-162 529	-80 430
Administrative expenses	-42 654	-21 841	-142 225	-58 406
Research and development expenses	-67 397	-34 214	-245 526	-102 117
Other operating income	2 379	7 520	19 190	15 279
Other operating expenses	-1 657	-620	-4 443	-2 485
Operating profit/loss	-100 115	-43 612	-343 034	-130 909
Financial income and expenses				
Interest income and similar profit items	25	0	26	0
Interest expenses and similar loss items	-570	-241	-1 044	-290
Total financial income and expenses	-545	-241	-1 018	-290
Profit/loss after financial items	-100 660	-43 853	-344 052	-131 199
Tax on the result for the period	1 480	-1 514	3 767	-1 514
Result for the period	-99 180	-45 367	-340 285	-132 713

Condensed Consolidated Balance Sheet

TSEK	2022-12-31	2021-12-31
ASSETS		
Intangible assets	1 505 346	1 376 957
Tangible assets	6 282	4 667
Total fixed assets	1 511 628	1 381 624
Inventories	10 397	6 557
Trade receivables	50 968	43 011
Current tax receivables	4 556	3 970
Other current receivables	8 440	13 290
Prepaid expenses and accrued income	32 435	18 530
Current receivables	96 399	78 801
Cash and cash equivalents	62 658	278 360
Total current assets	169 454	363 718
TOTAL ASSETS	1 681 082	1 745 342

Condensed Consolidated Balance Sheet

TSEK	2022-12-31	2021-12-31
Equity		
Share Capital	2 223	2 215
Other contributed Equity	1 887 874	1 867 060
Other Equity	-587 325	-419 378
Total equity	1 302 772	1 449 895
Deferred tax liabilities	134 185	118 992
Provisions	134 185	118 992
Other long-term debt	0	75 822
Other debt to credit institutions	1 741	3 084
Non-current liabilities	1 741	78 906
Interest-bearing liabilities	60 000	0
Other debt to credit institutions	1 006	0
Advance payments from customer	1 002	1 644
Trade payables	28 414	20 235
Current tax liability	21	0
Other current debt	84 573	37 003
Accrued expenses and prepaid income	67 368	38 667
Current liabilities	242 384	97 549
TOTAL EQUITY AND LIABILITIES	1 681 082	1 745 342

Condensed Consolidated change in equity

TSEK	Share capital	Other contributed Equity	Other Equity	Total equity
Opening balance 2021-01-01	1 663	677 943	-326 977	352 627
New issue after issue costs	232	469 063		469 295
Non-cash issue	281	655 771		656 052
Set-off issue	23	56 498		56 521
Option program 2018	16	7 785		7 801
Option program 2021			531	531
Translation difference			39 781	39 781
Profit/loss for the year			-132 713	-132 713
Equity 2021-12-31	2 215	1 867 060	-419 378	1 449 895
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	2 124
Translation difference			167 870	167 870
Profit/loss for the year			-340 285	-340 285
Equity 2022-12-31	2 223	1 887 874	-587 325	1 302 772

The share capital consists of 22 232 951 shares with a quota value of SEK 0.1.

*During the period ongoing a set-off issue was registered and the share capital increased by SEK 8 430.10.

Condensed Consolidated Cash Flow Analysis

TSEK	Oct-Dec 2022	Oct-Dec 2021	Jan-Dec 2022	Jan-Dec 2021
Operating activities				
Operating profit/loss after depreciation	-100 115	-43 612	-343 034	-130 909
Reversal of depreciation	39 545	22 530	149 212	59 198
Reversal of non-cash items	2 882	3 183	11 329	3 183
Financial payments received	5	0	26	0
Financial disbursements	-570	-241	-1 044	-290
Tax	-401	-1 449	-1 590	-1 449
<i>Cash flow from operating activities before changes of working capital</i>	-58 654	-19 590	-185 101	-70 268
Change in working capital				
Change in stocks	-1 212	-1 320	-3 840	-1 354
Change in trade receivables	-6 897	-4 860	-7 957	2 775
Change in other current receivables	1 289	739	-8 051	-4 754
Change in trade payables	3 874	7 784	8 179	8 038
Changes in other current liabilities	7 229	-5 911	16 654	-36 813
<i>Changes in working capital</i>	4 284	-3 568	4 984	-32 108
Cash flow from operating activities	-54 371	-23 158	-180 117	-102 376
Investment activities				
Acquisition of intangible assets	-23 787	-18 686	-90 096	-55 274
Acquisition of tangible assets	-401	955	-5 341	-944
Acquisition of subsidiaries	0	-213 780	0	-257 584
<i>Cash flow from investment activities</i>	-24 188	-231 511	-95 436	-313 802
Financing activities				
New issue	0	208 620	0	469 870
Option program	0	0	0	7 802
Current liabilities	60 000	0	60 000	0
Non-current liabilities	-267	-1 592	-859	-1 592
<i>Cash flow from financing activities</i>	59 733	207 027	59 141	476 079
<i>Translation difference</i>	-750	-313	710	-243
Cash flow	-19 575	-47 953	-215 702	59 659
Opening cash and cash equivalents	82 233	326 313	278 360	218 701
Closing cash and cash equivalents	62 658	278 360	62 658	278 360

Condensed Parent Company's Statement of Income

TSEK	Oct-Dec 2022	Oct-Dec 2021	Full Year 2022	Full Year 2021
Net sales	26 893	22 953	96 554	78 094
Cost of goods sold	-3 947	-3 362	-12 321	-8 952
Total operating revenue	22 946	19 591	84 233	69 142
Sales expenses	-25 729	-18 042	-84 068	-61 133
Administrative expenses	-23 041	-12 372	-64 184	-40 278
Research and development expenses	-44 573	-17 408	-110 130	-59 962
Other operating income	1 920	3 622	19 825	11 381
Other operating expenses	-1 702	-506	-4 190	-2 371
Operating profit/loss	-70 179	-25 115	-158 514	-83 221
Financial income and expenses				
Interest income and similar profit items	137	0	157	0
Interest expenses and similar loss items	-252	-1	-259	-41
Total financial income and expenses	-115	-1	-102	-41
Profit/loss after financial items	-70 294	-25 116	-158 616	-83 262
Tax on the result for the period	0	0	0	0
Result for the period	-70 294	-25 116	-158 616	-83 262

Condensed Parent Company's Balance Sheet

TSEK	2022-12-31	2021-12-31
ASSETS		
Intangible assets	173 977	149 085
Tangible assets	4 091	2 297
Financial assets	1 210 035	1 141 069
Total fixed assets	1 388 103	1 292 451
Inventories	10 397	6 557
Trade receivables	32 090	15 129
Receivables from Group companies	14 838	596
Current tax receivables	4 556	3 970
Other current receivables	5 919	2 568
Prepaid expenses and accrued income	24 233	12 091
Current receivables	81 636	34 354
Cash and cash equivalents	46 154	267 346
Total current assets	138 187	308 257
TOTAL ASSETS	1 526 290	1 600 708

Condensed Parent Company's Balance Sheet

TSEK	2022-12-31	2021-12-31
Equity		
Restricted equity		
Share capital	2 223	2 215
Share premium fund	21 914	21 914
Fund for development costs	170 528	138 626
	194 665	162 754
Unrestricted equity		
Share premium fund	1 865 959	1 845 145
Retained profit	-577 297	-466 602
Profit/loss for the year	-158 616	-83 262
	1 130 046	1 295 282
Total equity	1 324 712	1 458 037
Other long term-debt	0	75 822
Non-current liabilities	0	75 822
Interest-bearing liabilities	60 000	0
Advance payments from customer	1 002	1 644
Trade payables	21 359	13 899
Debt to Group companies	4 571	1 672
Other current debt	83 983	25 713
Accrued expenses and prepaid income	30 663	23 921
Current liabilities	201 578	66 849
TOTAL EQUITY AND LIABILITIES	1 526 290	1 600 708

Condensed Parent Company's Change in Equity

TSEK	Share capital	Share premium fund (restricted)	Fund for development costs (restricted)	Share premium fund (unrestricted)	Other un-restricted equity	Profit/loss for the year	Total equity
Opening balance 2021-01-01	1 663	21 914	115 370	656 028	-365 273	-78 604	351 098
Appropriation of profit					-78 604	78 604	
New issue	232			469 063			469 295
Non-cash issue	281			655 771			656 051
Set-off issue	23			56 498			56 521
Option program 2018	16			7 785			7 801
Option program 2021					531		531
Fund for development costs			41 001		-41 001		
Reversal of fund for development costs			-17 746		17 746		
Profit/loss for the year						-83 262	-83 262
Equity 2021-12-31	2 215	21 914	138 626	1 845 145	-466 602	-83 262	1 458 037
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

The share capital consists of 22 232 951 shares with a quota value of SEK 0.1.

*During the period ongoing a set-off issue was registered and the share capital increased by SEK 8 430.10.

Condensed Parent Company's Cash Flow Analysis

TSEK	Oct-Dec 2022	Oct-Dec 2021	Jan-Dec 2022	Jan-Dec 2021
Operating activities				
Operating profit after depreciation	-70 179	-25 116	-158 514	-83 221
Reversal of depreciation	8 143	6 360	30 972	23 980
Reversal of non-cash items	1 032	295	2 656	295
Financial payments received	157	0	157	0
Financial disbursements	-252	-1	-259	-41
Tax	-401	-1 449	-1 590	-1 449
<i>Cash flow from operating activities before changes of working capital</i>	-61 499	-19 911	-126 578	-60 436
Change in working capital				
Change in stocks	-1 212	-1 320	-3 840	-1 354
Change in trade receivables	-13 861	-2 271	-16 961	2 149
Change in other current receivables	-3 347	18 421	-29 741	-8 772
Change in trade payables	8 029	5 637	12 031	5 126
Change in other current liabilities	7 919	7 293	1 758	6 087
<i>Changes in working capital</i>	-2 472	27 760	-36 753	3 236
Cash flow from operating activities	-63 971	7 849	-163 331	-57 200
Investment activities				
Acquisition of intangible assets	-19 448	-10 500	-53 949	-40 997
Acquisition of tangible assets	-508	-128	-3 708	-789
Acquisition of subsidiaries	0	-218 811	0	-286 975
Issued shareholders contributions	-32	0	-60 204	0
Issued loan Group company	0	-40 840	0	-40 840
<i>Cash flow, investment activities</i>	-19 988	-270 279	-117 861	-369 601
Financing activities				
Rights issue	0	208 620	0	469 870
Option program	0	0	0	7 802
Current liabilities	60 000	0	60 000	0
Non-current liabilities	0	-1 667	0	-1 667
<i>Cash flow from financing activities</i>	60 000	206 953	60 000	476 005
Cash flow	-23 959	-55 475	-221 192	49 204
Opening cash and cash equivalents	70 113	322 823	267 346	218 141
Closing cash and cash equivalents	46 154	267 346	46 154	267 346

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

The 2022 Annual Report will be available on the Smart Eye Website from April 5th 2023

Annual General meeting May 2nd 2023

Interim report Jan-Mar, May 16th 2023

Interim report Apr-Jun, August 30th 2023

Interim report Jul-Sep, November 9th 2023

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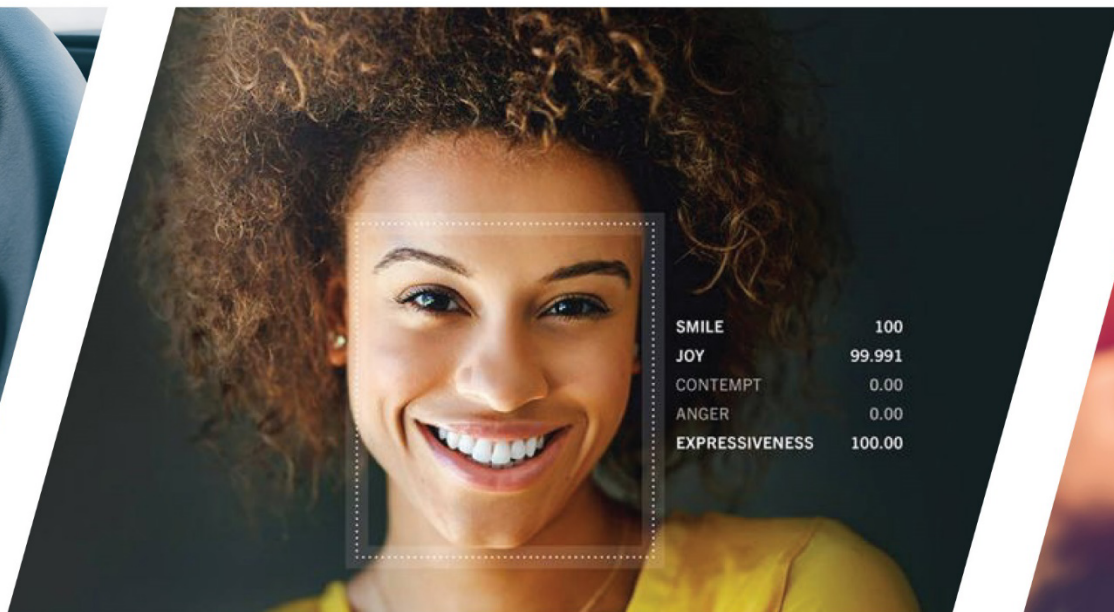
Smart Eye is the global leader in Human Insight AI, technology that understands, supports and predicts human behavior in complex environments. Bridging the gap between humans and machines for a safe and sustainable future.

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



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