GOTHENBURG, May 21, 2019
Smart Eye press release

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Smart Eye announces intention to carry out a directed share issue of up to 15 per cent of the outstanding shares

Directed share issue

Smart Eye AB (publ) ("Smart Eye" or the "Company") today announces, based on the authorisation given by the Company's Annual General Meeting that was held on 15 May 2019, its intentions to execute a share issue of up to 1,972,041 shares (corresponding to up to 15 per cent of the total number of outstanding shares and votes in the Company) directed to institutional investors (the "Issue"). The Company has retained Carnegie Investment Bank AB (publ) as sole bookrunner in connection with the Issue. The subscription price and the total number of new shares in the Issue will be determined through an accelerated bookbuilding procedure (the "Bookbuilding").

The Bookbuilding will commence immediately following this announcement. Pricing and allocation of the new shares are expected to take place before the beginning of trading on Nasdaq First North at 09:00 CEST on 22 May 2019. The timing of the closing of the Bookbuilding, pricing and allocation are at the discretion of the Company. The company will announce the outcome of the Issue in a press release after the closing of the Bookbuilding.

The market for Automotive Solutions remains very strong, exceeding Smart Eye's already high expectations, and the Company continues to stand strong in the global competition for design wins relating to eye-tracking software, which are no longer confined to premium cars but increasingly moving towards the mass market with imminent high-volume models manifested in several recent design wins for Smart Eye in new geographies such as e.g. Japan. Several new procurement processes are underway in Asia, Europe and North America and will be decided during the current year. Smart Eye expects to defend its market-leading position. Furthermore, activities in the regulatory and legislative area have increased significantly in Smart Eye's favor. Taken together, this means that the major market potential identified for some time has become increasingly tangible and shifted closer in time. In order to fully capitalise on new and expected design wins as well as the geographical expansion, Smart Eye sees a continued need to recruit more talent and invest in the business to maintain the Company's leading position and maximise its growth potential in the longer term.

China, the largest automotive market in the world, has begun to take regulatory actions to implement driver monitoring systems in vehicles. This initiative is not confined to new cars only but is also expected to apply to parts of the existing fleet which would open up additional opportunities in the retro-fit market. Smart Eye has been following the developments in China closely for some time and, in the light of the major market potential, decided to explore the opportunity to launch an offer there. The existing software-based business model may be supplemented to be adapted to the needs of the Chinese market.

The Board of Directors of Smart Eye has decided to deviate from the preferential right to ensure the most time and cost-effective financing of the continued scale-up of the organisation and the development of an offering towards the Chinese market, so that the Company can cover its financing needs until the obtained and potential additional customers begin to generate sufficiently large revenues to cover the Company's costs.

The Issue is, among other things, subject to resolution by the Board of Directors of Smart Eye, pursuant to the authorization given by the Annual General Meeting, held on 15 May 2019, to issue new shares following close of the Bookbuilding.

Advisers

In conjunction with the Issue, the Company has engaged Carnegie Investment Bank as sole bookrunner and Advokatfirman Vinge as legal adviser.

For more information, please contact:
Martin Krantz, CEO Smart Eye AB
Telephone: +46 70-329 26 98
Email: martin.krantz@smarteye.se

Anders Lyrheden, CFO Smart Eye AB
Telefon: +46 70-320 96 95
Email: anders.lyrheden@smarteye.se

This 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, through the agency of the contact person set out above, on 21 May 2019 at 17:30 CEST.

About Smart Eye
Since 1999 Smart Eye has been engaged in development of artificial intelligence (AI) in the form of eye tracking technology that understands, supports and predicts a person's intentions and actions. By carefully studying eye, facial and head movement, our technology can draw conclusions about a person's awareness and mental state.
Today our eye tracking technology is used in the next generation of cars and is helping the automotive industry take an important step towards safer and more environment-friendly transport solutions. In the research field, Smart Eye's solutions are providing

new opportunities in complicated and real situations, and are paving the way for new insights in the aerospace, aviation and defence industries as well as in the fields of psychology, neuroscience, medicine and academic research.
Smart Eye's head offices are in Gothenburg, Sweden, and the company also has offices in Detroit, Michigan (USA), Tokyo (Japan) and Chongqing (China). In addition to these offices of its own, Smart Eye also has partners, retailers and distributors in several locations in Europe, the USA and APAC. Smart Eye's solutions are used around the world by more than 700 partners and customers, leading research teams, brands and laboratories, including the US Air Force, NASA, BMW, Lockheed Martin, Audi, Boeing, Volvo and GM, to name a few.
Smart Eye's business is organised in two business areas, Research Instruments and Automotive Solutions. In Research Instruments, Smart Eye provides advanced eye tracking systems for measuring and analysing human behaviour. In Automotive Solutions, the company provides eye tracking software for integration in vehicles.
For more information please visit: **http://smarteye.ai**
Smart Eye is listed on Nasdaq First North. Erik Penser is Certified Adviser and can be reached at +46-8-463 8000 or certifiedadviser@penser.se.

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This press release is not a prospectus for the purposes of Directive 2003/71/EC (the "Prospectus Directive") and has not been approved by any regulatory authority in any jurisdiction. Smart Eye has not authorised any offer to the public of shares or rights in any member state of the EEA and no prospectus has been or will be prepared in connection with the Directed Issue. In any EEA Member State, this communication is only addressed to and is only directed at qualified investors in that Member State within the meaning of the Prospectus Directive.

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Forward-looking statements
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