



PRESS RELEASE

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Neonode In Strategic Review, Starts Remote Sensing Solutions Unit

Webcast 13:00 CET April 2, 2020: <https://www.redeye.se/live/neonode-live-2-april>

STOCKHOLM, SWEDEN – March 26, 2020 – Neonode Inc. (NASDAQ: NEON) today announced that a comprehensive strategic review is under way to turn the company back on a growth track. As one result of this process, the company has decided to form a new business area, Remote Sensing Solutions, targeting the growing demand from the automotive industry for driver and cabin monitoring systems.

“We are not satisfied with the company’s performance in recent years as an industrial and innovative partner for our customers, but we are confident in the long-term potential of Neonode’s technology. Therefore, we have initiated a thorough review of strategies and opportunities with the aim to better support our customers and by that put the company back on a growth track. We plan to successively implement measures in all areas of operations. Our first priority is getting back to growth, as it is the first step towards achieving profitability. With Urban Forssell as CEO, bringing significant leadership experience and new energy to the team, I am confident that we will succeed,” says Ulf Rosberg, Chairman of the Board of Neonode.

The focus going forward will be B2B and segments and customer applications where our technologies have clear technical advantages and add value. Dialogues are progressing with several larger potential clients in different areas to better understand their needs. The first area that has been identified that presents Neonode with good opportunities for growth, is driver and cabin monitoring in automotive applications for which a new business area has been formed; Remote Sensing Solutions.

With this newly formed business area Remote Sensing Solutions, Neonode aims to address the demand for robust, cost-effective driver and cabin monitoring systems. This demand is very much driven by the new General Safety Regulations (GSR) adopted by the European Council in November 2019 and similar legislation already in place or being developed in China and USA. Under the new EU GSR, driver and cabin monitoring systems will become a requirement for all new types of vehicles from 2022 and for all new vehicles from 2024 (cf. link below). Neonode’s software platform for driver and cabin monitoring is flexible, scalable and hardware-agnostic, and uses computationally very efficient machine-learning algorithms. In sum, Neonode’s software platform supports the development of very powerful yet cost-effective driver and cabin monitoring features. The revenue model in the Remote Sensing Solutions business area will be a mix of technology licensing and engineering revenues. In the longer perspective, Neonode intends to add other types of remote sensing solutions to the business unit, addressing needs also in sectors outside of the automotive industry.

“With its strong legacy as a technology innovator and as a trusted supplier of touch and gesture control solutions, Neonode is well positioned to expand into the growing area of solutions for driver and cabin

monitoring. Having developed our technology and solutions under the radar for some time, we are now ready to push ahead in this field with dedicated resources,” says Urban Forssell, CEO of Neonode.

Another early outcome of the strategic review is to create two separate business areas for Neonode’s traditional businesses around touch and gesture control; HMI Solutions for bespoke customer solutions and HMI Products for standardized products. Thorough market analyses have been initiated for both business areas with the aim to identify B2B segments and niches where Neonode can establish and maintain a strong market position over time.

For more information, join Neonode’s webcast at 13:00 CET April 2 hosted by Redeye. Link: <https://www.redeye.se/live/neonode-live-2-april>

Link to the European Council’s press release regarding the new General Safety Regulation: <https://www.consilium.europa.eu/en/press/press-releases/2019/11/08/safer-cars-in-the-eu/>

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About Neonode

Neonode Inc. (NASDAQ:NEON) is a publicly traded company, headquartered in Stockholm, Sweden and established in 2001. The company provides advanced optical sensing solutions for touch, gesture control, and remote sensing. Building on experience acquired during years of advanced optical R&D and technology licensing, Neonode’s technology is currently deployed in more than 73 million products and the company holds more than 120 patents worldwide. Neonode’s customer base includes some of the world’s best-known Fortune 500 companies in the consumer electronics, office equipment, medical, avionics, and automotive industries.

Neonode operates in three business areas: HMI Solutions, HMI Products and Remote Sensing Solutions. In HMI Solutions, Neonode offers customized optical touch and gesture control solutions for many different markets and segments. In HMI Products, the company provides innovative, plug-and-play sensor modules that enable touch on any surface, in-air touch, and gesture control for a wide range of applications. In Remote Sensing Solutions, Neonode offers robust and cost-effective driver and cabin monitoring solutions for vehicles based on the company’s flexible, scalable and hardware-agnostic software platform.

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