

smart eye



**Supplement
to the prospectus
regarding invitation
to subscribe for
shares in Smart Eye
Aktiebolag (publ)**

The distribution of this Supplement and the subscription for shares are subject to restrictions in certain jurisdictions (see "Important information to investors" in the Prospectus).

SOLE GLOBAL COORDINATOR



Supplement To Prospectus

This document (the “**Supplement**”) has been prepared by Smart Eye Aktiebolag (publ) (Reg. No. 556575-8371) (“**Smart Eye**” or the “**Company**”) and constitutes a supplement to the Prospectus prepared in respect of the invitation to subscribe for shares in Smart Eye, which was published by the Company on 30 January 2023 (the “**Prospectus**”). A Swedish language version of the Prospectus has been approved by the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) (the “**SFSA**”) on 30 January 2023 (SFSA Reg. No. 22-34431) (the “**Swedish Prospectus**”). The Supplement forms part of, and must be read together with, the Prospectus. The definitions in the Prospectus apply to the Supplement as well.

The Supplement has been prepared by reason of Smart Eye on 30 January 2023, through a press release, announcing an update to the Company’s Design Wins in which it was stated that Smart Eye has received three new driver monitoring system Design Wins. The press release is available on the Company’s website, www.smarteye.se.¹⁾

The above means that information in the Prospectus that relates to the Company’s Design Wins is supplemented through this Supplement. For ease of reading, updated information is underlined and replaced information is ~~crossed out~~ in this Supplement.

A Swedish language version of the Supplement has been prepared in accordance with article 23 in the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market (the Prospectus Regulation) and was approved by the SFSA on 1 February 2023 (SFSA Reg. No. 23-3353) (the “**Swedish Supplement**”). In the event of discrepancies between the Supplement and the Swedish Supplement, the Swedish Supplement shall prevail.

The Prospectus and the Supplement are available on the Company’s website www.smarteye.se, Carnegies website www.carnegie.se and the SFSA’s website www.fi.se. For information regarding the Rights Issue, please refer to the Prospectus.

Right of withdrawal

Shareholders and other investors who have already subscribed or applied for subscription for shares in Smart Eye before the Supplement was published are entitled to withdraw their subscriptions or applications within three business days from the publication of the Supplement, i.e., up to and including 6 February 2023. Any subscription or application that is not withdrawn within the prescribed time will remain binding and those who wish to remain as subscribers do not need to take any further action.

If an investor wishes to withdraw its subscription or application, such withdrawal is to be carried out in accordance with

the instructions below depending on whether subscription or application was made with or without subscription rights.

Subscription for new shares with the subscription rights

Subscription by directly registered shareholders resident in Sweden

A subscriber who wishes to withdraw its subscription and/or application for subscription and holds a VP account with Euroclear Sweden must notify Carnegie in writing. The withdrawal shall be sent to transactionsupport@carnegie.se and must be received by Carnegie no later than 6 February 2023. The withdrawal must include the subscriber’s name, personal ID No./corporate ID No., securities account (Sw. *VP-konto* or *Servicekonto*), paid amount and the account to which the subscription payment shall be repaid.

Directly registered shareholders not resident in Sweden who are eligible to subscribe for new shares with subscription rights

Directly registered shareholders not resident in Sweden eligible for subscription of shares with subscription rights who wishes to withdraw their subscription and/or application must notify Carnegie in writing. The withdrawal shall be sent to transactionsupport@carnegie.se and must be received by Carnegie no later than 6 February 2023. The withdrawal must include the subscriber’s name, personal ID No./corporate ID No., securities account (Sw. *VP-konto* or *Servicekonto*), paid amount and the account to which the subscription payment shall be repaid.

Nominee-registered shareholders

If subscription and/or application for subscription has been made through a nominee, any withdrawal shall be made with the nominee(s) where subscription has been made and in accordance with the nominee’s instructions.

Subscription for new shares without subscription rights

Directly registered shareholders and others

An investor who wishes to withdraw its application for subscription for shares without subscription rights must notify Carnegie in writing. The withdrawal shall be sent to transactionsupport@carnegie.se and must be received by Carnegie no later than 6 February 2023. The withdrawal must include the applicant’s name, personal ID No./corporate ID No. and securities account (Sw. *VP-konto* or *Servicekonto*).

Nominee registered shareholders

If subscription and/or application for subscription has been made through a nominee, any withdrawal shall be made with the nominee(s) where subscription has been made and in accordance with the nominee’s instruction.

1) The information on Smart Eye’s website has not been reviewed or approved by the SFSA and is not a part of this Supplement.

Supplement to risk factors

The risk factor "Smart Eyes revenue from Design Wins within the automotive sector is dependent on allocated vehicle models going into production", second paragraph, on page 9 in the Prospectus is supplemented as follows.

[...]

Vehicle Manufacturers select suppliers by means of a procurement process, which normally lasts for between nine and twenty months. After this, the Vehicle Manufacturer decides which supplier is to be engaged, and thereby get a Design Win, to participate in the development and production of a vehicle model. These procurements can apply to one specific vehicle model at a time, or to all vehicle models on a given production platform. A Design Win is a framework agreement where the customer obtains the right to integrate Smart Eye's technology in the customer's vehicle model, while Smart Eye obtains the right to receive licence revenue from the time the vehicle model goes into production and throughout its product lifecycle. As per the day of the [Prospectus Supplement](#), Smart Eye has achieved a total of ~~194~~ 197 Design Wins from 18 Vehicle Manufacturers, including BMW and Polestar, of which seven have already commenced series production. The Company currently estimates the combined value over the product lifecycle for the existing Design Wins at more than SEK ~~3,835~~ 3,865 million. The calculation of the value of the Company's Design Wins over the product lifecycle is based on the agreed price for the features that the Company supplies, the Vehicle Manufacturers' estimated total sales volumes for each vehicle model (i.e. the number of vehicles), as well as the Company's anticipated feature penetration for each vehicle (i.e. an average of the number of features that will be included in sold vehicles or ordered).

[...]

Supplement to background and reasons

The section "Background and reasons", first paragraph, on page 16 in the Prospectus is supplemented as follows.

Smart Eye is facing an exciting future primarily driven by the global automotive industry's ongoing implementation of software-based monitoring systems for increased road and passenger safety. As per the day of the Supplement, within the Automotive business area where Smart Eye has a leading market position, the Company has a total of ~~194~~ 197 Design Wins in software for driver monitoring systems with a total of 18 of the largest global Vehicle Manufacturers, including BMW and Polestar, of which seven have already begun series production. As per the day of the Supplement the total estimated lifetime value of Smart Eye's announced Design Wins within the Automotive business area amounts to approximately SEK ~~3,8~~ 3.9 billion. The implementation of DMS in new vehicle models is expected to see strong growth during the coming years, driven by regulatory safety requirements to be implemented within the European Union, and high focus on safety within the global automotive industry. In parallel, the Company's other business area, Behavioral Research, which offers high-end products and services within Human Insight AI for research and commercial purposes, continues to show solid growth.

[...]

Supplement to operations and market overview

The subsection "Automotive Solutions" – "Customers", second paragraph, on page 27 in the Prospectus is supplemented as follows.

[...]

As per the day of the Prospectus Supplement, Smart Eye has achieved a total of ~~194~~ 197 Design Wins from 18 Vehicle Manufacturers, including BMW and Polestar, of which seven have already commenced series production. The Company currently estimates the combined value over the product lifecycle for the existing Design Wins at more than SEK ~~3,835~~ 3,865 million. Estimated value over the product lifecycle from possible additional design wins with existing car manufacturers on existing platforms is SEK ~~4,075~~ 4,045 million.

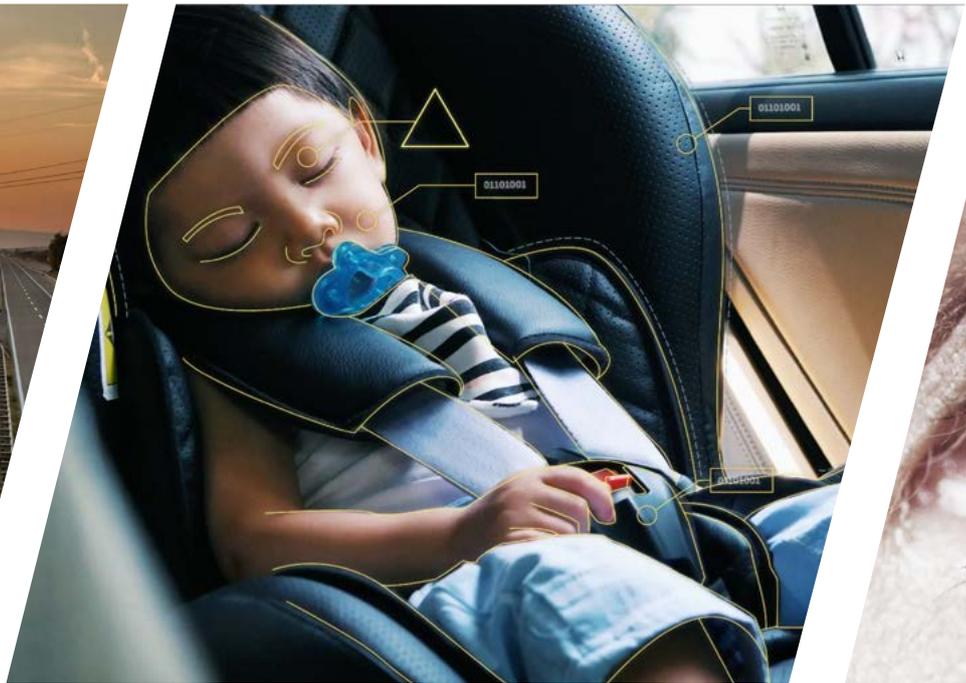
Supplement to capitalisation, indebtedness and other financial information

The subsection "Anticipated earnings", fourth paragraph, on page 45 in the Prospectus is supplemented as follows.

[...]

Smart Eye has during Q4 received up to 100 design wins, representing an estimated lifetime value of SEK 1,450 million and been nominated for four new OEMs. In total, as per the day of the Supplement, Smart Eye has ~~now~~ received a total of up to ~~194~~ 197 design wins from 18 OEMs. The combined estimated lifetime value from current design wins is now larger than SEK ~~3,835~~ 3,865 million. Estimated value over the product lifecycle from possible additional design wins with existing car manufacturers on existing platforms is SEK ~~4,075~~ 4,045 million. The production ramp up of the above car models is expected to contribute to Smart Eye's goal of becoming cash flow positive during the second half of 2024.

[...]



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