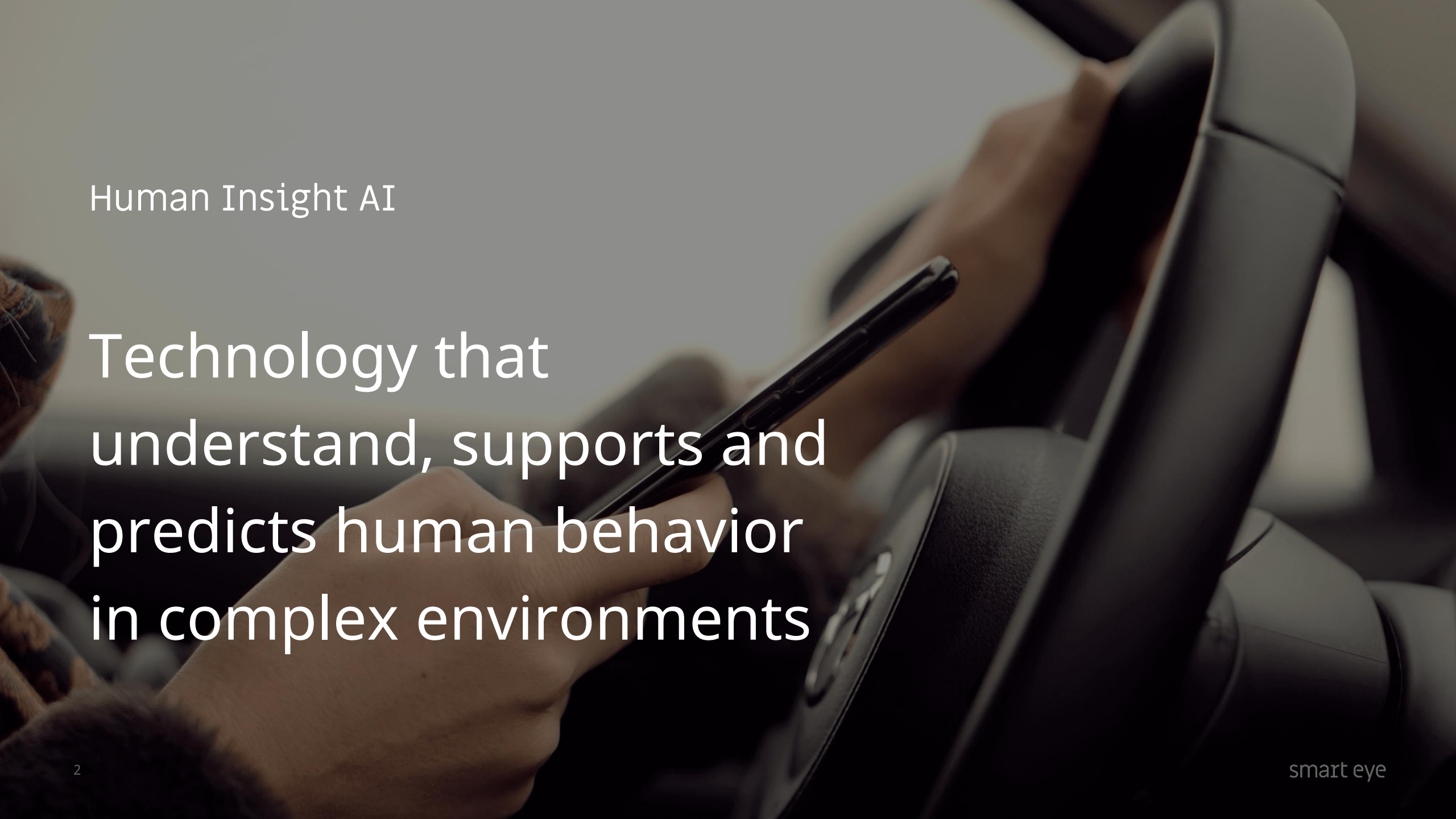
Smart Eye Year-End Report Q4 2024

Martin Krantz
CEO

Mats Benjaminsson
CFO

February 18, 2025



Human Insight AI

Technology that understand, supports and predicts human behavior in complex environments

Summary Q4 Report

Positive organic growth and improved profitability

100 MSEK (91 LY)

18% Organic growth

75 car models (67 LQ) reached production

10 OEMs (9 LQ)

Automotive

42% Organic Growth

200% licenses

+ 7%

Behavioral Research

Revenue Growth

Improved EBITDA
-19 MSEK (-24 LY)

Underlying EBITDA
-3 MSEK (-20 LY)

Savings Program

in progress

10 MSEK/Q from Q2

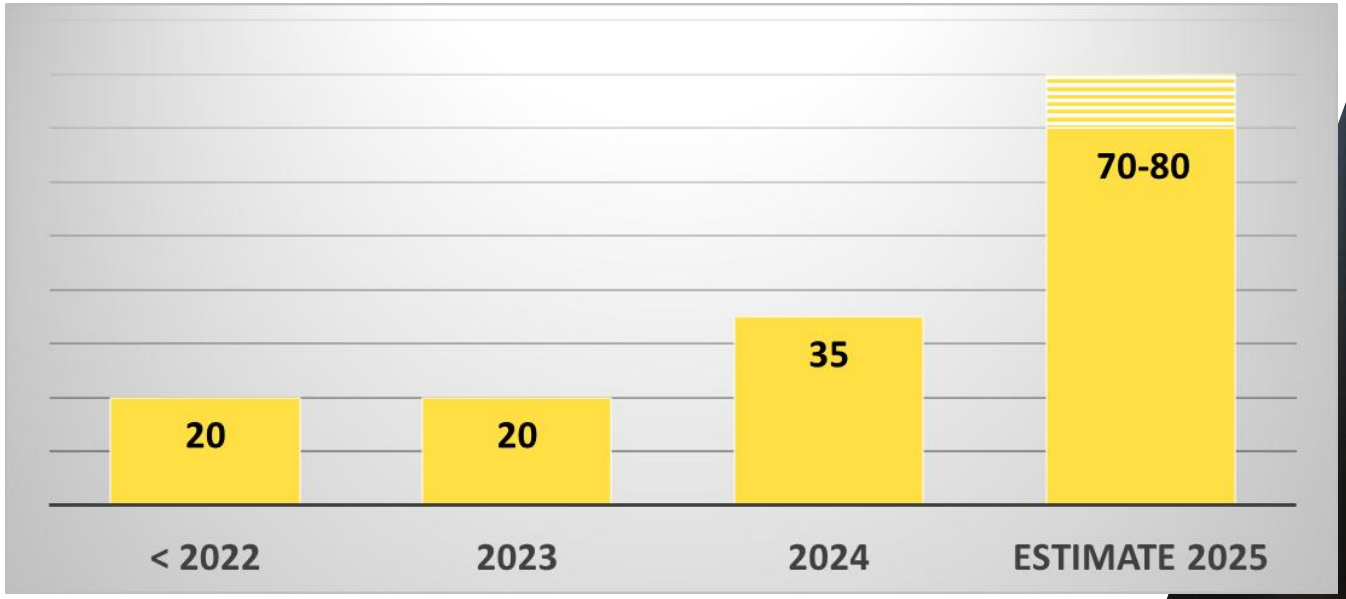
Automotive

Car models entered production

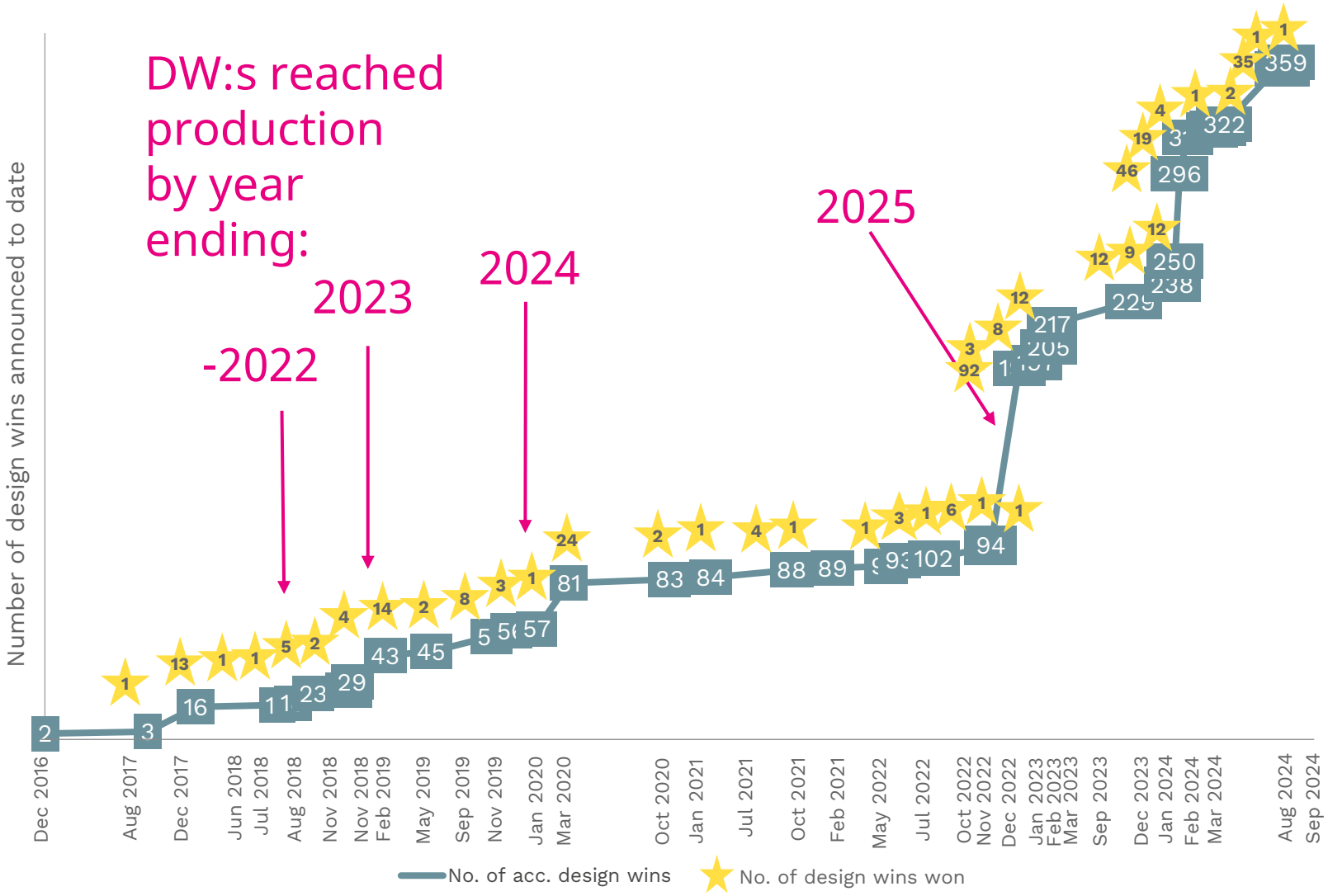
- Korean and US OEM’s drive the license revenue growth 2024
- Japanese and European OEM’s have introduced a few models

Outlook 2025

- European OEMs expected to lead the introduction of new car models
- Korean, US and Japanese OEM’s also expected to continue introducing new car models



Clear market leader with 359 design wins



- Automotive design wins SEK 8.2 bn estimated order value
- Upsell potential SEK 3.2 bn
- 22 OEMs
- 10 OEMs has entered production
- 75 design wins have entered production since 2018
- 70-80 additional design wins expected to reach production in 2025

Note: Design wins comparable to Smart Eye's standard of definition. Smart Eye design wins includes only won and signed contracts with Tier 1 suppliers complete with purchase order for each specific car model. Reported design wins by competitors may differ and may be comparable to Smart Eye's potential additional design wins on existing car platforms. Source: Company information and management estimates.

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/ Emotion Detection

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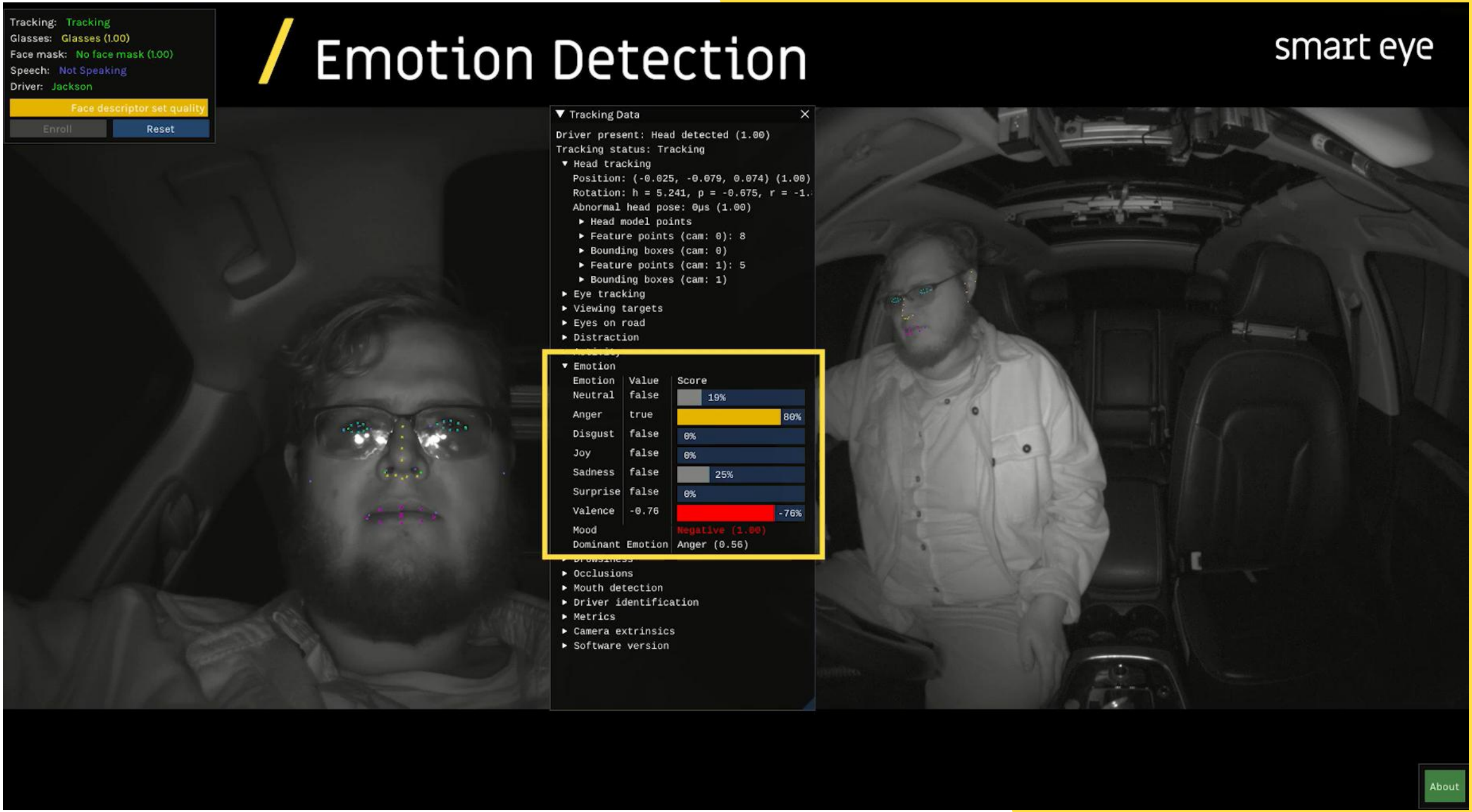


Fast-growing DMS market, Interior Sensing will follow

EU's regulation, Advanced Driver Distraction Warning for new type approvals started 7th of July 2024

EU regulation (GSR)

- From July 2024, Advanced Driver Distraction Warning (ADDW) for all new types of motor vehicles
- From July 2026, Driver Drowsiness and Attention Warning (DDAW). Full market DMS penetration in EU

Euro NCAP

- Draft Proposal: 25 points out of 100 for camera-based Driver Monitoring features, 60 points out of 100 needed for 5-star rating in 2026

Other

- Similar regulation expected for other markets
- Intoxication

New technology

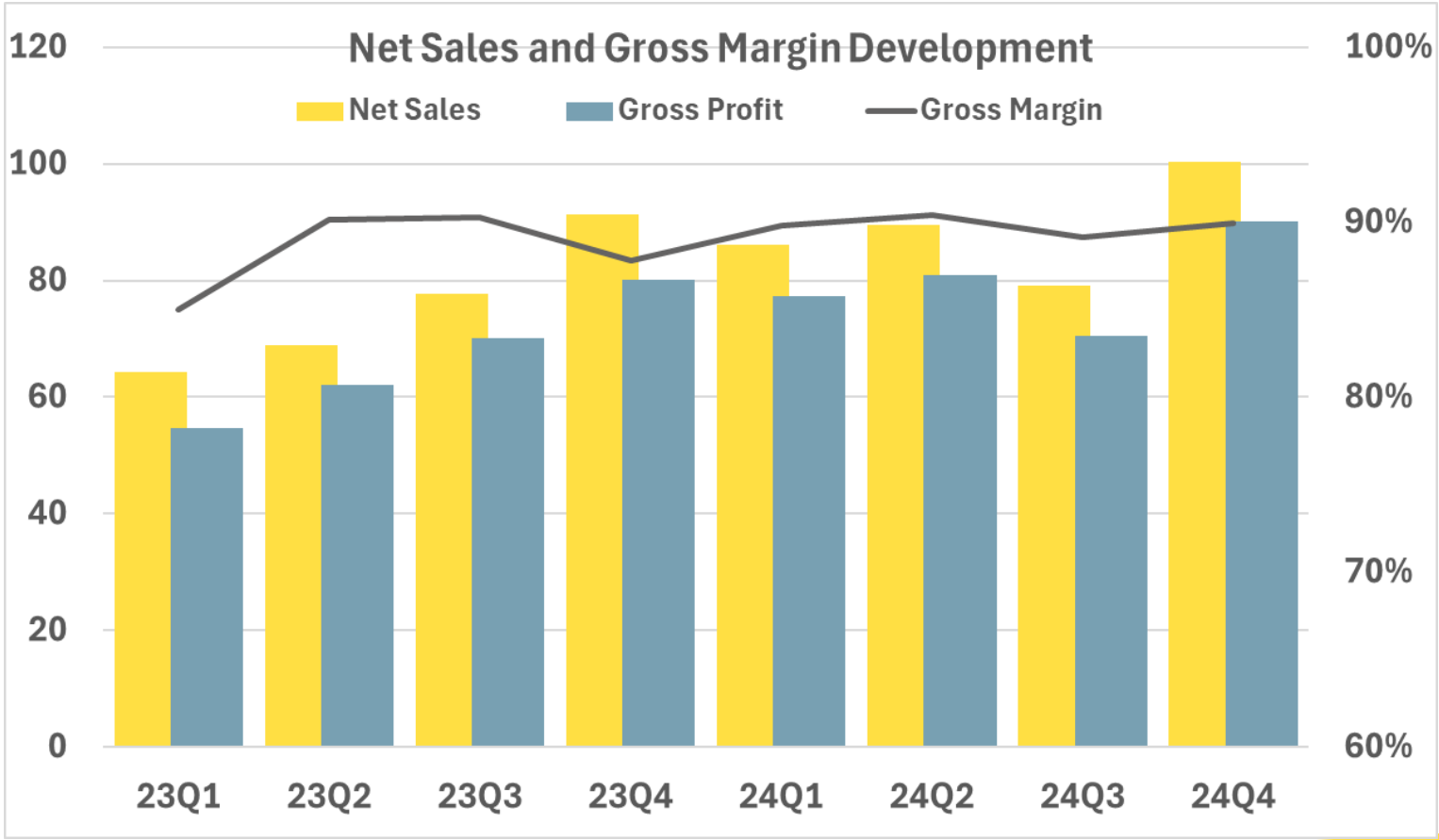
Licensing of Iris Authentication Technology

- Opportunity to acquire the technology at very low cost
- Strong market demand from the automotive industry
- A way for Smart Eye to leapfrog the competition
- Opens up for other interesting use cases in the car – beyond authentication

Financial Results

Financial Highlights – Q4 2024

Strong growth and improved profitability



- Net Sales 100.3 (91.3), growth +10% Y/Y
- Gross Profit +10.0 MSEK Y/Y
- Gross Margin 90% (88%)
- EBITDA, -18.7 (-24.3) MSEK
- Operational result +4.0 MSEK
- Earnings before tax -65.2 (-67.9) MSEK

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Financial Highlights – Q4 2024

Strong growth and improved profitability

Automotive NRE revenue distribution

Adjusted to better reflect the revenue distribution over the development project's life cycle, since Q4 2023.

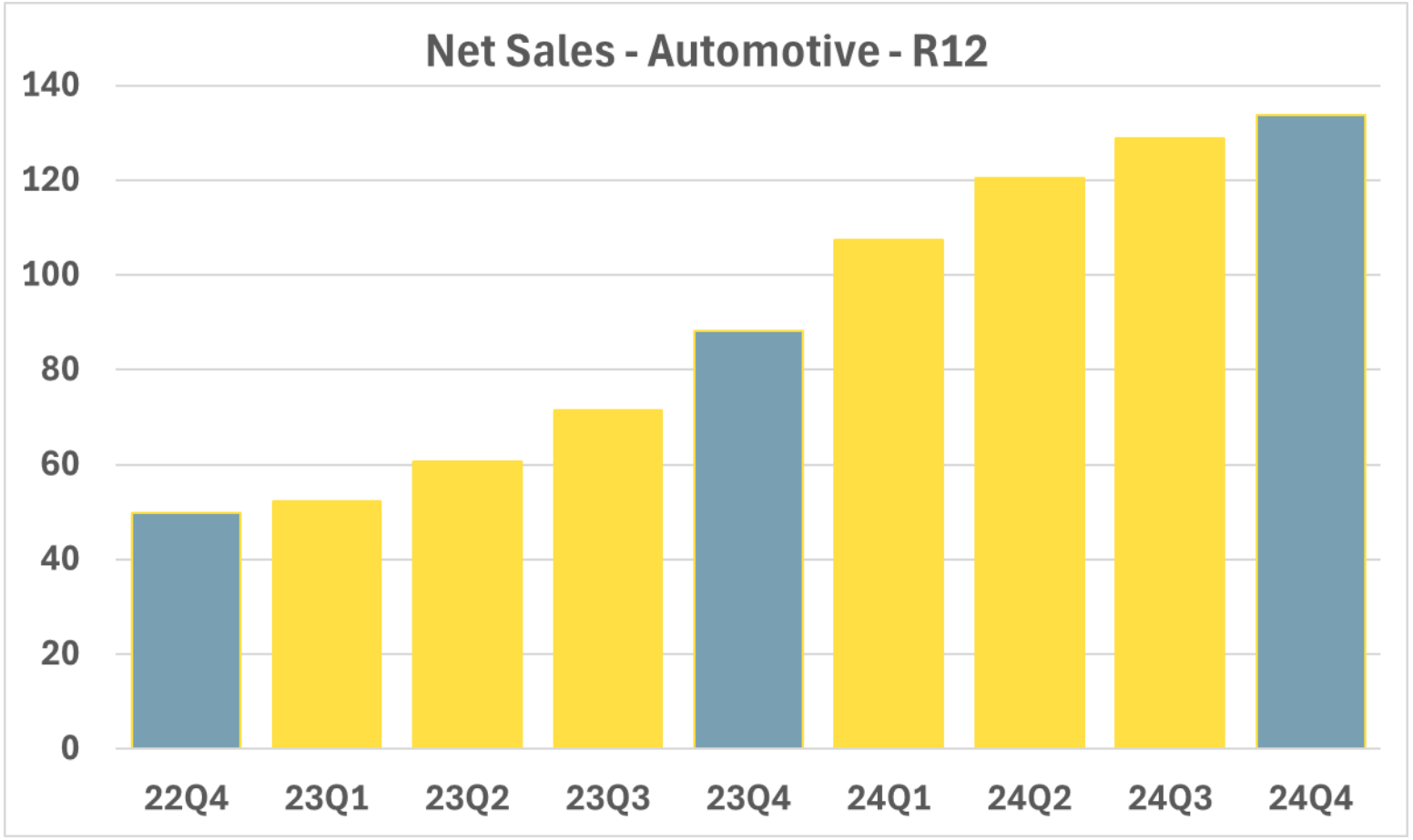
Net Sales adjusted with SEK -6.2, whereof SEK -1,1 million refers to last year.

Cost savings activities

Downsizing will lead to savings of SEK 10 million/Q from next quarter
Restructuring costs amounted to SEK -9,8 million in Q4.

- **Net Sales 100.3 (91.3), growth +10% Y/Y**
- **Adjusted organic growth +18% Y/Y**
- **Gross Profit +16.2 MSEK Y/Y**
- **Underlying EBITDA, -2.7 (-19.5) MSEK, improved with +16.8 MSEK**

Sales Smart Eye Group - Automotive Business



Growth +16% Y/Y

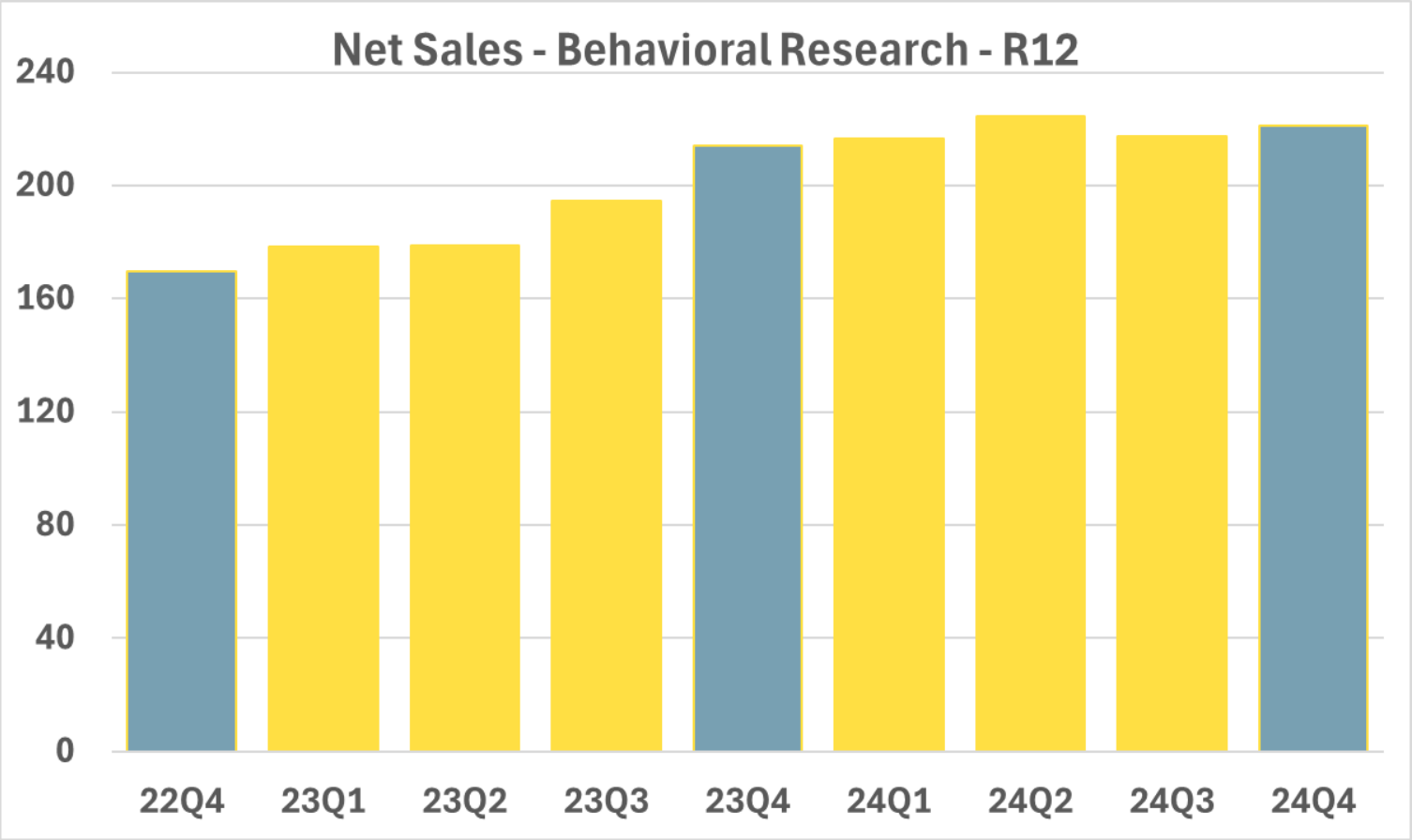
Adjusted Organic Growth +42% Y/Y

Growth rolling 12 months +52% Y/Y

Adjusted Growth R12 +55% Y/Y

- License revenue continues to increase driven by more car models in production and higher production volumes
- License revenue increased with 200% in Q4
- Project revenue, NRE (Non-Recurring Engineering), higher in Q4 both Y/Y and Q/Q excluding adjustment of -6.2 MSEK

Sales Smart Eye Group - Behavioral Research

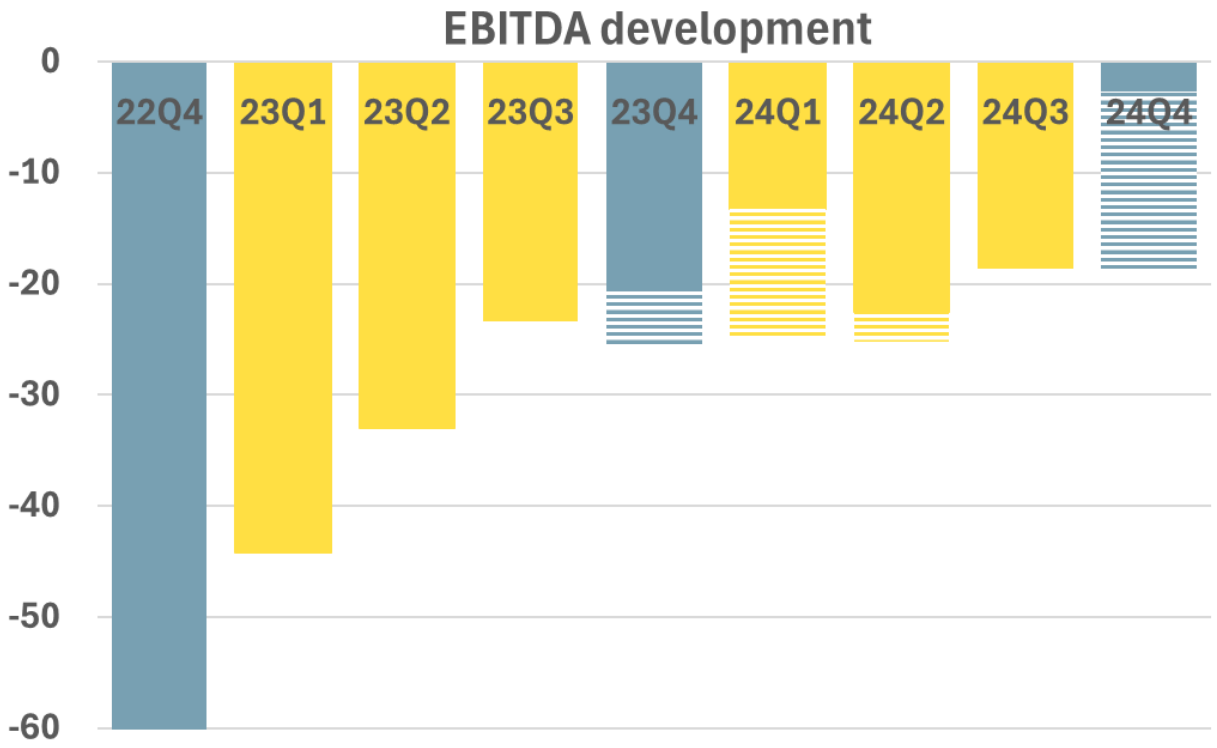


Growth 7% Y/Y

Growth rolling 12 months +3% Y/Y

- Strong order intake and sales development for iMotions
- Media Analytics improved net sales in the quarter Y/Y
- Research Instrument improved net sales development Q/Q
- Net Sales in the quarter amounts to 64 MSEK, which is all time high

Smart Eye Group EBITDA



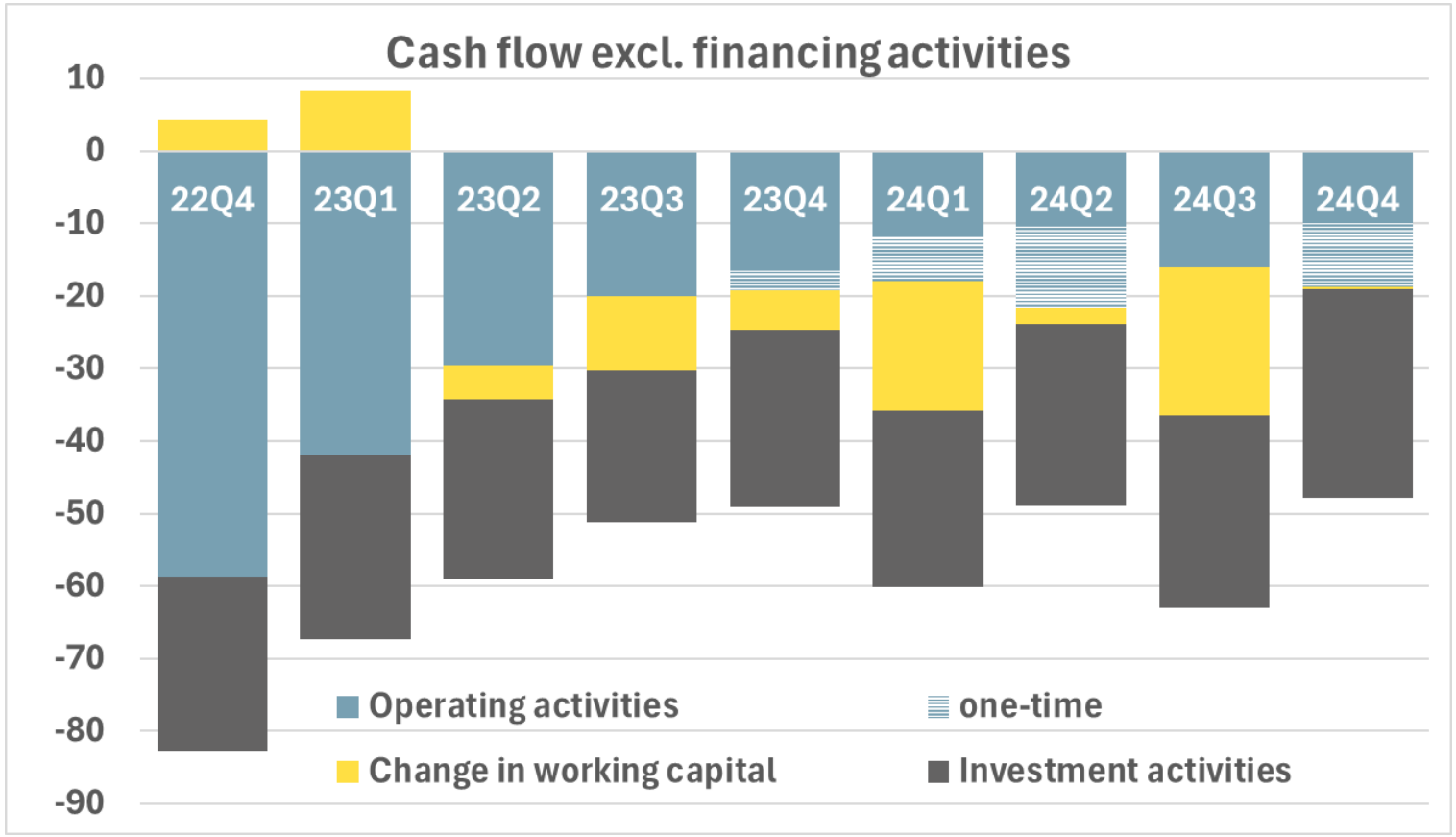
Cost control

- OPEX is 4.4 MSEK higher than last year
- OPEX excl. one-time items slightly lower than last year
- One-time items amounts to 9.8 MSEK and is driven by restructuring expenses

Improved profitability

- Improved EBITDA +5.6 MSEK (Y/Y)
- Strong improvement of underlaying EBITDA +16.8 MSEK
- Higher sales +16.2 MSEK
- Less OPEX +0.6 MSEK

Smart Eye Group Cash flow development



- Available cash ending balance including credit facilities amounts to 229.7
- Utilized credit facility amounts to 25 MSEK per end of December
- Cash flow amounts to -23.1 MSEK

- Operating cash flow -9.8 MSEK
- One-time payments referring to restructuring and financing -8.9 MSEK
- Investment activities -28.8 MSEK

Improving road safety to save lives around the world and redefining the mobility experience to enhance comfort, wellness and entertainment

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