

Neonode Inc. Second Quarter 2021 Presentation

Dr. Urban Forssell, CEO

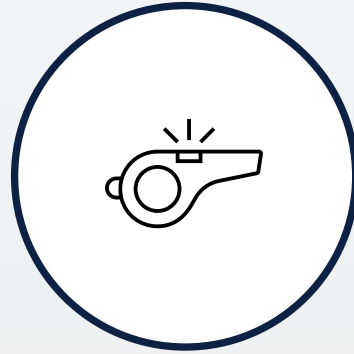
Mr. Fredrik Nihlén, CFO

Mr. David Brunton, Head of Investor Relations

August 11, 2021

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Introduction



Mr. David Brunton
Head of IR



Dr. Urban Forssell
CEO



Mr. Fredrik Nihlén
CFO

Previous Positions:



Finance Director Nordics



Group CFO



Head of Finance

Finance need to be a true business partner

Transform data to information driven decisions

Always strive be more effective and develop



- We continue to execute on our strategies and build our business pipeline
- The COVID-19 pandemic still negatively impacts our business, but despite this we continue our growth journey
- Sales revenues during the second quarter increased by 127% compared to the same period last year
- The demand for our contactless touch solutions and our Touch Sensor Modules continues to increase; Asia is leading the way, but we are also starting to see an increasing interest from customers in Europe and North America
- Our license revenues have recovered well after the dip we saw during the second quarter 2020

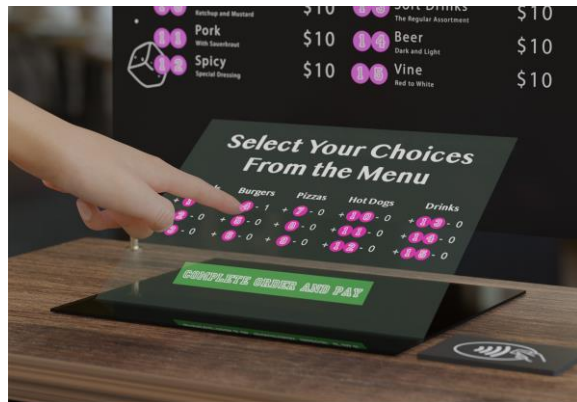
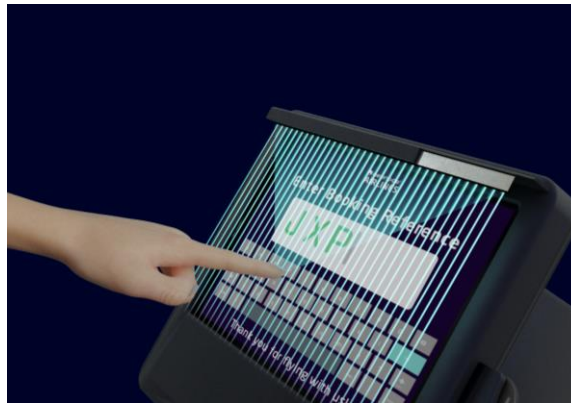


2Q 2021 Financials Update

**REVENUE
TOTAL**

\$1.7 million

▲ 127% YoY

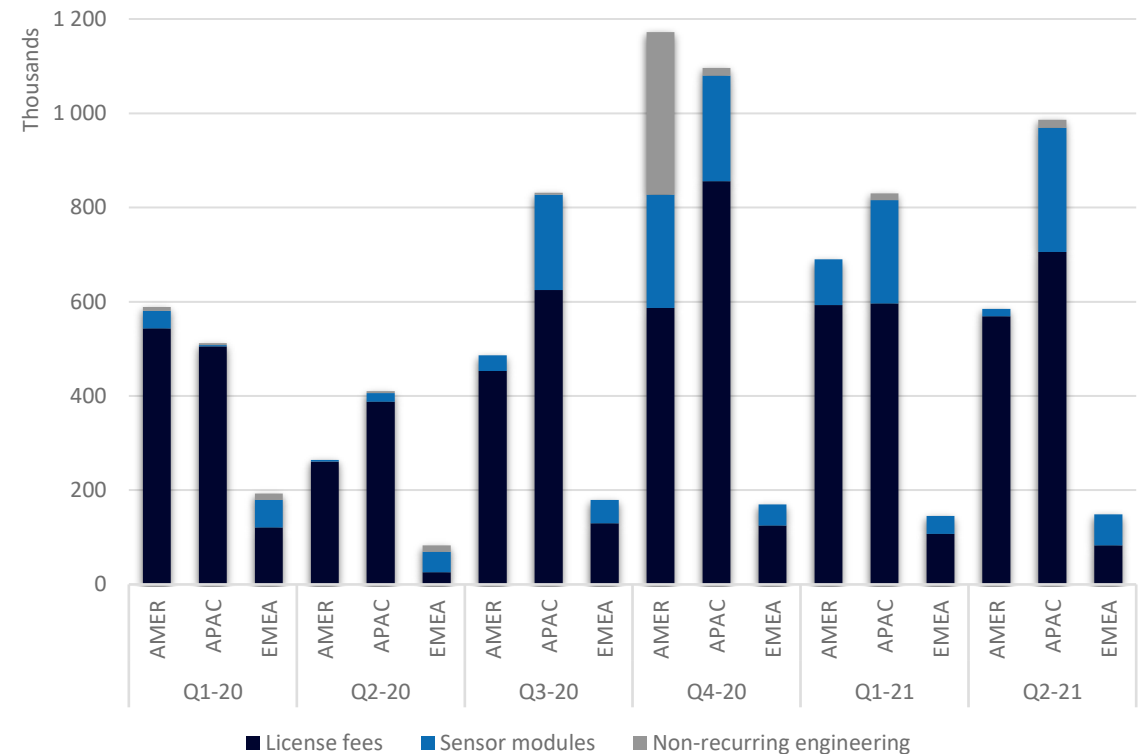


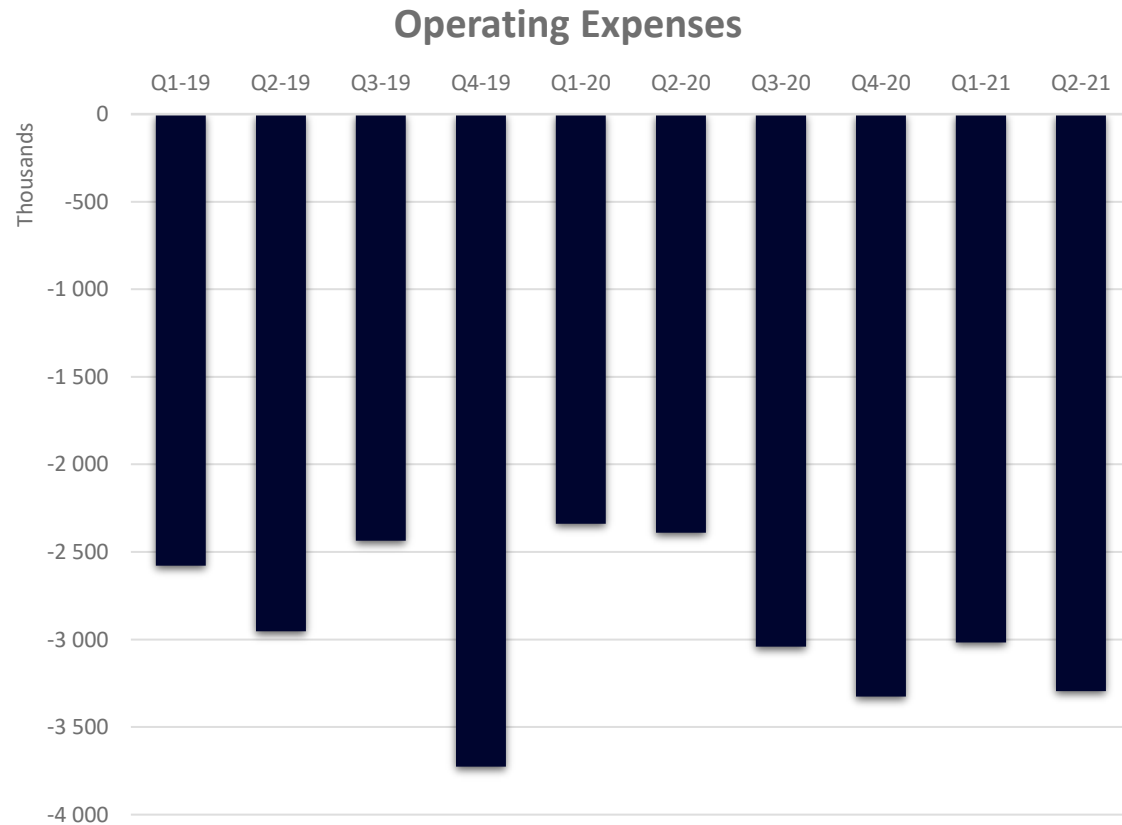
**REVENUE
SENSOR MODULES**

\$345 thousand

▲ 439% YoY

Revenues by Revenue Stream and Region





OPERATING EXPENSES


\$3.3 million

▲ 38% YoY



GROSS MARGIN
TOTAL

87%

 3pp YoY

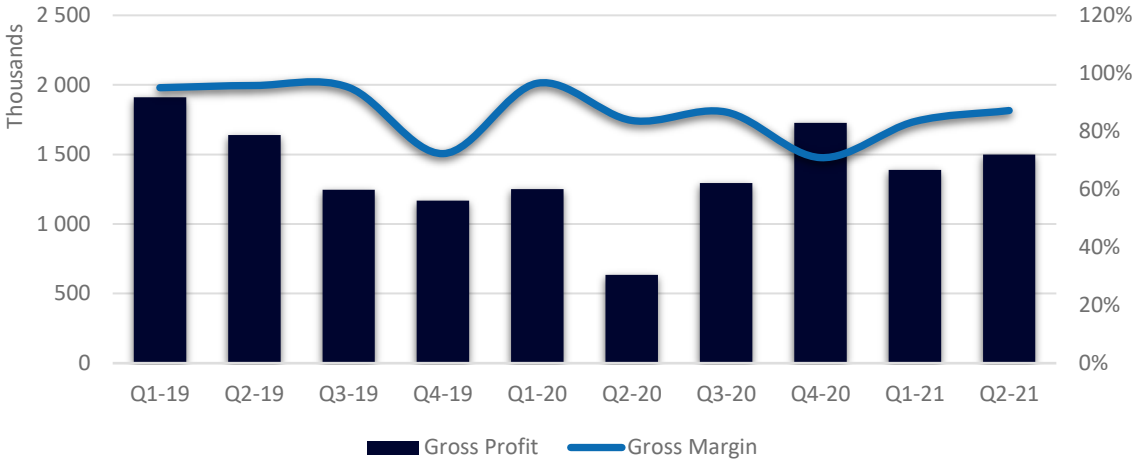


GROSS MARGIN
PRODUCTS

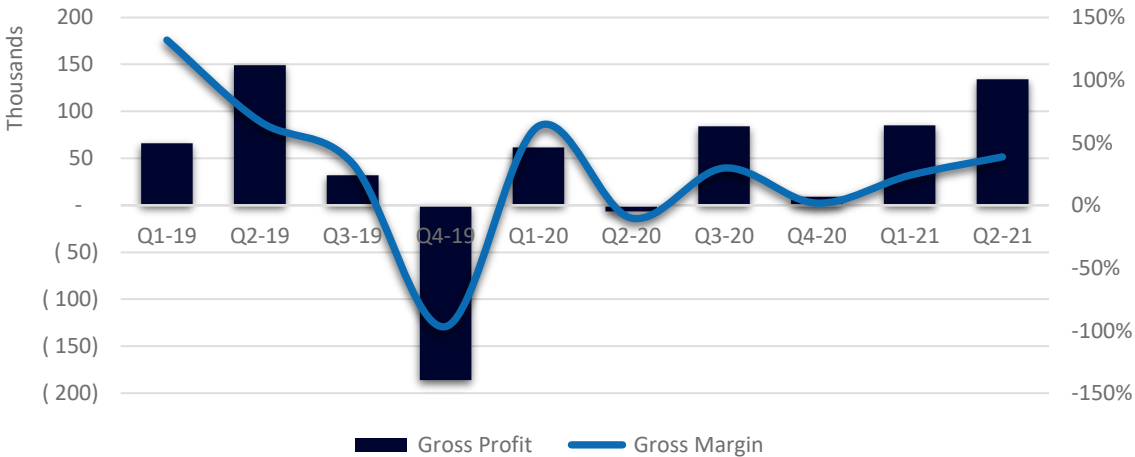
39%

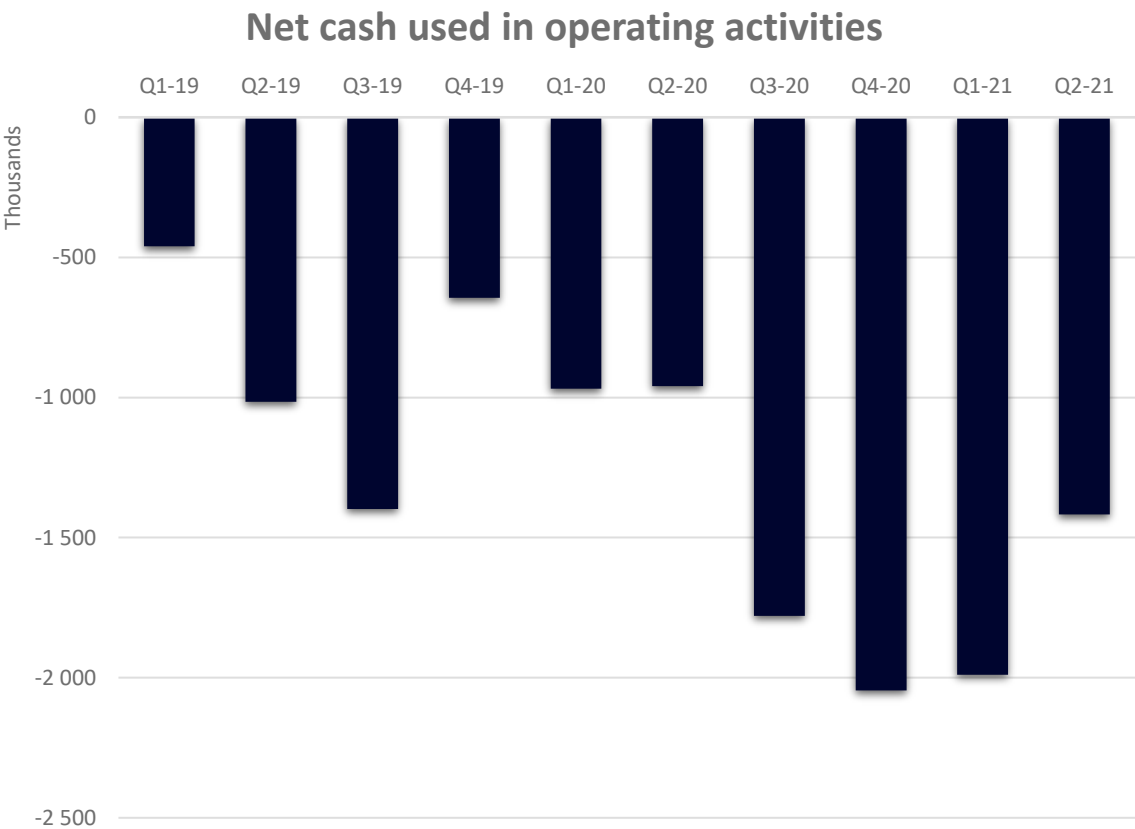
 15pp QoQ

Gross Profit/Margin Total



Gross Profit/Margin Products





**NET CASH BURN
OPERATING ACTIVITES**

\$1.4 million

▼ 29% QoQ



**CASH AND ACCOUNTS
RECEIVABLES**

\$7.8 million

▼ \$4.4 million H1

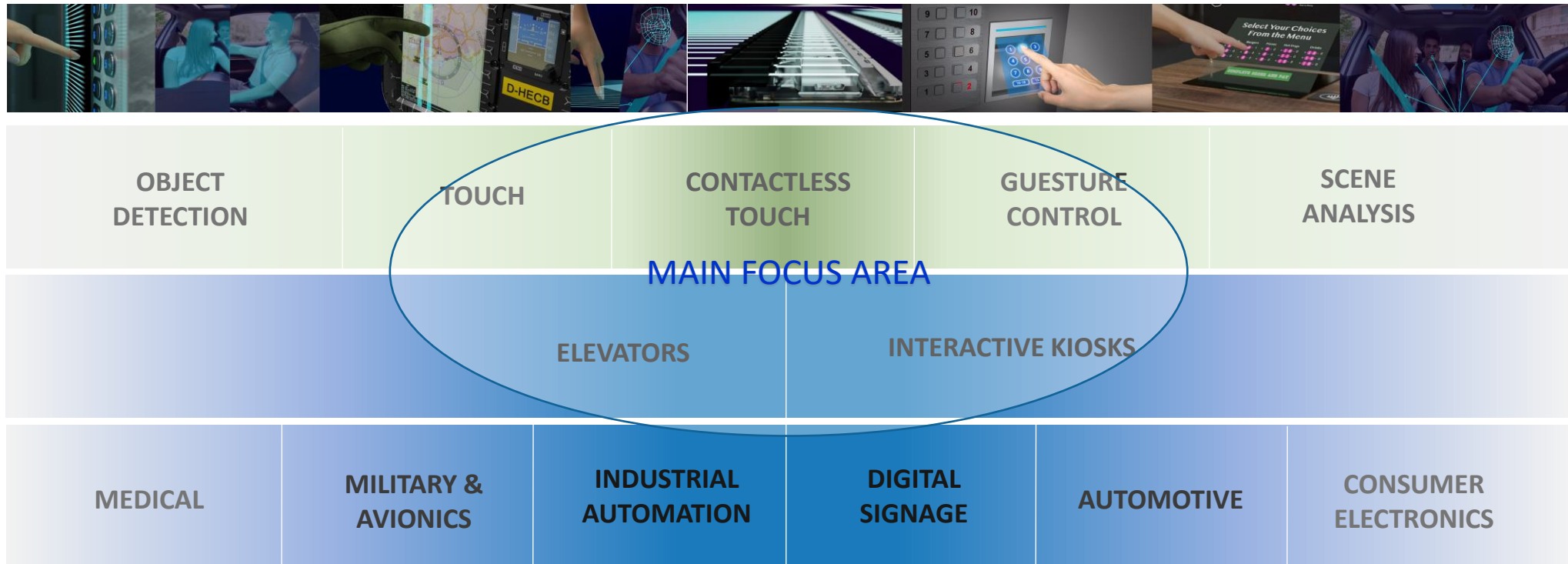


Strategy and Business Update

A person wearing a red jacket is reaching out with their right hand towards a white, articulated robotic hand. The background is a blurred indoor setting with large windows. The text 'VISION:' is overlaid in white, bold, sans-serif font.

VISION:

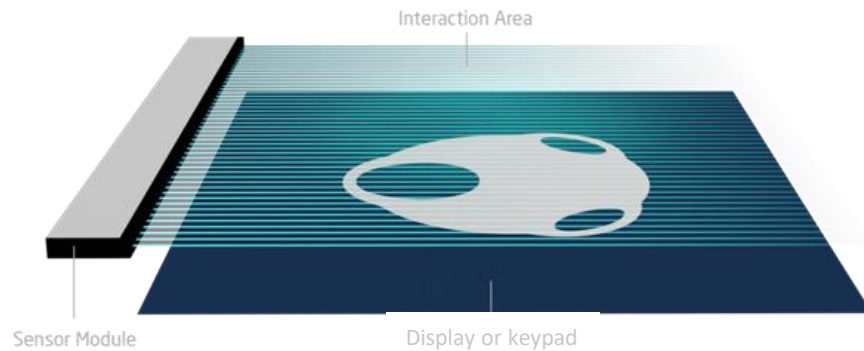
To transform the way humans
interact with machines



Mission: We create innovative technology that enhances the human experience

Contactless, but “touch-like”, interaction with displays, keypads, buttons and holographic images.

With our Touch Sensor Modules natural, easy-to-use contactless touch features can be created in a simple and cost-effective way.



The average self-check kiosk in an airport contains around 253,857 colony-forming units (CFU)

Source: insuranceQuotes

Much of the bacteria found on surfaces in public areas originates from people's intestines, gut, nose, mouth, throat and feces as a result of poor hand hygiene

Source: SC Johnson Professional

Solution Feature	Neonode Contactless Touch	IR Touch Frame	Projected Capacitive	Cameras	Interaction via Mobile Phone	Voice Control	Foot Pedals
Overall look and feel	✓	✗	✓	✗	✗	✗	✗
Total cost of owner-ship*	\$	\$\$	\$	\$\$\$	\$	\$	\$\$\$
User experience	😊	😊	😞	😊	😞	😞	😞
Interaction time	🕒 Fast	🕒 Fast	🕒 Fast	🕒 Fast	🕒 Slow	🕒 Medium	🕒 Slow
Ease of retrofit	✓	✓	✗	✓	✓	✓	✗

* Cost represents total cost of ownership, not just hardware and software cost

Neonode Touch Sensor Modules help to create a safer environment for health care providers and patients in Canada

- Leading supplier of elevator fixtures and elevator car interiors, MAD Elevators, creates the PHANTOM Touchless Sensor using Neonode technology. Roll out of the sensors has begun.
- PHANTOM Touchless Sensors installed in elevators in 101 Queensway West, Toronto (building serves as a hub of activity ranging from pediatrics to physiotherapy to dentistry and more) to create a touchless experiences for passengers

“With the help of our partners at Neonode, we’ve been able to offer a simple solution that has significant benefit without significant cost”

Steve Reich-Rohrwig, CEO at MAD Elevator.



Neonode Touch Sensor Modules selected for contactless kiosk trials by global airport solution provider in Japan

- Japan Aerospace Corporation, a Neonode value-added reseller, was selected by a major airport solution provider for contactless self check-in kiosk trials at Narita Airport featuring Neonode contactless touch technology
- This contactless retrofit solution, called Air Click, has been installed on several kiosks at the departure lounge at Narita Airport Terminal
- Travellers who wish to do so can still touch the kiosk displays, making traveller adoption seamless
- The field test will run for several months
- The kiosks are owned and operated by the solution provider and several SkyTeam airlines, including Air France, KLM, and Korean Air, are joining the field test



Neonode contactless touch solution for self-service kiosks trialed in Europe for a global burger chain

- Neonode Touch Sensor Modules selected over camera-based solutions to avoid implications with GDPR in Europe
- Retrofit solution installed on existing self-service solution took less than 30 minutes per kiosk
- Time to order is just as fast after the introduction of the new touchless technology
- Consumers who wish to do so can still touch the kiosk displays, making customer adoption seamless
- Preliminary results suggest that the total purchase value is noticeably higher from contactless kiosks compared to orders placed via traditional touch solutions



NEC award Neonode with Letter of Appreciation

- NEC chose Neonode Touch Sensor Modules for use in self-checkout terminals
- NEC award Neonode with letter of appreciation for our efforts and co-operation towards their business development activity.



Neonode Inc.
仁平 則行様

感謝状贈呈につきまして

拝啓 貴社益々ご清栄のこととお慶び申し上げます。
また、平素は弊社事業活動に対し格別のご高配を賜り、厚く御礼申し上げます。

新型コロナウイルス(COVID-19)感染拡大が続く困難な状況下で、事業運営に尽力されているお取引先様に、この場をお借りして心よりお見舞いを申し上げます。

さて掲題の件、弊社の Together with "MONOZUKURI"活動において多大なる貢献を頂きましたお取引先様に対し、心から感謝致しますと共に、感謝状を贈呈させていただきます。

一日も早い新型コロナウイルス感染症の終息と、皆様のご健康をお祈り申し上げます。

敬具

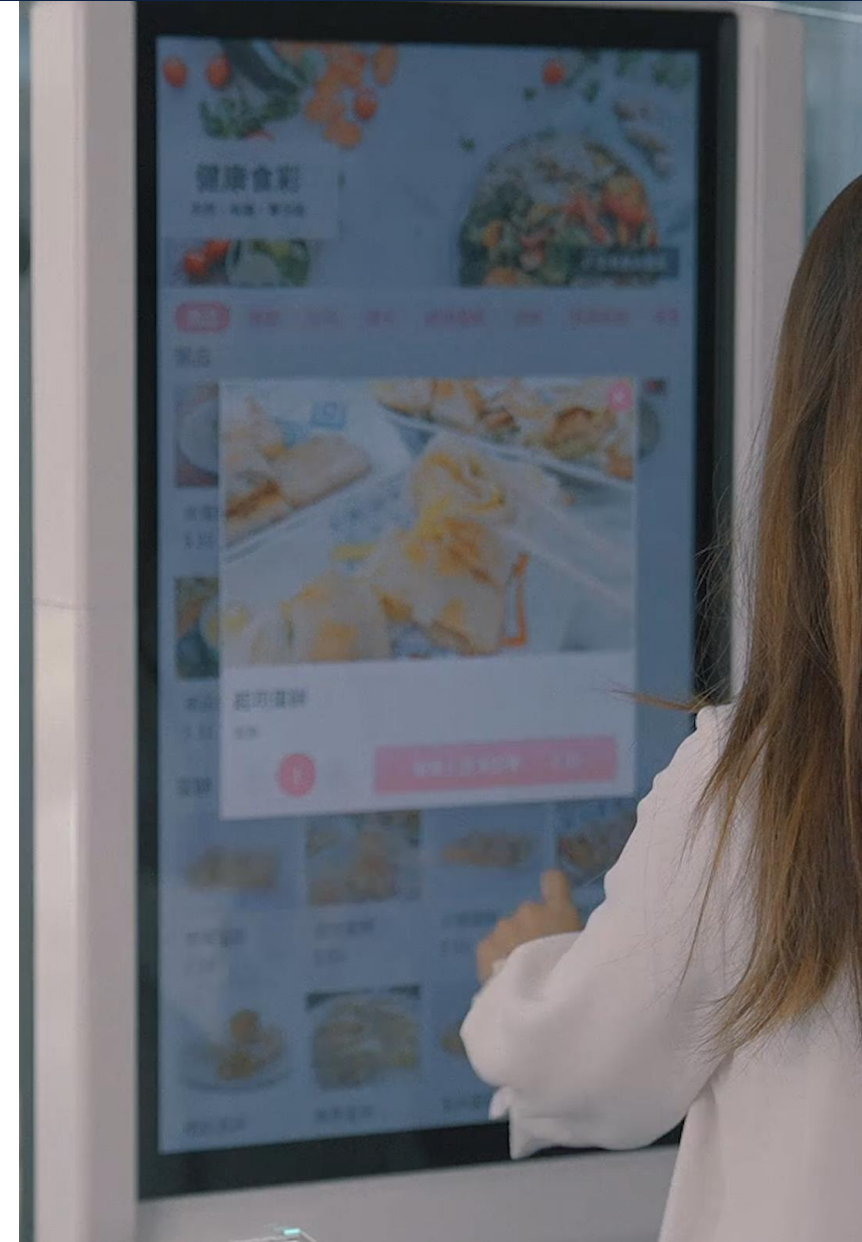
2021 年 7 月 19 日
NEC プラットフォームズ株式会社
調達本部
事業動向説明会事務局

Neonode technology combined with AI in proof of concept for smart kiosks

- The smart kiosk concept developed by MiTAC combines contactless touch and artificial intelligence
- Seamless integration with facial recognition, contactless touch, and data driven recommendations based on customer preferences
- Integration of Neonode TSM for larger 32" displays

“ We strongly believe contactless touch is the future of kiosk interaction and thanks to Neonode’s very capable TSM we have been able to develop a high-performing yet economical solution. We are excited to start offering this solution, combining artificial intelligence and contactless touch, to our global customer base. ”

Steven Wen, GM of MiTAC Client Business Unit





One Team



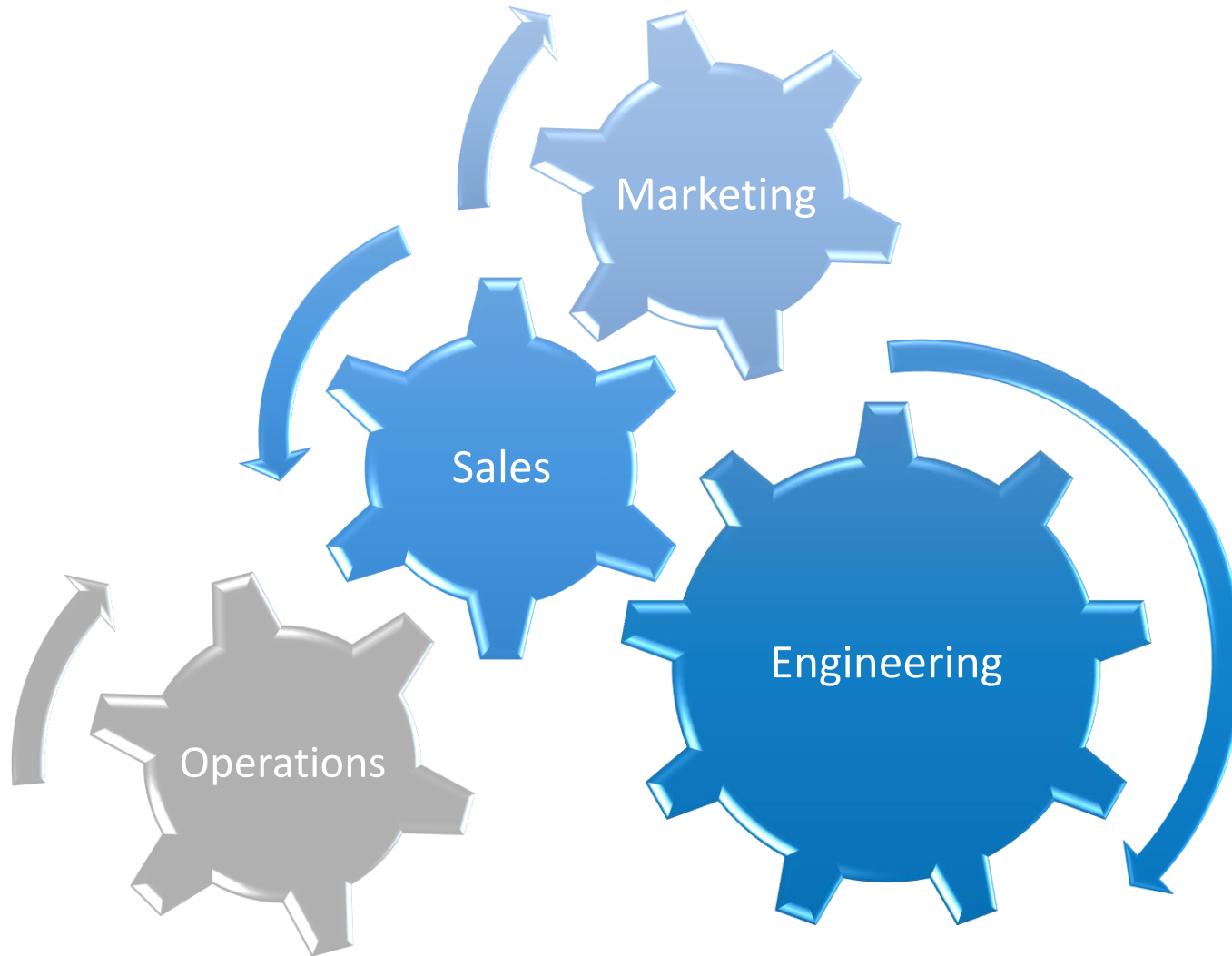
With Purpose



Customer Focus



Make Tomorrow Better



People:

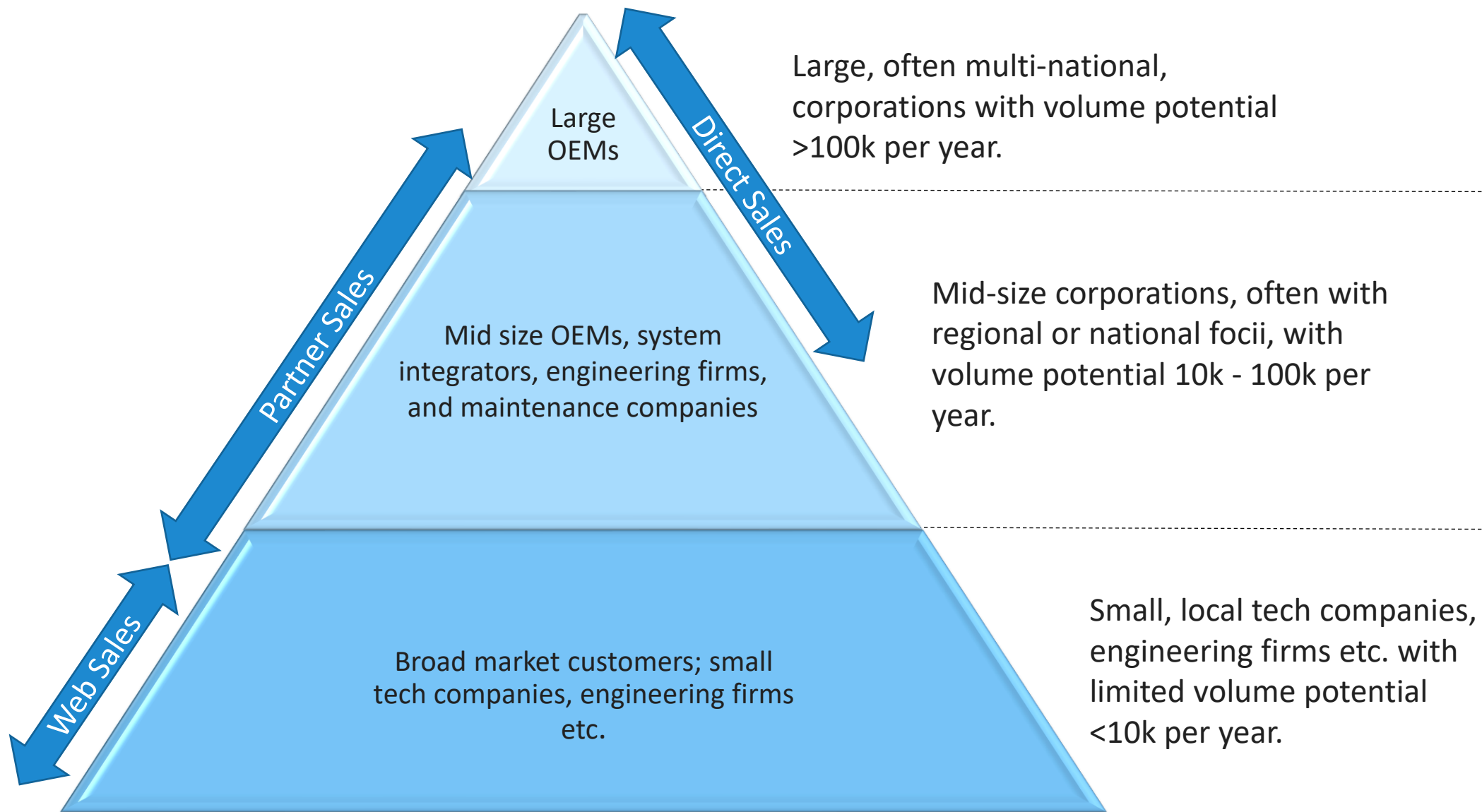
- Retaining and recruiting talent
- Establishing an efficient organization
- Training and up skilling

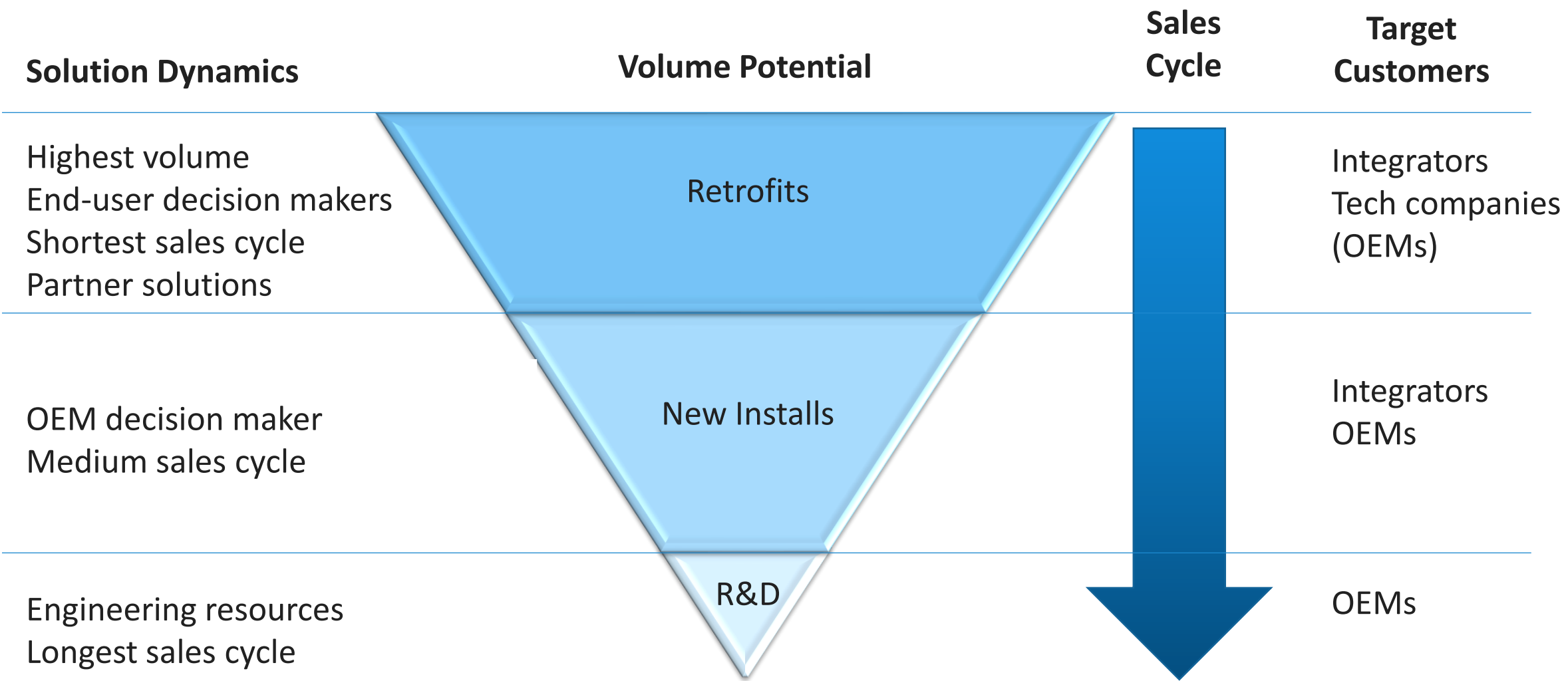
Process:

- Formal processes
- Informal ways-of-working

Product:

- Product offerings
- Configuration tools
- Application development
- Technical support







Summarizing Remarks

- We see a high and increasing demand for our contactless touch solutions and our Touch Sensor Modules
- Our main focus continues to be
 - Elevators
 - Interactive Kiosks
- We are well positioned to accelerate growth and capitalize on current and future opportunities and continue to invest in our human resources, product development, marketing, and sales



Q&A with Company Analysts

Thank You



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