

Neonode Inc. First Quarter 2021 Presentation

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Ms. Maria Ek, CFO

Mr. Anthony Uhrick, Vice President Sales AMER

Mr. Johan Swartz, Vice President Sales APAC

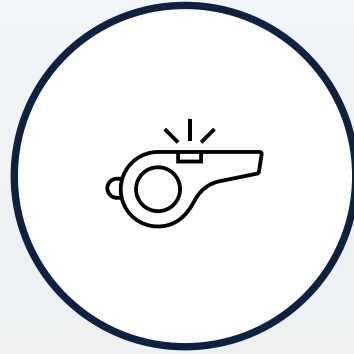
Mr. Jonas Wærn, Vice President Sales EMEA

Mr. David Brunton, Head of Investor Relations

May 12, 2021

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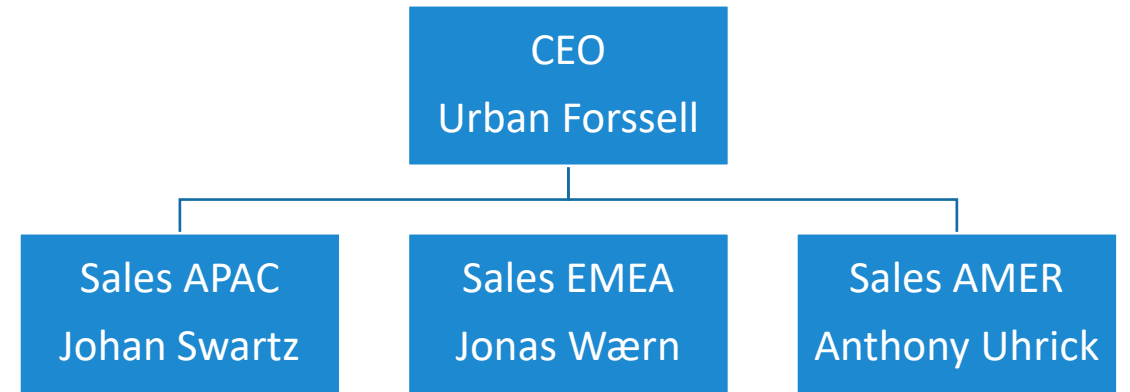
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Introduction

- We continue to execute on our strategies and build our business pipeline
- The demand for contactless touch solutions continues to increase giving us an enormous market opportunity to integrate Neonode technology into new and retrofitted equipment, for instance in
 - Elevators
 - Interactive Kiosks
- We also see significant interest for our zForce and MultiSensing technologies from customers in the Military & Avionics, Industrial, and Automotive segments
- To be able to capitalize on more of these opportunities we continue to strengthen our Sales, Marketing, and Engineering teams in Sweden and internationally

- To increase our customer focus and support further growth, we are migrating from a global business area organization to a regional sales organization
 - Anthony Uhrick, who joined the company last month, will lead our sales work in AMER
 - Jonas Wærn, who previously led the business area HMI Solutions, will lead our sales work in EMEA
 - Johan Swartz, who previously led the business area HMI Products, will lead our sales work in APAC





Dr. Urban Forssell
CEO



Ms. Maria Ek
CFO



Mr. David Brunton
Head of IR



Mr. Anthony Uhrick
VP Sales AMER



Mr. Jonas Wærn
VP Sales EMEA



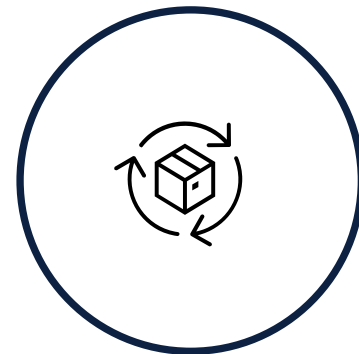
Mr. Johan Swartz
VP Sales APAC



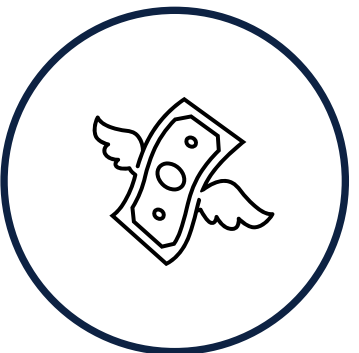
1Q 2021 Financials Update



Total revenues of **\$1.7** million compared to \$1.3 million the same quarter previous year
▲ 29%

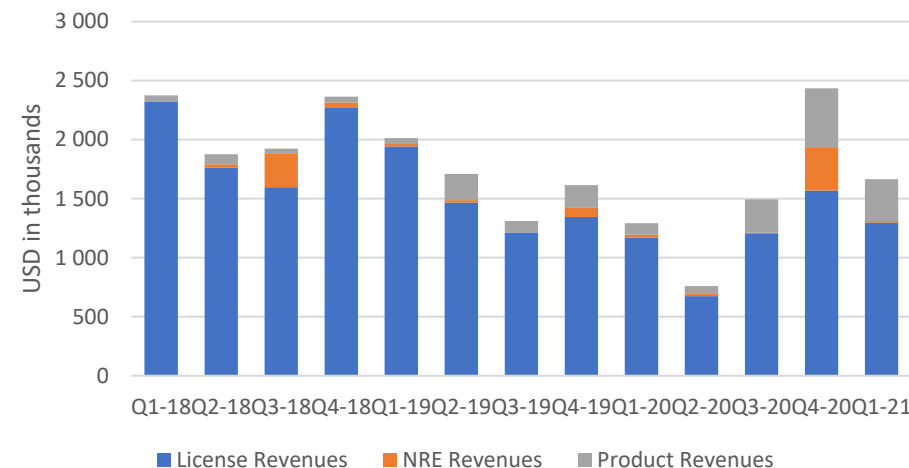


Total gross margin of **83%** compared to 97% the same quarter previous year
▼ 14%



Operating expenses of **\$3.0** million compared to \$2.3 million the same quarter previous year
▲ 29%

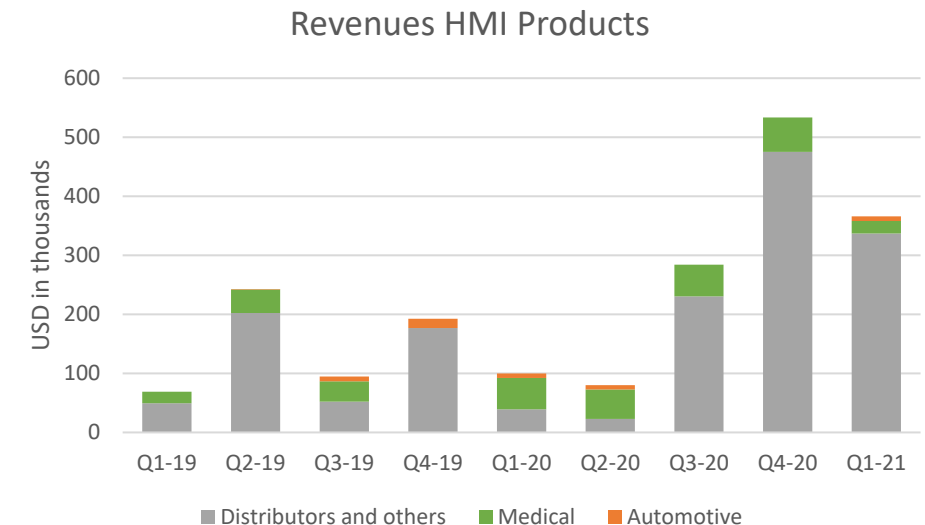
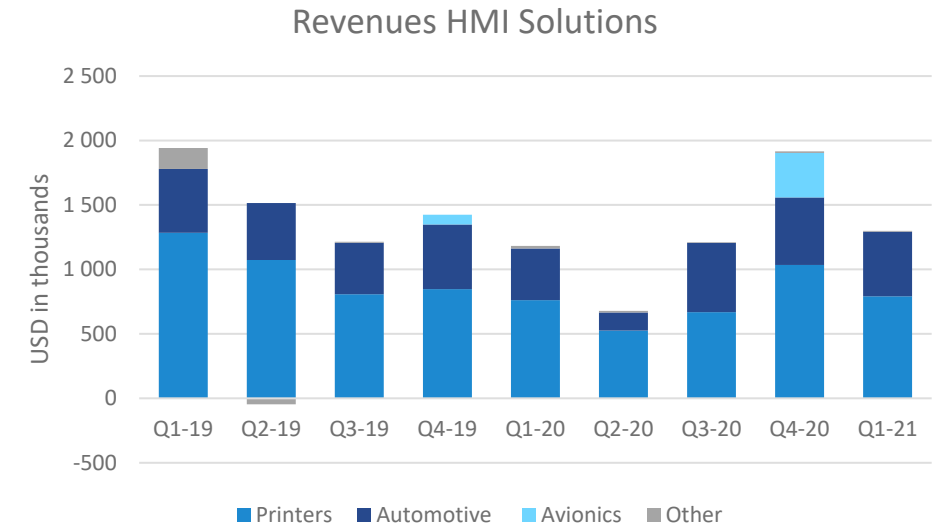
Revenues by Revenue Stream



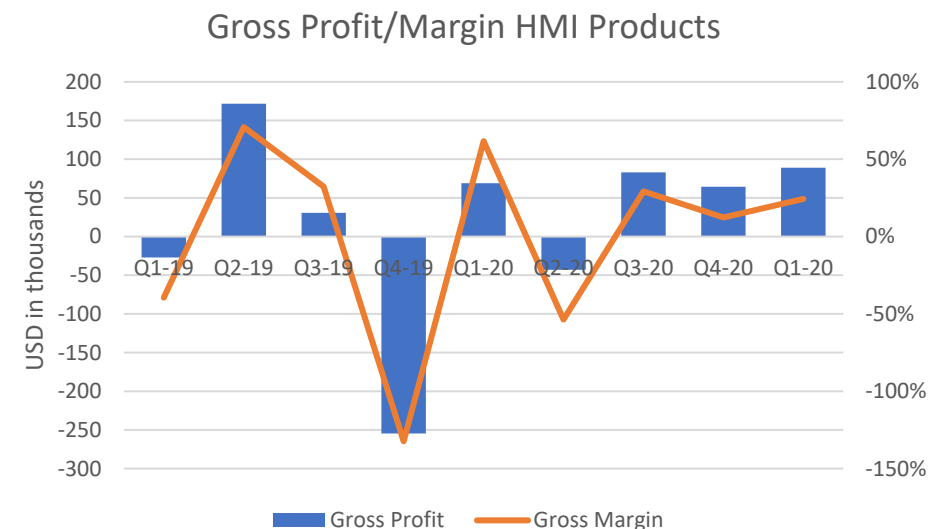
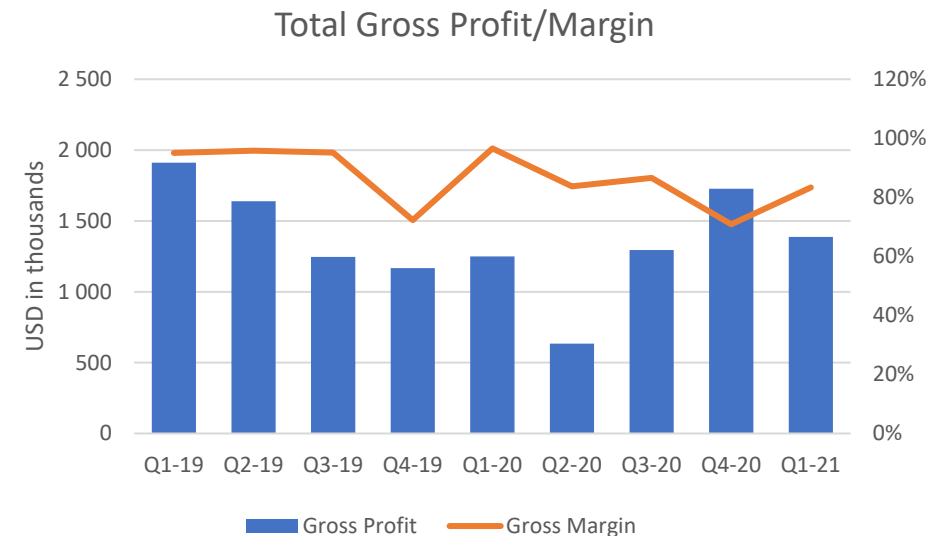
Operating Expenses



- Revenues from our **HMI Solutions** business area
 - \$1.3 million for Q1 2021
 - Up by 9.9% compared to the first quarter 2020
- The major part is license revenues from our existing customers
 - Still rebounding from the slow-down in the first half of 2020 due to the pandemic
- Revenues from our **HMI Product** business area
 - \$0.4 million for Q1 2021
 - Up by 227% compared to the first quarter 2020
- Due to growing deployment of contactless touch solutions, mainly in Asia, and mostly driven by our partner network
- Major part product sales but also some non-recurring engineering (“NRE”) projects



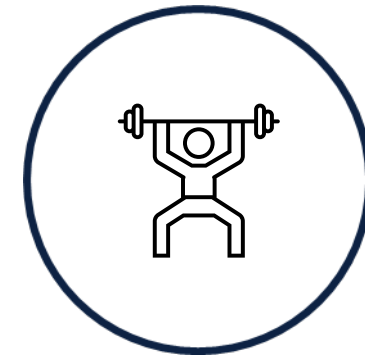
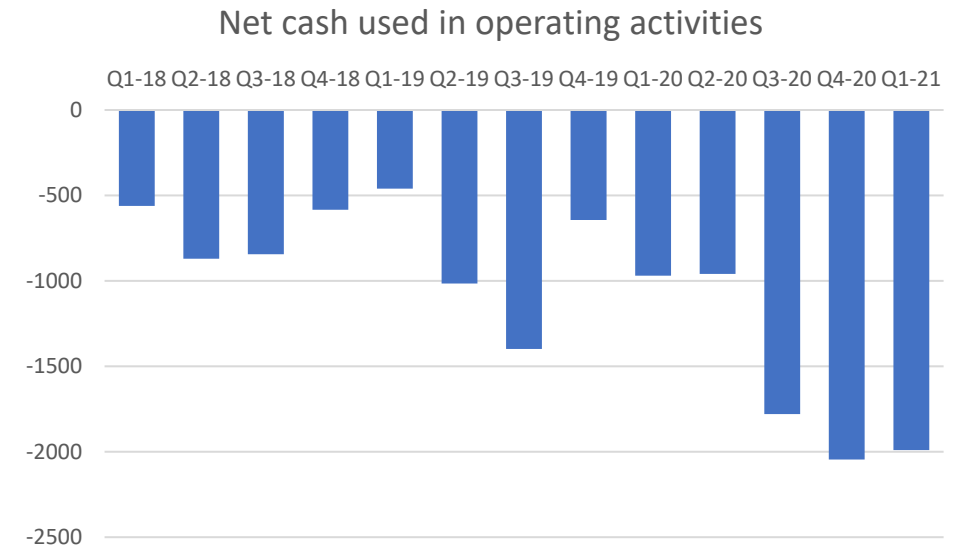
- The total gross margin was 83% for Q1 2021 compared to 97% Q1 2020
 - Higher share of product sales with lower margin
- The gross margin for our **HMI Solutions** business area was 100% for Q1 2021 and 2020 as there were no NRE revenues
- The gross margin for our **HMI Products** business area was 24% for Q1 2021 compared to 62% Q1 2020
 - The margin 2021 depressed by low-margin AirBar sales
 - 27% margin for touch sensor modules sales alone



- Operating expenses Q1 2021 of \$3.0 million compared to \$2.3 million Q1 2020
 - Increase by 29% from Q1 2020
 - Decrease by 9% from Q4 2020
- Operating loss Q1 2021 of \$1.6 million compared to \$1.1 million Q1 2020
 - Increase by 50% from Q1 2020
 - Increase by 2% from Q4 2020
- Net loss of \$1.6 million or \$0.14 per share Q1 2021 compared to a net loss of \$1.0 million or \$0.11 per share Q1 2020



- Net cash used in operating activities during Q1 2021 increased by \$1.0 million compared to Q1 2020
 - Increase in net loss
 - Capital tied up in inventory
- Cash and accounts receivables of \$9.5 million as of March 31, 2021
- A shelf registration statement filed and a \$25 million ATM agreement entered into on May 10, 2021





Strategy and Business Update



One Team



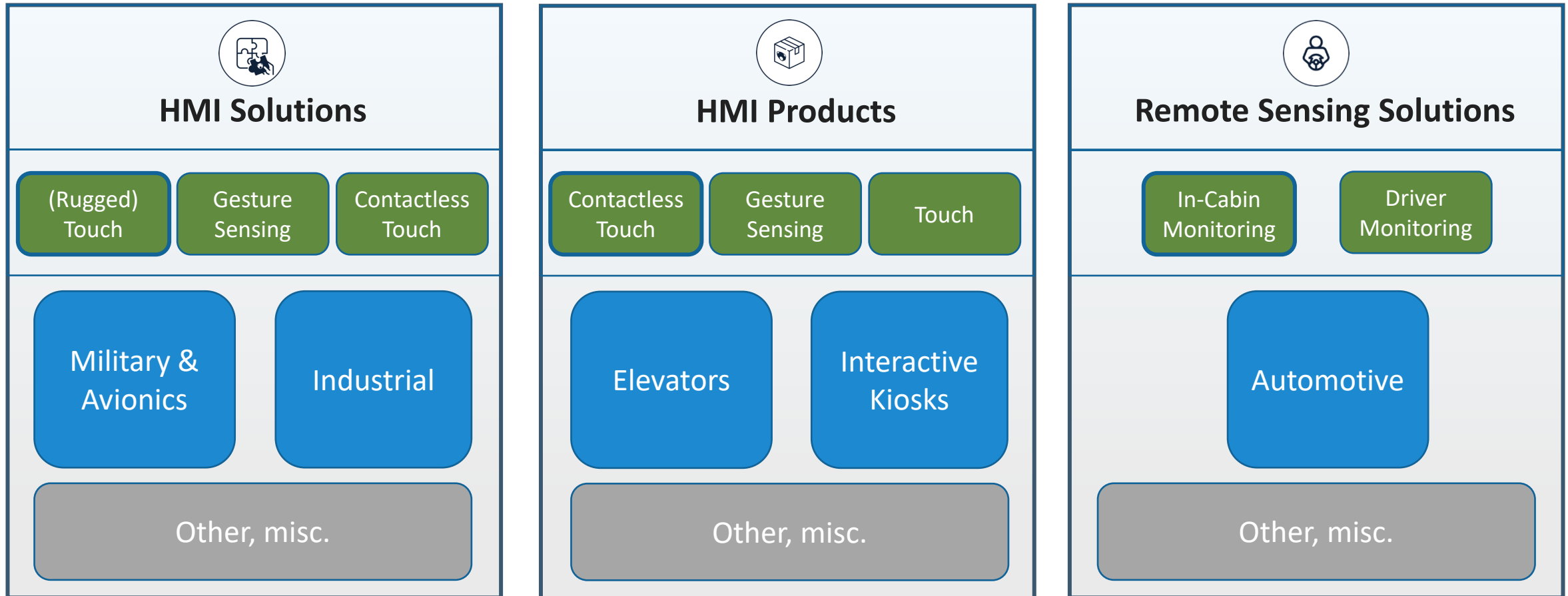
With Purpose

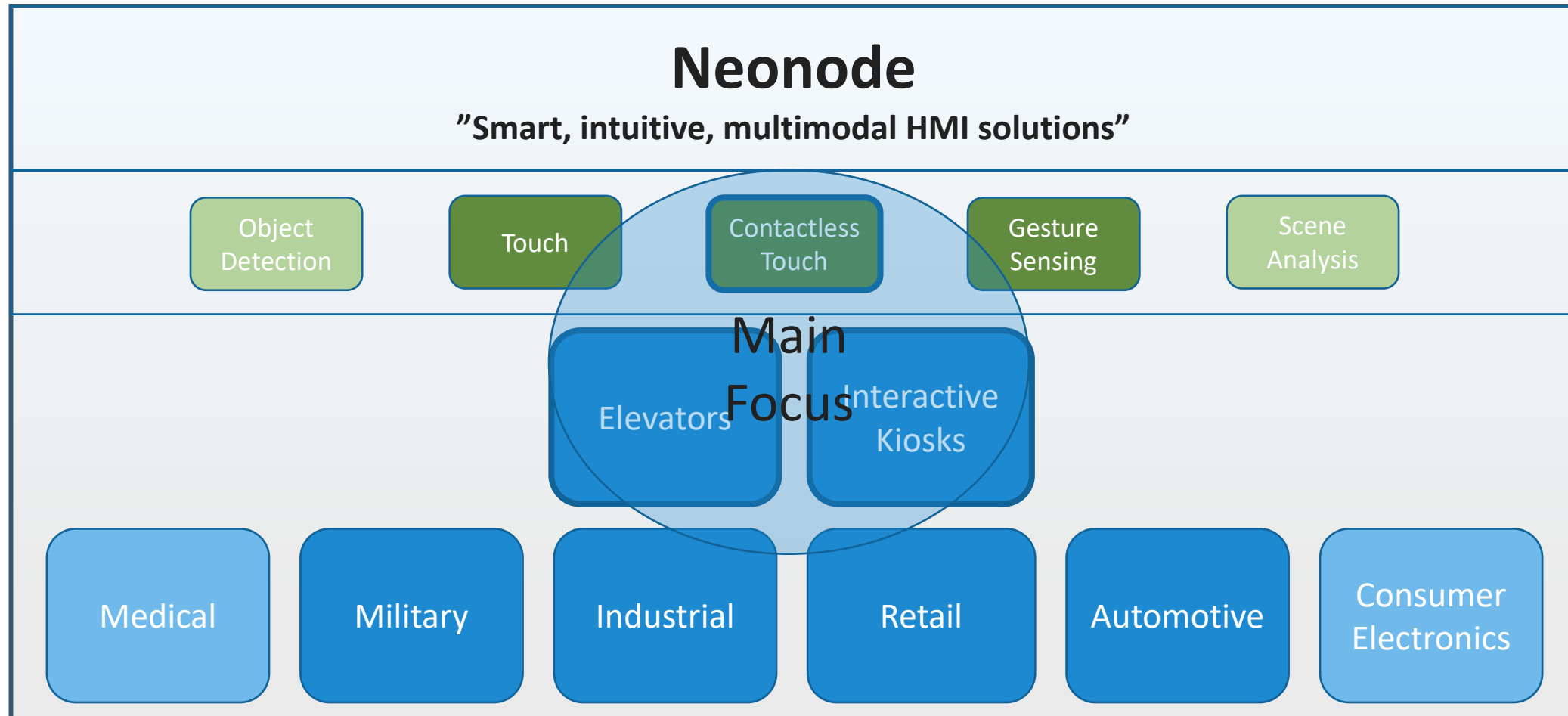


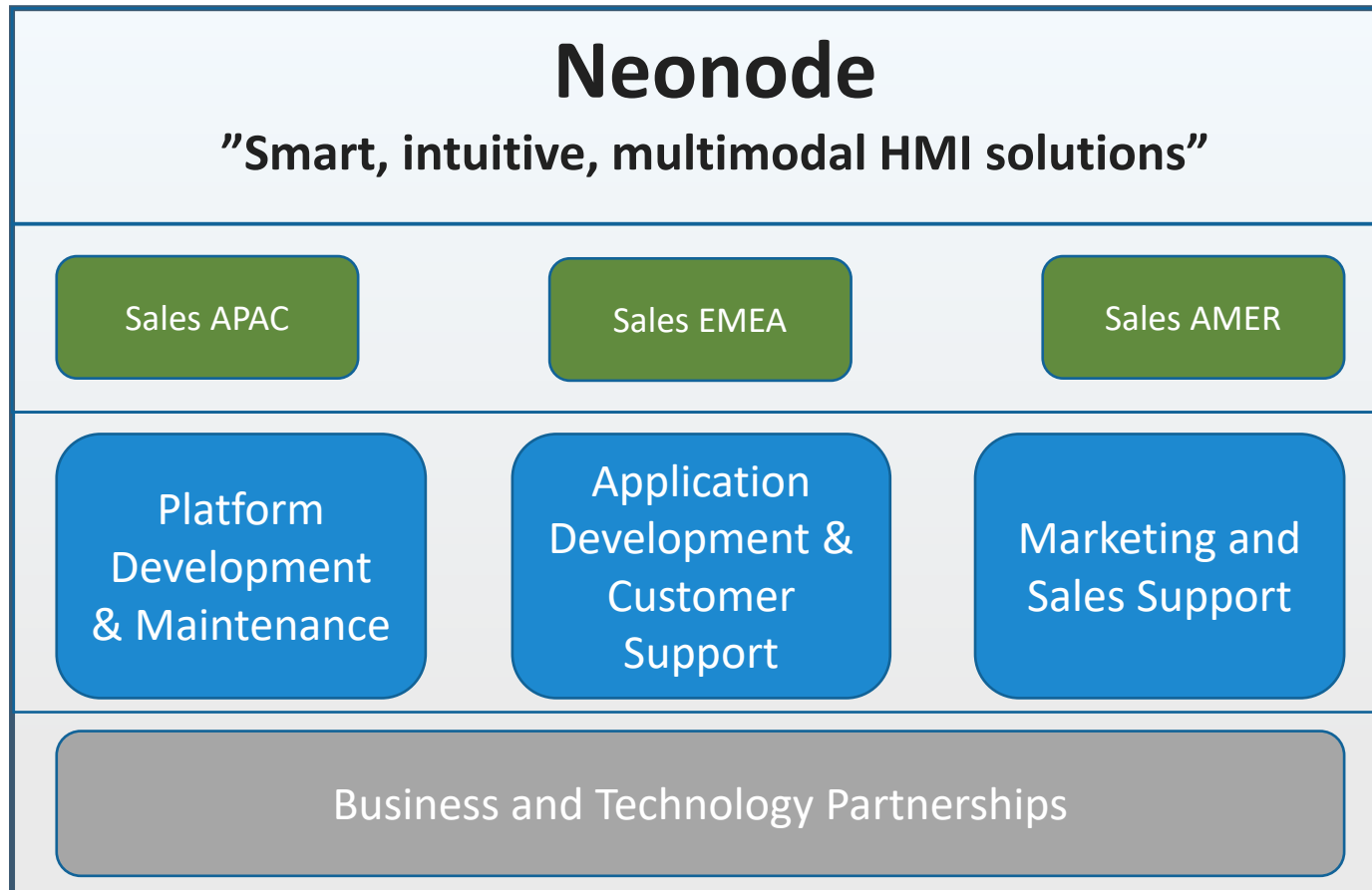
Customer Focus



Make Tomorrow Better







- We feel that we are on the right track and have momentum
- The demand for our contactless touch solutions is increasing and our product sales is ramping up
- Medium and long term we are also optimistic about our licensing business
- We have an excellent team – and continue to add talent and experience to it



Sales and Business Development Update AMER

- 20 year's sales experience in the touchscreen industry
- Career focused on new product introduction
- Channel and direct sales development experience
- Experience working with Fortune 100 companies and start-ups

Contactless touch - The new normal!

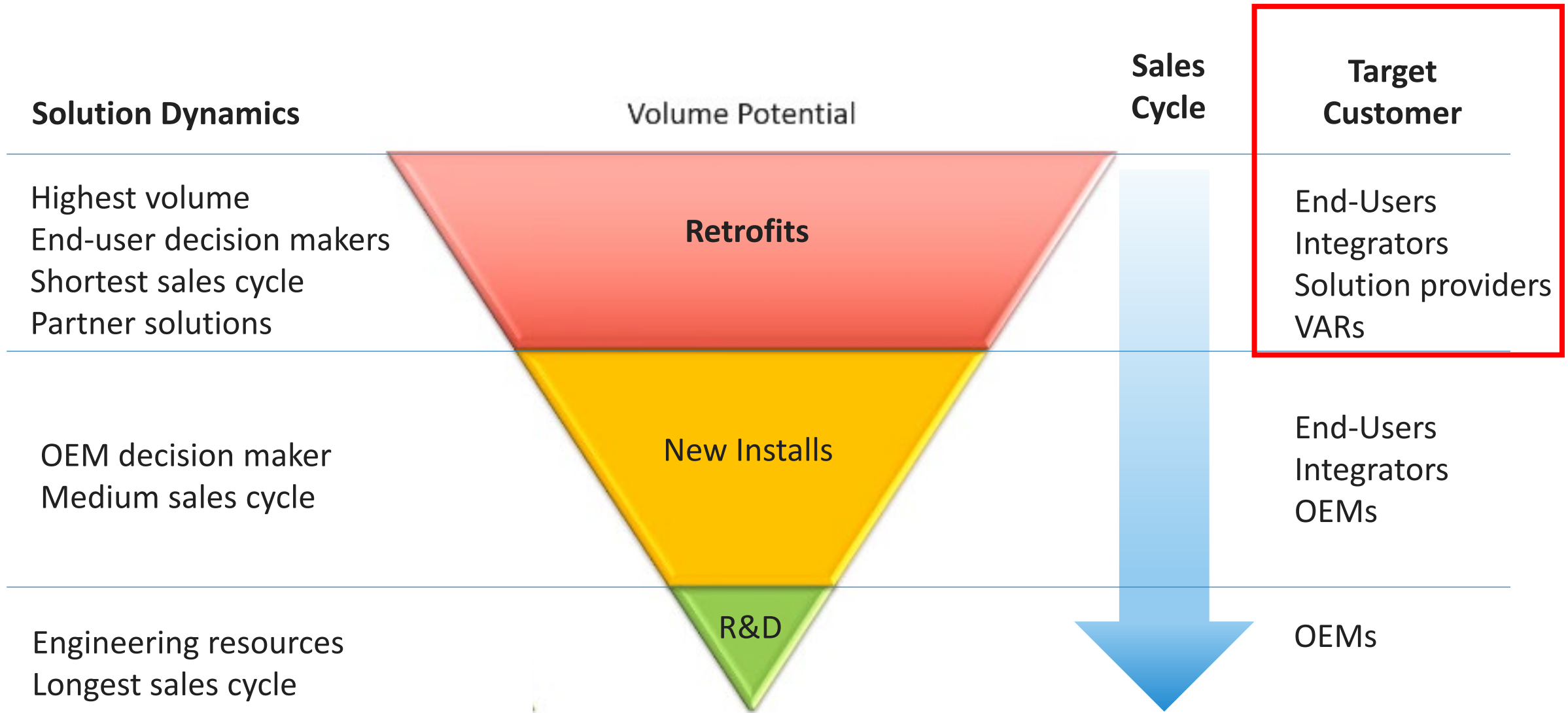
Safe, intuitive, and easy to use

- **High degree of design freedom** – holographic touch or in-air touch with multiple configurations
- **Germ-free** – preventing the spread of germs in public environments
- **Fast and simple integration** – Neonode's touch sensor module available off-the-shelf



Neonode's Technology at a Glance:

- ✓ IR-based touch and gesture sensing technology
- ✓ No need for overlays that compromises image quality
- ✓ Works with any input (fingers, pens etc.)
- ✓ High scanning frequency
- ✓ Allows for contactless operation, i.e., in-air touch and gesture control
- ✓ Suitable for both retrofit and new equipment
- ✓ Enables replacement of mechanical switches and controls





MAD Elevator

- MAD Elevator is a leading supplier of elevator fixtures and elevator car interiors
- Contactless (parallel plane) elevator control panel for existing and new elevator installations
- Powered by Neonode Touch Sensor Modules
- Marketed and sold as 'PHANTOM Touchless Sensor' in North America and beyond since 2020



Sales and Business Development Update EMEA

1. My goal is to drive succesful business in the EMEA-region within the corporate mission and vision statement: **"Smart intuitive multimodal HMI Solutions"**

- ✓ Review and update of segmentation, positioning, business models, GTM strategies etc. for EMEA
 - How can Neonode become easier to buy from? Quicker fail & scale, broader menu, different types of purchase options etc.
 - Continuously evaluate and develop our ecosystem (partners, VARs, distributors)
 - Keep analysing the Military, Industrial business plans but main focus is on the Elevators and Interactive Kiosks segments
 - Number 1 priority is top-line growth!
- ✓ Development of updated, comprehensive "Now" and "Next" execution plans for EMEA focusing on growth

2. Sell, sell, sell!



Dewhurst

- Dewhurst is a leading supplier of components to the global elevator market
- Contactless (parallel plane) elevator control panel for existing or new elevator installations
- Powered by Neonode Touch Sensor Modules
- Marketed and sold as 'HALO' in Europe and beyond from beginning of 2021



Merim Groupe

- Contactless (parallel plane) self-ordering system for quick service restaurants
- Adaptable solution ideal for retrofitting on existing kiosks
- Powered by Neonode Touch Sensor Modules
- Marketed and sold as 'AIR-CLICK' in Europe from beginning of 2021
- Currently engaged with Burger King in successful 'AIR-CLICK' trials in France



Sales and Business Development Update APAC



- Japan
 - Airport Check-in
 - Retail SCO
 - POS Terminals
- South Korea
 - Elevator COP
- Greater China
 - Elevator COP
 - Reception
 - Holographic
- South East Asia
 - Airport Check-in
 - Elevator COP



Japan Aerospace

- Contactless self-check in and self-service bag drop terminals for retrofit
- Powered by Neonode Touch Sensor Modules
- Selected by a major Asian airline to retrofit on existing kiosks at multiple airports in Asia
- Additional contactless kiosk applications are being evaluated by other airports/airlines



Japan Aerospace

- Contactless self-checkout terminals for retrofit in retail environments
- Powered by Neonode Touch Sensor Modules
- Selected by a major Japanese retail chain to retrofit on the chain's existing self-checkout kiosks
- Deployment of the solution called 'Air Click' started in 32 stores throughout Japan and will continue to be rolled out at additional locations



Finetek

- Contactless elevator control panels for retrofit and new equipment
- Powered by Neonode Touch Sensor Modules
- Selected by a major elevator OEM in South Korea to install in existing elevators. Three pilots announced
- Finetek also engaged with several other elevator companies and in parallel also marketing contactless touch solutions to kiosk manufacturers



HKPC

- Contactless (parallel plane) elevator control panels for retrofit powered by Neonode Touch Sensor Modules
- Marketed and sold as 'kNOw Touch' in Hong Kong and China
- Deployed in many locations across Hong Kong and recently launched by Jardine Schindler to promote wider adoption in overseas markets
- Winner of gold medal with congratulations of jury at 2021 Geneva International Exhibition of Inventions

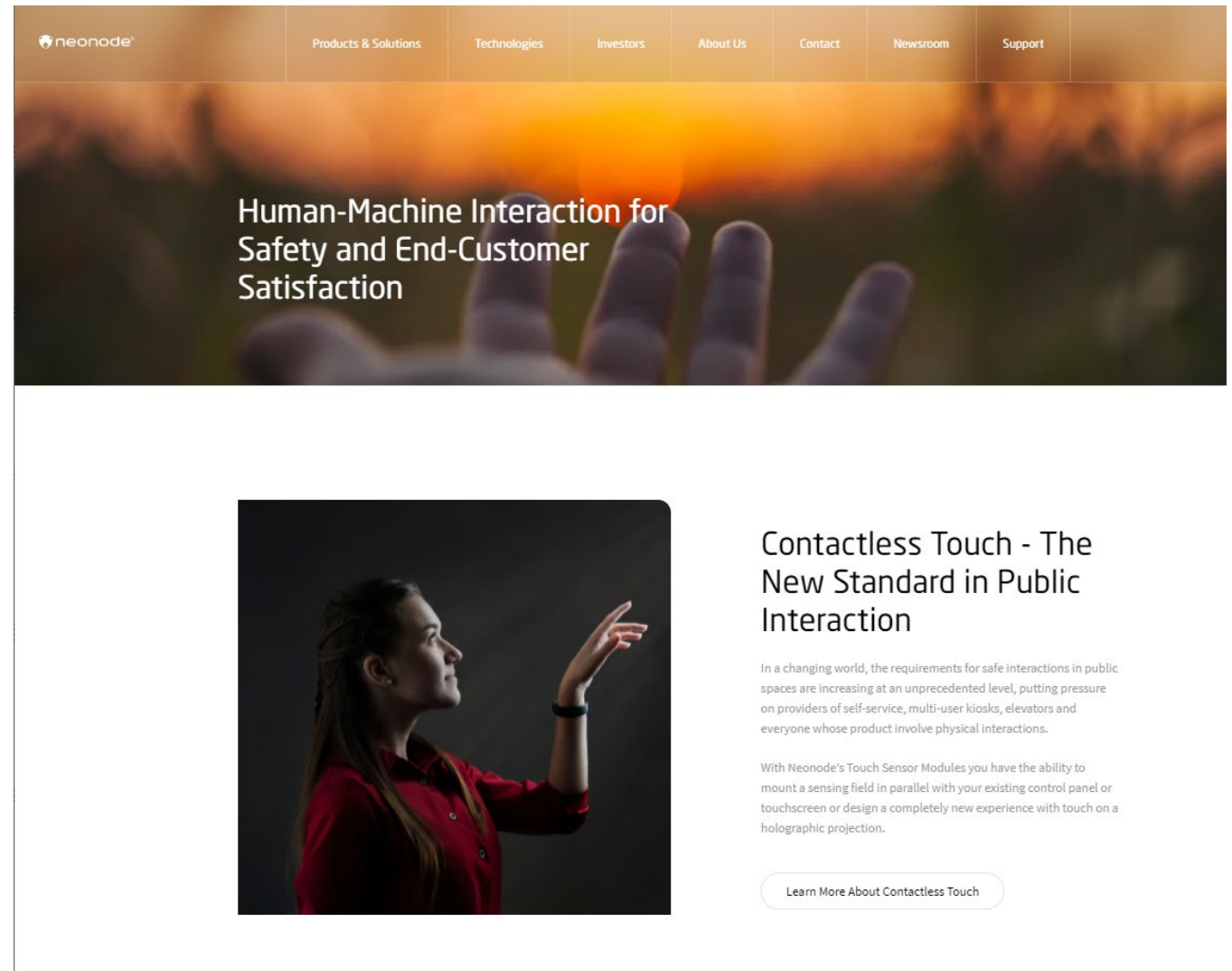


Summarizing Remarks

- We see a high and increasing demand for our contactless touch solutions and our touch sensor modules
- Our focus continues to be
 - Elevators
 - Interactive Kiosks
- We are also optimistic about our licensing business
 - Military & Avionics
 - Industrial
 - Automotive
- We are well positioned to accelerate growth and capitalize on current and future opportunities

Q & A

- Please, make sure to check in at neonode.com to experience our new website



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