

FEBRUARY 2018

FLEET, RAIL OFF-ROAD UPDATE

EXECUTIVE SUMMARY

PAUL ANGELATOS – SVP



2017 has been another great and very busy year for Seeing Machines with some outstanding achievements across the whole business – further establishing the company in our key transport sectors. The most recent of these milestones is the successful fundraise on AIM in December 2017, which saw Seeing Machines raise over A\$60m to continue the ongoing investment into our platform technology, product development and scale our global footprint to meet increased customer demand for our products and solutions. The support from existing and many new shareholders underpins the success of the business as we continue to work hard to increase market share and position our products within our chosen markets.

The Fleet team continue to work closely with distribution partners across Asia Pacific, UK, Africa, America and Europe to rapidly increase the footprint of Guardian. Direct sales continue to improve and we are now supporting over 200 clients around the world with 24/7 support and reporting. Our concentrated effort across the UK is paying off with some key business wins in the tram, bus and coach, and commercial lorry markets as operators recognise the potential safety and efficiency benefits of Guardian.

The collaboration with MiX Telematics is shaping up and evidenced by the news that we have signed our first joint end customer. The partnership is progressing well and working together, we are able to better meet the needs of our clients and help them achieve efficiencies across their business management processes. We look forward to more of the same as we move into 2018 and beyond, and leverage the genuine commitment of the MiX team, globally.

As usual, we have provided some insight into the overall progress for the business with a summary of Total Contract Value and unaudited Revenue figures for the current financial year. As you'll see, this is tracking nicely and we expect to end the year as previously forecast. The team is working closely with our customers to progress installation of units and help each company manage their time off the road as efficiently as possible.

I'm delighted to feature Coach USA in this edition of the update, demonstrating the tremendous value they see with Guardian and how that improves the safety of their drivers and passengers. Please take some time to view the testimonial video produced with Coach and hear directly from one of their drivers on how Guardian has helped her identify and manage her own fatigue and ensure she gets her passengers to their destinations safely.

The Agreement with EMD/Progress Rail was finalised in 2017 which has seen some good momentum. Working with the team at Progress Rail, we are seeing substantial interest from the global rail industry and are pleased to report that there are already some noteworthy potential clients under assessment.

Lastly, I'd like to thank our supporters for their ongoing loyalty. 2018 promises to be another exciting year for Seeing Machines and I look forward to tackling the day to day issues in order to return value to our clients and shareholders while we raise our profile around the world.

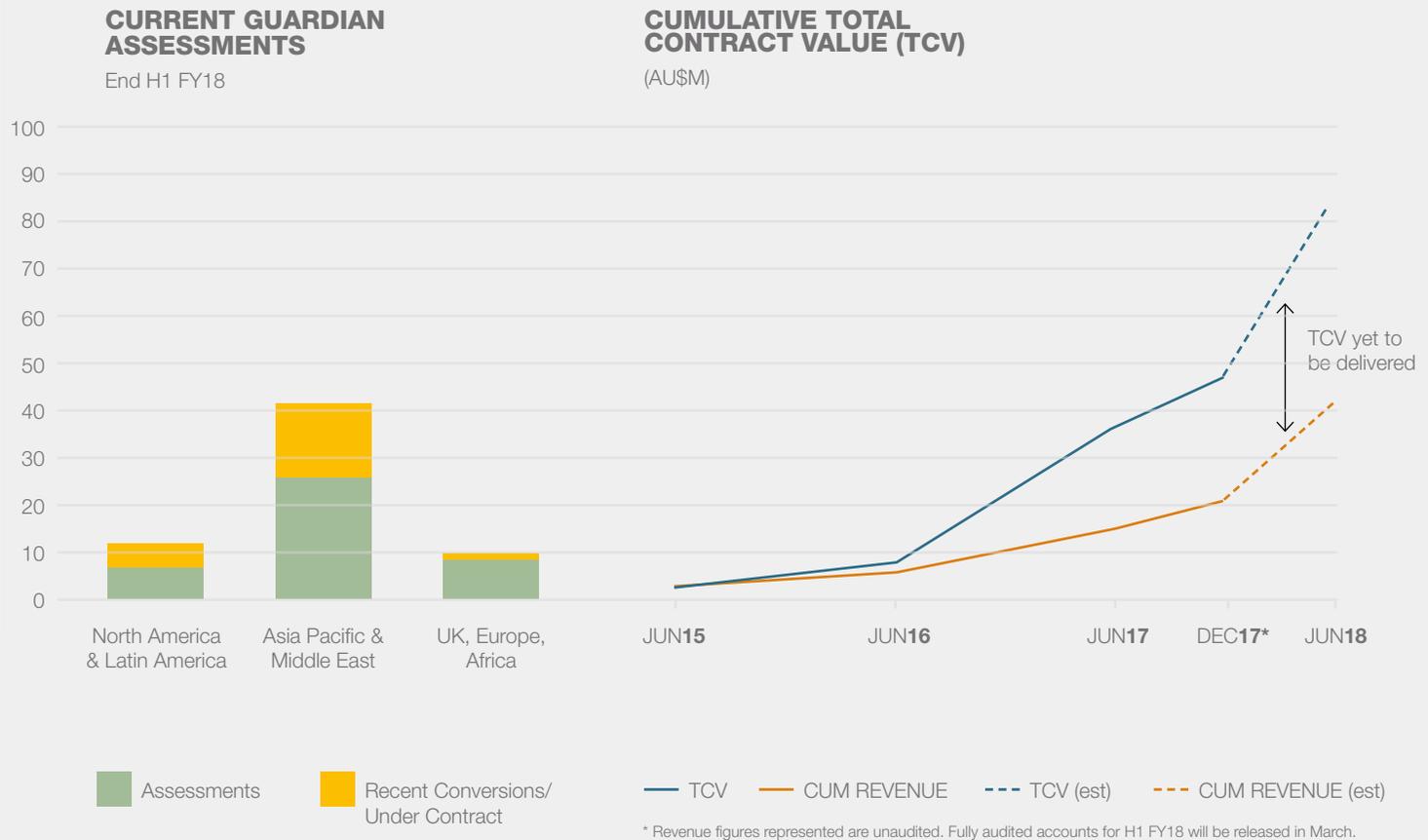
HAPPY NEW YEAR!

DASHBOARD

METRICS

THE METRICS OUTLINED HERE DEMONSTRATE THE FOLLOWING:

- Number of current assessments across each market segment indicating level of activity with potential customers.
- Total cumulative commercial value of all current contracts. As at H1FY18, more than \$36.4M of the \$56.26M TCV had yet to be recognised as revenue, with more than one third of that contract value expected to convert to revenue by the end of FY18 and the remainder over the following two financial years.



MIX & SEEING MACHINES SIGN FIRST INTEGRATED DEAL FOR A CHEVRON COMPANY

MiX Telematics and Seeing Machines are delivering their first integrated Guardian solution, with Tengizchevroil (TCO), a Chevron company based in Kazakhstan.

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TCO, which is 50% owned by Chevron, worked with MiX Telematics' channel partner, BTS Fleet, and Seeing Machines, to trial Guardian across three of their sites in Kazakhstan. The objective was to measure levels of driver fatigue and distraction across a sample of the TCO fleet, and to help alleviate those risks through intervention.

Charles Tasker, Group Chief Operation Officer MiX Telematics, said: "MiX Telematics and Chevron have a successful long-standing relationship, and we are excited to see their subsidiary trial this innovative safety solution. With the combined industry expertise from Seeing Machine and MiX Telematics, we are expecting the Guardian solution to produce positive outcomes for customers like TCO and many others."

TCO is currently installing Guardian in 400 of their trucks operating between the Tengiz and Korolev reservoirs, with a view to increasing this number to cover more of their fleet in time. In addition, the 24/7 Guardian Center will provide TCO with real-time data for immediate intervention as events are detected.

TCO has invested heavily in upgrading operational health and safety standards at the company and has closely applied Chevron's Operational Excellence approach to the way they do business in Kazakhstan, with systems that support a culture of safety and environmental stewardship and performance.



COACH USA

VIDEO TESTIMONIAL SHOWCASE

Coach USA is one of the largest transportation companies in North America operating more than 2,400 motor coaches and employing more than 5,000 people. Coach provides local and inter-city transportation services for communities throughout the US and Canada including major cities such as New York City, Chicago and Milwaukee and owns more than 25 bus carriers in North America, operating scheduled bus routes, motor coach tours, charters, and/or city sightseeing tours. Coach USA is a subsidiary of Stagecoach Group plc., which is one of the world's largest bus, coach and rail groups and is a FTSE 250 company on the London Stock Exchange.

Guardian has been central to the safety improvements at Coach over the past 12 months. Under the stewardship of Jason Louis, VP of Safety, the drivers of Coach are being educated on how Guardian improves their safety, as well as the safety of their passengers and the fleet roll-out continues across North America. Currently, Coach has over 200 of their fleet fitted with Guardian, all with 24/7 Guardian Center support and monitoring.

Recently, we put together a short video to showcase how a Coach driver has managed to adapt to Guardian as well as the view from the management of Coach on why Guardian was such an important decision for the company. This video will be used internally at Coach to continue education, as well as a powerful business tool for Coach where they can easily communicate the benefits of Guardian to existing and prospective customers, ensuring the precious cargo they carry day in and day out, is protected.

[CLICK HERE TO VIEW THE VIDEO](#)



Michael Taylor

TFL BUS SAFETY INNOVATION FUND – RATP TEAMS UP WITH SEEING MACHINES



In November 2017, Transport for London (TfL) awarded a £500,000 fund to six bus operators to develop new ideas that would improve safety across London's bus network.

RATP Dev London (RATP) teamed up with Seeing Machines to promote the idea of trialling Guardian across their fleet in an effort to manage and improve driver fatigue and distraction. RATP employs well over 3,000 people, maintains a fleet of close to 1,200 buses and is responsible for 70 bus routes across the London network.

Recognising that driver fatigue and distraction is a big problem in the transport industry, RATP believe that Guardian will help them identify volume and duration of fatigue and distraction events – something that they are currently unable to quantify but are aware presents a major hazard to the safety of drivers and their passengers, not to mention other road users. While the trial will help them understand the issues in more detail, with help from Seeing Machines and Guardian, RATP will be able to tackle the issue with training, shift pattern review and education. The real-time in cabin alerts will also provide major benefit to the process by preventing incidents before they occur.

The joint proposal was approved by TfL and RATP and Seeing Machines have been awarded £90,000 to test Guardian across 74 vehicles covering 2 of their 70 bus routes over 3 months. This funding will cover training of RATP engineers, unit costs, shipping and installation of Guardian into each vehicle as well as 24/7 monitoring fees. In addition to this, Seeing Machines Chief Scientific Officer – Human Factors, Dr Mike Lenné, will consult to the project to oversee data collection and analysis which will ensure that the outcomes are closely associated with TfL objectives and apply directly to the London bus network.

PROGRESS WITH RAIL...



Progress Rail, with Seeing Machines, is in the process of developing a meaningful market for the Driver Safety System across its worldwide segments and has been collecting data globally since January 2016 from North America where they have seen extremely positive initial results with work done so far.



With over 300,000 miles travelled using the Driver Safety System and over 62,000 hours of operation the following data has been collected and is being used to develop a system that will closely meet the needs of the global rail market in terms of fatigue and distraction management for drivers and operators:

- 3,243 verified fatigue events
- More than 10,000 verified distraction events

Beyond North America, the business development effort will concentrate on expanding the customer assessments into international markets, namely Australia, while examining opportunities in Europe and Asia.

“Progress Rail is excited to collaborate with Seeing Machines, a world class technology leader, to deliver fatigue and distraction technology to the rail market,” says Joe Dougherty, Vice President of Progress Rail’s International and Aftermarket Parts team. “We’ve known for quite some time that this technology can significantly change the way the rail industry approaches train operator safety. In fact, in our first few months of field trials, we’ve been able to show real life results in how the system provides our global rail customers the ability to track, measure and manage the risk of both fatigue and distractions for the first time in history.”

Progress Rail says it is optimistic about the continued growth of this technology platform, as it can build upon the company’s existing innovation portfolio. Today, Progress Rail provides customers with a customizable toolkit of safety related technology enhancements for their rail fleets. In addition to fatigue monitoring, the company addresses fleet health and condition monitoring through its Uptime Suite of products, helps to ensure fleets return home safely with new Guardian End-of-Train devices, track potential incidents with PowerView event recorders and broadened Positive Train Control (PTC) technology through its signal offerings.

OUT AND ABOUT WITH KIATTANA



KGP Co, a subsidiary company of Kiattana, was launched to provide a safety system and solution for drivers and is an authorised importer and distributor for Seeing Machines' Guardian System in Thailand.

KGP have made great strides in their chosen market and continue to promote the benefits of Guardian across the country. Here are some snaps from recent events:

Mek Monsereenusorn, Managing Director of Kiattana, demonstrates Guardian to Mr Arkom Termpittayapaisith – Thailand Minister of Transport – at a Road Safety Event in Bangkok over the new year holiday period.



As Kiattana announces their collaboration to install 20 units into public buses in Thailand, they showcase Guardian to Commander of the Highway Police Division in Thailand, Pol.Maj.Gen Chut Sookaewnarong.



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UPDATE**

GUARDIAN

Seeing Machines strives to provide informative and regular communication to investors. We trust you find the information in this investor update useful. We encourage you to contact us if you have any questions regarding this update.

THANK YOU

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