

Seeing Machines Limited

14 November 2018

2018 AGM Statement

Seeing Machines Limited (AIM: SEE, “Seeing Machines” or the “Group”), the advanced computer vision technology company that designs AI-powered operator monitoring systems to improve transport safety, announces that at its Annual General Meeting held earlier today at headquarters, the Group's Chairman Jack Boyer OBE gave a presentation on 2018 highlights and achievements.

In his address to the meeting, Mr Boyer said:

Before moving to the procedural part of the meeting, I'd like to say a few words about our last year. I am very pleased to be taking over as Chairman of the Board and I look forward to the challenges and opportunities that lay ahead for Seeing Machines.

The past 12 months have been the most exciting and pivotal periods for Seeing Machines since the business was founded. We have witnessed remarkable industry momentum across automotive and other transport sectors as automation and safety take centre stage, catapulting issues like driver attention state into the spotlight.

Seeing Machines occupies a central role as a provider of critical safety technology and we remain focused on fully leveraging the significant opportunity these industry and environmental developments bring in order to enhance value for our customers and our shareholders.

Seeing Machines' market position as a leader in camera-based driver monitoring technology has now been validated by five program awards with the world's leading automotive OEMs. These are being delivered in close collaboration with multiple Tier 1 customers with whom we continue to develop strategic and long-lasting relationships.

The world's first Level 2 automated vehicle is now on sale in North America with the launch of General Motors' Cadillac CT6. This car, featuring Super Cruise, represented the production debut for the Seeing Machines' FOVIO driver monitoring system, and it continues to be assessed as the most reliable semi-automated system on the market to date.

Seeing Machines has continued to invest heavily in core intellectual property, ongoing R&D and validation, as well as attracting the world's best engineering talent to meet the increasing demand for technology advancement across our transport sectors.

A major breakthrough for Seeing Machines' technology was the introduction of the FOVIO Chip, secured on two recent automotive OEM program awards, one in North America and one in China.

The ability to deliver the DMS technology via the FOVIO Chip, manufactured by a semi-conductor specialist, considerably broadens the addressable market for Seeing Machines, particularly given the tight timeframes in which car makers are implementing semi-automated driving technology and incorporating DMS to enhance safety and begin preparation for global regulatory guidance.

The over-the-air upgradable FOVIO Chip will also be leveraged to provide the Seeing Machines DMS platform across multiple transport sectors and represents an efficient way to deliver additional performance capability to grow average revenue per vehicle as automotive OEMs and Tier 1 partners work with our engineers to develop and advance in-vehicle signals to complement and enhance ADAS performance by allowing vehicles to understand real-time driver performance and behaviour.

Transport safety has become a major global issue. The regulatory landscape is evolving rapidly as governments and safety regulators seek effective ways to mitigate the effects of mobile phone distraction, fatigue and to integrate safety into driverless, semi-automated and self-driving passenger vehicles.



In May 2018, the European Commission safety agenda recognised the importance of driver monitoring technology and recommended the inclusion of DMS in all on-road vehicles. This development represents a further step forward in the regulatory landscape, following the Euro NCAP Roadmap 2025, which identified DMS as a primary safety feature, required by 2020 for any new on-road vehicle to achieve a full safety rating.

Further to this, in North America, the National Transport Safety Board has issued preliminary recommendations for the mandatory introduction of camera based DMS following a series of near-misses, accidents and fatalities associated with autonomous vehicles on our public roads. Seeing Machines is very well placed to leverage these developments and is working closely with each sector to deliver safe, leading-edge technology and to mitigate the risks outlined by these bodies.

The Fleet business will continue to grow steadily but having closely examined the increased cost base for Guardian, we have made some difficult decisions which will, in time, align this business model with the broader automotive direction of Seeing Machines and focus on what we know best, AI, software and service.

The case remains compelling for a retrofit commercial fleet product to keep drivers of commercial vehicles, their passengers and communities safe. Seeing Machines is working closely with distribution partners to continue to provide this unique offering and with over 11,000 units connected globally, our 24/7 monitoring service remains a profitable and integral part of the business.

Further to this, 24/7 monitoring service continues to provide the Group with an unrivalled quantity and quality of real-world on-road driving data, which compiled to date represents over 1.3 billion kilometres of data with 10,000 vehicles currently connected. Access to this data, and the understanding of naturalistic driver behaviour that it provides, is a major source of competitive advantage and drives the continuous improvement of the Group's core head, face and eye tracking, interpreting and identification technologies.

The Aviation business is developing pioneering solutions to provide training and monitoring solutions for the industry's OEMs, airlines, simulator manufacturers and console operators and I'm excited to see such significant progress which will soon be affirmed with commercial engagements. Growing global pilot shortage, coupled with the projected increase in air traffic has propelled the aviation proposition and seen Seeing Machines work closely with the world's biggest aviation industry brands.

Improved performance of the global mining industry was positive for our major customer Caterpillar's off-road business. With the addition of significant new customers in South East Asia, Russia, The Americas and Africa this business is positioned for growth moving forward. Confirmed by the successful roll out of our first public transport bus and tram programs, we also look forward to increased progress in the rail and passenger transport business.

We have now established a clear strategy for the Group that will see the entire business transition to a pure OEM and Tier 1 supplier, offering value added services to deliver safety solutions to customers in automotive, fleet, rail, mining and aviation.

We look forward to addressing the considerable market opportunities in all our businesses in 2019 and will continue to invest in engineering and sales resources to support all these activities.

The full presentation is available at the Group's website: <https://www.seeingmachines.com.au/investors>

Enquiries:

Seeing Machines Limited www.seeingmachines.com

+61 2 6103 4700

Ken Kroeger, CEO

Sophie Nicoll - VP, Marketing & Communications

Cenkos Securities plc (Nominated Adviser and Joint Broker)

+44 131 220 6939

Neil McDonald/Beth McKiernan/Pete Lynch



Canaccord Genuity Limited (Joint Broker)

+44 20 7523 8000

Simon Bridges/Richard Andrews

Instinctif Partners

+44 20 7427 1412

Adrian Duffield/Kay Larsen/Chantal Woolcock

About Seeing Machines - www.seeingmachines.com

Seeing Machines (LSE: SEE), a global company headquartered in Australia, is an industry leader in computer vision technologies which enable machines to see, understand and assist people. The Company's machine learning vision platform has the know-how to deliver real-time identification and understanding of drivers through Artificial Intelligence (AI) analysis of heads, faces and eyes. This insight enables Driver Monitoring Systems (DMS), which monitor driver/operator identification and attention and can detect drowsiness and distraction across multiple transport sectors.

Seeing Machines develops DMS for the Automotive, Commercial Fleet, Aviation, Rail and Off-Road markets. The Company has offices in Australia, USA, Europe and Asia, and delivers multi-platform solutions to industry leaders in each vertical.

DMS is becoming a core safety technology integrated into ADAS offerings for the automotive industry, particularly with the development of semi-autonomous and self-driving cars. DMS is also increasingly seen to be an integral safety feature across the Commercial Transport & Logistics industry globally.