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THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION AS DEFINED IN ARTICLE 7 OF THE MARKET ABUSE REGULATION NO. 596/2014 ("MAR"). UPON THE PUBLICATION OF THIS ANNOUNCEMENT, THIS INSIDE INFORMATION IS NOW CONSIDERED TO BE IN THE PUBLIC DOMAIN.

20 March 2019

#### Seeing Machines Limited

#### Conditional Placing and Subscriptions to raise £27.5 million (approx. AUD\$51.3 million)

#### Proposed Offer of new Ordinary Shares to Qualifying Participants to raise up to £6.8 million (approx. AUD\$12.7 million)

Seeing Machines Limited (AIM: SEE) ("**Seeing Machines**" or the "**Company**"), the advanced computer vision technology Group that designs AI-powered operator monitoring systems to improve transport safety, is pleased to announce that it has conditionally raised gross proceeds of £27.5 million (approximately AUD\$51.3 million) by way of a conditional placing of, and subscription for, a total of 916,666,667 ordinary shares of no par value in the Company (or, where the context requires, Depositary Interests) ("**Ordinary Shares**") at a price of three (3) pence each (the "**Placing Price**").

A total of 780,666,667 new Ordinary Shares will be issued in connection with the Placing (the "**Placing Shares**"). Cenkos Securities plc ("**Cenkos**") and Canaccord Genuity Limited ("**Canaccord Genuity**") acted as joint bookrunners to the Company on the Placing (together the "**Bookrunners**").

The Company has also entered into subscription agreements with its largest shareholder and strategic investor, V S International Venture Pte. Ltd ("**V S International**") and two of its directors (Gan Chu Cheng and Gan Sem Yam) (together, the "**VSI Directors**") pursuant to which those parties have subscribed directly with the Company to conditionally purchase 121,000,000, 10,000,000 and 5,000,000 Ordinary Shares in the Company respectively (together, the "**Subscription Shares**") at the Placing Price (the "**VSI Subscriptions**").

As V S International is a substantial shareholder of the Company, both it and the VSI Directors are related parties for the purposes of the AIM Rules for Companies. The independent directors (being all of the Directors, excluding Yong Kang Ng) consider, having consulted with the Company's nominated adviser, Cenkos, that the terms of the VSI Subscriptions are fair and reasonable insofar as the Company's shareholders are concerned.

Certain Directors and members of the Company's senior management team have also indicated that they intend to make a subscription directly with Seeing Machines for new Ordinary Shares at the Placing Price. A further announcement will be made in due course once such subscription has been made.

### **Offer to Qualifying Participants**

In addition, the Company confirms that it will provide an opportunity for certain existing shareholders to subscribe for up to 226,666,667 new Ordinary Shares (the "**Offer Shares**") at the Placing Price which, if fully-taken up, will raise up to a further £6.8 million (approximately AUD\$12.7 million) (the "**Offer**").

The circular to shareholders pursuant to which the Company will make the Offer to Qualifying Participants (as defined below) (the "**Offer Circular**") and which will set out its detailed terms and timetable, will be posted shortly together with an accompanying form of application and Notice of General Meeting. A copy of the Offer Circular will also be made available on the Company's website [www.seeingmachines.com/investors](http://www.seeingmachines.com/investors).

Assuming the maximum number of Offer Shares are issued, when combined with the Placing Shares and Subscription Shares, the total number of new Ordinary Shares issued through the transactions would represent approximately 50 per cent. of Seeing Machines' existing outstanding issued share capital.

### **Use of Proceeds**

The net proceeds of the Placing and the VSI Subscriptions will be used to develop the Group's core platform technology and associated increase in headcount including R&D and applied human factors, support the scaling up of capabilities in the Automotive division and continue the ongoing design development of existing and next generation products for deployment across Fleet, Aviation and Off-Road (Mining and Rail).

Specifically, the Company intends to use the net proceeds of the Placing and the VSI Subscriptions as outlined below:

- **Core platform**
  - Continue the Group's investment in its core platform technology development, increasing R&D and engineering headcount to support all transport sectors, and applied human factors research and technology validation;
- **Automotive business pursuit**
  - Scale up the Group's business development and marketing capabilities in the Automotive division in order to support the Group's near- and medium-term program requirements alongside the targeting of new program awards and the generation of reusable platform value;
- **Emerging markets support**
  - Continue design development of existing and next-generation Fleet, Aviation, Off-Road (Mining and Rail) products alongside refinement of distribution sales channels and partner integration; and
- **Working capital**
  - Support the working capital requirements of the Group.

As at 31<sup>st</sup> December 2018, the Group held cash balances of approximately AUD\$27 million. These funds, together with the net proceeds of the Placing and the VSI Subscriptions, are currently expected to finance

Seeing Machines until the second half of 2020 and will be further supplemented by the net proceeds of the Offer (if any), providing the Company with additional working capital beyond this date.

## **Current Trading and Outlook**

Earlier today, Seeing Machines announced its interim results for the six months to 31<sup>st</sup> December 2018 in which the Board re-iterated its expectations for FY2019 revenue to be approximately in line with FY2018.

The Group's award-winning technology has seen strong validation to date, with Seeing Machines currently engaged with six global Automotive OEMs (two premium German OEMs, three North American OEMs and one Chinese OEM), in addition to having a strong and building pipeline of future RFQs, which is outlined in more detail in the below paragraphs.

Whilst the complexities of this fast-developing market and the influence of the OEMs in determining the timings of future contract awards, engineering or milestone payments and the commencement of volume production runs make forecasting beyond the Company's current financial year difficult, the Group's current booked revenue from existing OEM programs and its market-leading position lead it to forecast profitability break-even in the first half of 2023 (calendar year). The Board remains excited by the significant large scale and mass market opportunities for its technology and expects to provide guidance on FY20 forecasts at its 2019 full year results.

### *Automotive*

The Company announced its sixth Automotive OEM design win on 19<sup>th</sup> February 2019, taking the total projected value of contracted revenue from existing awards to approximately AUD\$144 million between 2019 and 2026, with the majority of that revenue expected to be recognised between 2021 and 2024. The six Automotive programs are on track and are at varying stages of development. The Group also continues to respond to RFQs across a range of vehicle classes in North America, Europe and Asia and is currently actively engaged in five submitted proposals, representing approximately AUD\$134 million of potential revenue to the Group. In addition, a further eight RFQs are anticipated for release in the 2019 calendar year, with an estimated potential revenue value of approximately AUD\$245 million over the lifetime of these programs. Approximately one third of these expected opportunities represent OEM programs currently awarded to Seeing Machines, expanding to additional vehicle model programs.

The global demand for camera-based driver monitoring systems ("**DMS**") is set for continued growth as it becomes part of safety and regulatory agendas across Europe and North America, a trend evidenced most recently by the European Parliament's Internal Market Committee recommending that "driver drowsiness and attention warning" and "advanced driver distraction warning" be made mandatory in all vehicles (cars, vans, trucks and buses). Industry commentators\* anticipate that, of all light vehicles produced globally in 2025 and beyond, more than 60 per cent. (an estimated 69 million vehicles per annum) will include DMS.

With a strong pipeline of opportunities, collaboration agreements in place with multiple Tier 1 customers and advanced discussions with existing OEMs ongoing in respect of additional vehicle models, the Board is confident in Seeing Machines' ability to leverage its existing leadership position within the global DMS market, the quality of its technology and the limited competition from other technology suppliers in achieving at least a 25 per cent. share of this significant global addressable market by 2025.

Automotive program revenues are typically comprised of an engineering services fee, payable in stages during the development phase, and a per vehicle royalty payment, payable in arrears as Tier 1 hardware solution is shipped to the relevant OEM. The exact timing of award, quantum of payment and the commencement of volume production under any new program is determined by the OEMs and the structure of program

revenues, varies according to the nature of the solution provided by Seeing Machines. Together, these factors lead to a degree of uncertainty in forecasting revenues from the Automotive division beyond the current financial year, as this nascent market becomes closer to mass market production.

(\* Source: Semicast Research)

### *Fleet*

In the Fleet division, the Group's revised approach to sales, marketing and supply chain is currently being implemented and is already delivering encouraging results, supporting the Board's view that this business remains compelling. As part of this process, Seeing Machines is actively reviewing commercial terms in order to increase wholesale pricing to channel, reduce the cost base and accelerate installation rates and, as a consequence, the annuity-style recurring revenues associated with the Group's monitoring services, which underpins the Fleet business.

The Group's longer-term focus in the Fleet division remains on simplifying the hardware and reducing the manufacturing cost of the Guardian Generation 2 product, adapting the supply chain to optimize hardware design, manufacturing and distribution and reprioritising services to drive sales and retention through an improved user experience, driven by 'voice of customer'.

As at 31<sup>st</sup> January 2019, approximately 13,000 Guardian units were installed and connected with customers. By June 2020, Seeing Machines expects to have approximately 27,000 units installed and connected, doubling the number of units active which is expected to deliver significant operational leverage during the period. Reducing the direct cost per unit also remains a key focus for the Group and by achieving key economies of scale and manufacturing cost savings, Seeing Machines currently expects it will be able to halve the current per unit direct cost to approximately AUD\$6 per month by June 2020.

### *Off-Road*

As previously announced, Seeing Machines continues to grow its long-standing strategic partnership with Caterpillar and Progress Rail in the Mining and Rail sectors, respectively. The Group remains in discussions regarding the potential consolidation of its existing contractual arrangements, which will simplify product offering and allow Seeing Machines to provide focused sales and marketing technical support to this established key partner.

It is the Board's intention that, in the longer term, any consolidated agreement will provide next generation ruggedized hardware for Rail and Mining operators and Caterpillar-specific semi-rugged truck technology and will also allow Seeing Machines to further expand its Guardian installed base across additional fields of use beyond global rail and mining markets.

### *Aviation*

The existing commercial agreements with customers including the Royal Australian Air Force and L3 Training Solutions (working with a major Australian airline) continue to progress well and in line with the Board's expectations. Product research and development work continues with additional major airlines, including Emirates and FedEx Express, whilst the Group is also working closely with national air traffic management organisations. The Group remains excited by the compelling market potential.

### **Ken Kroeger, CEO of Seeing Machines, commented:**

*"Momentum towards the mandatory implementation of driver monitoring systems in new models of vehicles has continued to gather pace over the past 12 months. We are very well placed to deliver our market leading*

and award-winning technology, to address significant and growing demand from the global automotive industry.

*"The proceeds from this fundraise will enable us to further develop and build on our leading market position within the driver monitoring technology market, whilst funding the Group to deliver on its substantial pipeline of existing and anticipated OEM programs. We believe DMS will continue to become a more integral part of global transport safety standards, as demand for it is driven by the end customers, OEMs and industry legislation.*

*"We are delighted with the ongoing support of our largest shareholder (VS International) as well as the participation in the Placing from our other institutional shareholders."*

**Enquiries:**

**Seeing Machines Limited** [www.seeingmachines.com](http://www.seeingmachines.com) **+61 2 6103 4700**

Ken Kroeger, CEO

Luke Oxenham, CFO

Sophie Nicoll - VP, Marketing & Communications

**Cenkos Securities plc (Nominated Adviser, Joint Broker and Joint Bookrunner)** **+44 131 220 6939**

Neil McDonald

Beth McKiernan

Pete Lynch

**Canaccord Genuity Limited (Joint Broker and Joint Bookrunner)** **+44 20 7523 8000**

Simon Bridges

Richard Andrews

Sam Lucas and Ben Griffiths – ECM

**Instinctif Partners** **+44 20 7427 1412**

Adrian Duffield

Kay Larsen

Chantal Woolcock

**About Seeing Machines**

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

Seeing Machines develops DMS for the Automotive, Commercial Fleet, Aviation, Rail and Off-Road markets. The Group has offices in Australia, USA, Europe and Asia, and delivers multi-platform solutions ranging from embedded software and processors to aftermarket system and service solutions to industry leaders in each vertical.

DMS is now considered a core safety technology 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.

## Next Steps

Shareholders are required to approve the proposed issuance of the Placing Shares and the Subscription Shares at the General Meeting. Whilst shareholder approval is not required for the issue of the Offer Shares, the Offer will be conditional upon approval of the issue of the Placing Shares and Subscription Shares and, accordingly, will not go ahead if those resolutions are not approved.

The General Meeting is expected to be held at 11.00 a.m. (AEDT) on 23 April 2019 for the purpose of approving the issuance of the Placing Shares and the Subscription Shares.

Application will be made to the London Stock Exchange for the Placing Shares, the Subscription Shares and the Offer Shares to be admitted to trading on AIM (“**Admission**”). It is currently expected that Admission will become effective, and that dealings in the Placing Shares, the Subscription Shares and the Offer Shares will commence on AIM, at 8.00 a.m. on 24 April 2019.

As at 19 March 2019, the Company had 2,287,825,900 Ordinary Shares in issue with no shares held in treasury. Subject to shareholder approval at the General Meeting for the issue of the 916,666,667 new Ordinary Shares in relation to the Placing and the VSI Subscriptions, and assuming the Offer is fully taken up and no Ordinary Shares are issued between the date of this announcement and the General Meeting, the total issued share capital of the Company will be 3,431,159,234 Ordinary Shares immediately following Admission.

Subject to further notifications from the Company, this figure of 3,431,159,234 may be used by shareholders as the denominator for the calculations by which they will determine whether they are required to notify their interest in, or a change to their interest in Seeing Machines once the Placing Shares, the Subscription Shares and the Offer Shares are admitted to trading on 24 April 2019.

The expected timetable relating to the Placing, VSI Subscriptions and the Offer is set out below.

<b>Event</b>	<b>Date</b>
Record Date for the Offer	6.00 p.m. (GMT) on 19 March 2019
Posting of the Offer Circular, the Notice of General Meeting and Application Form	25 March 2019
Latest time and date for receipt of completed Application Forms	11.00 a.m. on 17 April 2019
General Meeting	11.00 a.m. (AEDT) on 23 April 2019
The results of the Offer announced by way of a Regulatory Information Service	23 April 2019
Admission of and commencement of dealings on AIM of the Placing Shares, Subscription Shares & Offer Shares	8.00 a.m. (GMT) on 24 April 2019
CREST accounts expected to be credited for DIs in respect of the Offer Shares	24 April 2019

### Notes

Each of the times and dates in the above timetable, and shown elsewhere in this Announcement, are indicative only and if any of the details contained in the timetable above should change, the revised times and dates will be notified to shareholders by means of an announcement through a Regulatory Information Service.

## Details of the Placing

Pursuant to the placing agreement entered into between the Bookrunners and the Company today (the "**Placing Agreement**"), the Bookrunners have conditionally agreed, as agents of the Company, to use their reasonable endeavours to procure subscribers for the Placing Shares at the Placing Price. The Placing is conditional upon, inter alia, (i) Admission becoming effective on or before 8.00 a.m. (London time) on 24 April 2019 (or such later date as may be agreed between the Bookrunners and Company, but in any event no later than 8.00 a.m. (London time) on 5 May 2019), (ii) the GM Resolutions having been passed, and (iii) the Placing Agreement having not been terminated prior to Admission. The Placing Shares will rank equally in all respects with the existing Ordinary Shares. The Placing is not being underwritten by the Bookrunners.

**This Announcement should be read in its entirety. In particular, your attention is drawn to the detailed terms and conditions of the Placing and further information relating to the Placing described in Appendix I to this Announcement (which forms part of this Announcement).**

By participating in the Placing and by making an oral and legally binding offer to acquire Placing Shares, investors are deemed to have read and understood this Announcement in its entirety (including the Appendices), and to be making such offer on the terms and subject to the conditions of the Placing contained herein, and to be providing the representations, warranties and acknowledgements contained in Appendix I.

### **Shareholder Approval - Notice of General Meeting**

Under the Company's Constitution the Directors may issue new shares up to a cap of 15 per cent. of the Group's issued share capital in any twelve-month period (with certain exceptions). The total number of new Ordinary Shares to be issued pursuant to the Placing and the VSI Subscriptions is expected to exceed this 15 per cent. cap, and accordingly shareholder approval will be required for the Directors to issue the Placing Shares and the Subscription Shares.

A notice of meeting is expected to be sent to Shareholders on 25 March 2019. A further announcement will be made in due course.

### **Details of the Offer**

The Company also proposes to provide an opportunity to Qualifying Participants to raise up to a further £6.8 million (approximately AUD\$12.7 million) at the Placing Price pursuant to the Offer.

Shareholders, with registered addresses in the United Kingdom, Ireland and the Isle of Man, entered on the register at 6.00 p.m. (London time) on 19 March 2019 (the "**Record Date**") will be entitled to participate in the Offer. Such Qualifying Participants will be able to apply for new Ordinary Shares at the Placing Price but, if the aggregate applications under the Offer exceed £6.8 million, Shareholders' allocations will be scaled back at the Directors' discretion. The Directors also reserve the right to issue the new Ordinary Shares to third parties in the event of a shortfall.

The Offer will be made pursuant to a separate circular, which will include the detailed terms and conditions of the Offer, an application form and an expected timetable. It is expected that the Offer Circular will be sent to all Qualifying Participants on 25 March 2019, at which point a further announcement will be made and the documents will also be made available at [www.seeingmachines.com](http://www.seeingmachines.com). The Offer will not be underwritten and the entitlement to participate in the Offer cannot be sold or otherwise transferred. The Offer will be subject, inter alia, to Shareholders approving the Placing and the VSI Subscriptions, and to the new Ordinary Shares to be issued under the Offer being admitted to trading on AIM. Qualifying Participants should consider the circular in deciding whether to subscribe for the shares being offered to them and will need to complete the application form that accompanies that document.

## **Forward-looking statements**

This Announcement may include certain "forward-looking statements" and "forward-looking information" under applicable securities laws. Except for statements of historical fact, certain information contained herein constitutes forward-looking statements. Forward-looking statements are frequently characterised by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate", and other similar words, or statements that certain events or conditions "may" or "will" occur. Forward looking statements are based on the opinions and estimates of management at the date the statements are made, and are based on a number of assumptions and subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. Assumptions upon which such forward-looking statements are based include that all required third party regulatory and governmental approvals will be obtained. Many of these assumptions are based on factors and events that are not within the control of the Company and there is no assurance they will prove to be correct. Factors that could cause actual results to vary materially from results anticipated by such forward-looking statements include changes in market conditions and other risk factors discussed or referred to in this announcement and other documents filed with the applicable securities regulatory authorities. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward looking statements, there may be other factors that cause actions, events or results not to be anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. The Company undertakes no obligation to update forward looking statements if circumstances or management's estimates or opinions should change except as required by applicable securities laws. The reader is cautioned not to place undue reliance on forward-looking statements.

**Cenkos and Canaccord Genuity are authorised and regulated by the Financial Conduct Authority (the "FCA") in the United Kingdom and are acting exclusively for the Company and no one else in connection with the Placing, and Cenkos and Canaccord Genuity will not be responsible to any party (including any Placees) other than the Company for providing the protections afforded to its clients or for providing advice in relation to the Placing or any other matters referred to in this Announcement.**

**No representation or warranty, express or implied, is or will be made as to, or in relation to, and no responsibility or liability is or will be accepted by the Bookrunners or by any of their respective affiliates or agents as to, or in relation to, the accuracy or completeness of this Announcement or any other written or oral information made available to or publicly available to any interested party or its advisers, and any liability therefor is expressly disclaimed.**

**No statement in this Announcement is intended to be a profit forecast or estimate, and no statement in this Announcement should be interpreted to mean that earnings per share of the Company for the current or future financial years would necessarily match or exceed the historical published earnings per share of the Company.**

**The price of shares and any income expected from them may go down as well as up and investors may not get back the full amount invested upon disposal of the shares. Past performance is no guide to future performance, and persons needing advice should consult an independent financial adviser.**

**The Placing Shares to be issued pursuant to the Placing will not be admitted to trading on any stock exchange other than on AIM.**

**Neither the content of the Company's website nor any website accessible by hyperlinks on the Company's website is incorporated in, or forms part of, this Announcement.**





## APPENDIX I

### TERMS AND CONDITIONS OF THE PLACING

#### IMPORTANT INFORMATION FOR INVITED PLACEEES ONLY REGARDING THE PLACING.

MEMBERS OF THE PUBLIC ARE NOT ELIGIBLE TO TAKE PART IN THE PLACING. THIS ANNOUNCEMENT (INCLUDING THIS APPENDIX) AND THE TERMS AND CONDITIONS SET OUT HEREIN (TOGETHER, THIS "ANNOUNCEMENT") ARE DIRECTED ONLY AT PERSONS WHOSE ORDINARY ACTIVITIES INVOLVE THEM IN ACQUIRING, HOLDING, MANAGING AND DISPOSING OF INVESTMENTS (AS PRINCIPAL OR AGENT) FOR THE PURPOSES OF THEIR BUSINESS AND WHO HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS AND ARE: (1) IF IN A MEMBER STATE OF THE EUROPEAN ECONOMIC AREA ("EEA"), QUALIFIED INVESTORS AS DEFINED IN ARTICLE 2(1)(e) OF DIRECTIVE 2003/71/EC AS AMENDED, INCLUDING BY THE 2010 PROSPECTUS DIRECTIVE AMENDING DIRECTIVE (DIRECTIVE 2010/73/EC) AND TO THE EXTENT IMPLEMENTED IN THE RELEVANT MEMBER STATE (THE "PROSPECTUS DIRECTIVE"); (2) IF IN THE UNITED KINGDOM, QUALIFIED INVESTORS WHO (A) FALL WITHIN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005, AS AMENDED (THE "ORDER") (INVESTMENT PROFESSIONALS) OR (B) FALL WITHIN ARTICLE 49(2)(a) TO (d) (HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS, ETC.) OF THE ORDER, OR ARE PERSONS WHO ARE OTHERWISE PERMITTED TO RECEIVE IT (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "RELEVANT PERSONS").

THIS ANNOUNCEMENT AND THE INFORMATION IN IT MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. PERSONS DISTRIBUTING THIS ANNOUNCEMENT MUST SATISFY THEMSELVES THAT IT IS LAWFUL TO DO SO. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS ANNOUNCEMENT RELATES IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS. THIS ANNOUNCEMENT DOES NOT ITSELF CONSTITUTE AN OFFER FOR SALE OR SUBSCRIPTION OF ANY SECURITIES IN SEEING MACHINES LIMITED.

THE PLACING SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR JURISDICTION OF THE UNITED STATES, AND MAY NOT BE OFFERED, SOLD OR TRANSFERRED, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN COMPLIANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. THE PLACING SHARES ARE BEING OFFERED AND SOLD ONLY (I) OUTSIDE THE UNITED STATES IN "OFFSHORE TRANSACTIONS" WITHIN THE MEANING OF, AND IN ACCORDANCE WITH, REGULATIONS UNDER THE SECURITIES ACT AND (II) TO A LIMITED NUMBER OF "QUALIFIED INSTITUTIONAL BUYERS" WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT AND OTHERWISE IN ACCORDANCE WITH APPLICABLE LAWS.

THIS ANNOUNCEMENT (INCLUDING THIS APPENDIX) AND THE INFORMATION CONTAINED HEREIN IS RESTRICTED AND IS NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN OR INTO OR FROM THE UNITED STATES, AUSTRALIA, CANADA, JAPAN, THE REPUBLIC OF SOUTH AFRICA OR ANY OTHER JURISDICTION IN WHICH SUCH RELEASE, PUBLICATION OR DISTRIBUTION WOULD BE UNLAWFUL.

The distribution of this Announcement and/or the Placing and/or issue of the Placing Shares in certain jurisdictions may be restricted by law. No action has been taken by the Company, the Bookrunners or any of their respective affiliates, agents, directors, officers or employees that would permit an offer of the Placing Shares or possession or distribution of this Announcement or any other offering or publicity material relating to such Placing Shares in any jurisdiction where action for that purpose is required. Persons into

whose possession this Announcement comes are required by the Company and the Bookrunners to inform themselves about and to observe any such restrictions.

This Announcement or any part of it does not constitute or form part of any offer to issue or sell, or the solicitation of an offer to acquire, purchase or subscribe for, any securities in the United States (including its territories and possessions, any state of the United States and the District of Columbia), Australia, Canada, Japan or the Republic of South Africa or any other jurisdiction in which the same would be unlawful. No public offering of the Placing Shares is being made in any such jurisdiction.

All offers of the Placing Shares will be made pursuant to an exemption under the Prospectus Directive from the requirement to produce a prospectus. In the United Kingdom, this Announcement is being directed solely at persons in circumstances in which section 21(1) of the Financial Services and Markets Act 2000 (as amended) (the "FSMA") does not apply.

The Placing Shares have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission or other regulatory authority in the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the Placing or the accuracy or adequacy of this Announcement. Any representation to the contrary is a criminal offence in the United States. The relevant clearances have not been, nor will they be, obtained from the securities commission of any province or territory of Canada, no prospectus has been lodged with, or registered by, the Australian Securities and Investments Commission or the Japanese Ministry of Finance; the relevant clearances have not been, and will not be, obtained for the South Africa Reserve Bank or any other applicable body in the Republic of South Africa in relation to the Placing Shares and the Placing Shares have not been, nor will they be, registered under or offering in compliance with the securities laws of any state, province or territory of Australia, Canada, Japan or the Republic of South Africa. Accordingly, the Placing Shares may not (unless an exemption under the relevant securities laws is applicable) be offered, sold, resold or delivered, directly or indirectly, in or into Australia, Canada, Japan or the Republic of South Africa or any other jurisdiction outside the United Kingdom.

Persons (including, without limitation, nominees and trustees) who have a contractual right or other legal obligations to forward a copy of this Announcement should seek appropriate advice before taking any action.

This Announcement should be read in its entirety.

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("MiFID II"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "MiFID II Product Governance Requirements"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the Product Governance Requirements) may otherwise have with respect thereto, Placing Shares have been subject to a product approval process, which has determined that Placing Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "Target Market Assessment"). Notwithstanding the Target Market Assessment, Distributors should note that: the price of Placing Shares may decline and investors could lose all or part of their investment; Placing Shares offer no guaranteed income and no capital protection; and an investment in Placing Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to

the requirements of any contractual, legal or regulatory selling restrictions in relation to the Placing. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Bookrunners will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Placing Shares.

Each Bookrunner is responsible for undertaking its own target market assessment in respect of the Placing Shares and determining appropriate distribution channels.

By participating in the Placing, each Placee is deemed to have read and understood this Announcement in its entirety, to be participating, making an offer and acquiring Placing Shares on the terms and conditions contained herein and to be providing the representations, warranties, indemnities, acknowledgements and undertakings contained in this Appendix.

In particular, each such Placee represents, warrants, undertakes, agrees and acknowledges (amongst other things) that:

1. it is a Relevant Person and undertakes that it will acquire, hold, manage or dispose of any Placing Shares that are allocated to it for the purposes of its business;
2. in the case of a Relevant Person in a member state of the EEA which has implemented the Prospectus Directive (each, a "Relevant Member State") who acquires any Placing Shares pursuant to the Placing:
  - (a) it is a Qualified Investor within the meaning of Article 2(1)(e) of the Prospectus Directive; and
  - (b) in the case of any Placing Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive:
    - (i) the Placing Shares acquired by it in the Placing have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than Qualified Investors or in circumstances in which the prior consent of the Bookrunners has been given to the offer or resale; or
    - (ii) where Placing Shares have been acquired by it on behalf of persons in any Relevant Member State other than Qualified Investors, the offer of those Placing Shares to it is not treated under the Prospectus Directive as having been made to such persons; and
3. it is acquiring the Placing Shares for its own account or is acquiring the Placing Shares for an account with respect to which it exercises sole investment discretion and has the authority to make and does make the representations, warranties, indemnities, acknowledgements, undertakings and agreements contained in this Announcement; and
4. it understands (or if acting for the account of another person, such person has confirmed that such person understands) the resale and transfer restrictions set out in this Appendix.

No prospectus

The Placing Shares are being offered to a limited number of specifically invited persons only and will not be offered in such a way as to require any prospectus or other offering document to be published. No prospectus or other offering document has been or will be submitted to be approved by the FCA in relation to the Placing or the Placing Shares and Placees' commitments will be made solely on the basis of the information contained in this Announcement and any information publicly announced through a Regulatory Information Service (as defined in the AIM Rules for Companies (the "**AIM Rules**")) by or on behalf of the Company on or prior to the date of this Announcement (the "**Publicly Available Information**") and subject to any further terms set forth in the contract note sent to individual Placees.

Each Placee, by participating in the Placing, agrees that the content of this Announcement is exclusively the responsibility of the Company and confirms that it has neither received nor relied on any information (other than the Publicly Available Information), representation, warranty or statement made by or on behalf of the Bookrunners or the Company or any other person and none of the Bookrunners, the Company nor any other person acting on such person's behalf nor any of their respective affiliates has or shall have any liability for any Placee's decision to participate in the Placing based on any other information, representation, warranty or statement. Each Placee acknowledges and agrees that it has relied on its own investigation of the business, financial or other position of the Company in accepting a participation in the Placing. No Placee should consider any information in this Announcement to be legal, tax or business advice. Nothing in this paragraph shall exclude the liability of any person for fraudulent misrepresentation.

#### **Details of the Placing Agreement and the Placing Shares**

1. The Bookrunners have today entered into the Placing Agreement with the Company under which, on the terms and subject to the conditions set out in the Placing Agreement, the Bookrunners, as agents for and on behalf of the Company, have agreed to use their respective reasonable endeavours to procure Placees for the Placing Shares. The Placing is not being underwritten by the Bookrunners. The Placing Shares will, when issued, be subject to the Constitution of the Company and credited as fully paid and will rank pari passu in all respects with the existing issued Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid in respect of such Ordinary Shares after the date of issue of the Placing Shares.
2. The Company undertakes that for a period of 90 days after (but including) Admission that it shall first consult with the Bookrunners prior to, directly or indirectly, issuing, offering, selling, lending, pledging, contracting to sell or issue, granting any option, right or warrant to purchase or otherwise dispose of any Ordinary Shares (or any interest therein or in respect thereof) or other securities of the Company exchangeable for, convertible into or representing the right to receive Ordinary Shares or any substantially similar securities or otherwise enter into any transaction (including derivative transaction) directly or indirectly, permanently or temporarily, to dispose of any Ordinary Shares or undertake any other transaction with the same economic effect as any of the foregoing or announce an offering of Ordinary Shares or any interest therein or to announce publicly any intention to enter into any transaction described above other than the grant or exercise of options under any of the Company's existing share incentives and share option schemes, or following Admission the issue by the Company of any Ordinary Shares upon the exercise of any right or option or the conversion of a security already in existence ("**Proposed Share Issue**") and it shall not carry out or enter into any agreement in respect of any Proposed Share Issue without the prior written consent of the Bookrunners (such consent not to be unreasonably withheld, delayed or made subject to conditions).

#### **Application for admission to trading**

Application will be made to the London Stock Exchange for admission of the Placing Shares to trading on AIM.

It is expected that Admission will take place on or before 8.00 a.m. on 24 April 2019 (or such later time as the Bookrunners may agree in writing with the Company, being not later than 8.00 a.m. on 5 May 2019) and that dealings in the Placing Shares on AIM will commence at the same time.

### **Principal terms of the Placing**

1. The Bookrunners are acting as joint bookrunners to the Placing, as agents for and on behalf of the Company.
2. Participation in the Placing will only be available to persons who may lawfully be, and are, invited by the Bookrunners to participate. The Bookrunners and any of their respective affiliates are entitled to participate as a Placee in the Placing.
3. The Placing Price will be a fixed price of three (3) pence per Placing Share.
4. Each Placee's allocation has been confirmed to Placees orally by the relevant Bookrunner, and a contract note has been despatched by the relevant Bookrunner to each Placee. The oral confirmation to such Placee constitutes an irrevocable, legally binding commitment upon such person (who will at that point become a Placee), in favour of the relevant Bookrunner and the Company, under which it agreed to acquire the number of Placing Shares allocated to it at the Placing Price on the terms and conditions set out in this Appendix and in accordance with the Constitution. Except with the relevant Bookrunner's written consent, such commitment is not capable of variation or revocation at the time at which it is submitted.
5. Each Placee's allocation and commitment has also been evidenced by a form of confirmation issued to such Placee by the relevant Bookrunner. The terms of this Appendix are deemed incorporated in that form of confirmation.
6. Each Placee will have an immediate, separate, irrevocable and binding obligation, owed to the Bookrunners (as agents for the Company), to pay to it (or as it may direct) in cleared funds an amount equal to the product of the Placing Price and the number of Placing Shares such Placee has agreed to acquire and the Company has agreed to allot and issue to that Placee.
7. Irrespective of the time at which a Placee's allocation(s) pursuant to the Placing were confirmed, settlement for all Placing Shares to be acquired pursuant to the Placing will be required to be made at the same time, on the basis explained below under "Registration and Settlement".
8. All obligations under the Placing will be subject to fulfilment of the conditions referred to below under "Conditions of the Placing" and to the Placing not being terminated on the basis referred to below under "Termination of the Placing".
9. By participating in the Placing, each Placee has agreed that its rights and obligations in respect of the Placing will terminate only in the circumstances described below and will not be capable of rescission or termination by the Placee.
10. To the fullest extent permissible by law, neither:
  - (a) the Bookrunners;
  - (b) any of their respective affiliates, agents, directors, officers, consultants or employees; nor

- (c) to the extent not contained within (a) or (b), any person connected with the Bookrunners as defined in the FSMA

((b) and (c) being together "**affiliates**" and individually an "**affiliate**" of the Bookrunners),

shall have any liability (including to the extent permissible by law, any fiduciary duties) to Placees or to any other person whether acting on behalf of a Placee or otherwise. In particular, neither the Bookrunners nor any of their respective affiliates shall have any liability (including, to the extent permissible by law, any fiduciary duties) in respect of the Bookrunners' conduct of the Placing or of such alternative method of effecting the Placing as the Bookrunners and the Company may agree.

## **Registration and settlement**

Participation in the Placing is only available to persons who are invited to participate in it by the Bookrunners.

Each Placee allocated Placing Shares in the Placing has been sent a contract note stating the number of Placing Shares allocated to it at the Placing Price, the aggregate amount owed by such Placee to the relevant Bookrunner (as agent for the Company) and settlement instructions.

Settlement of transactions in the Placing Shares (ISIN: AU0000XINAJ0) following Admission will take place within the CREST system administered by Euroclear UK and Ireland Limited ("**CREST**"), subject to certain exceptions. Settlement through CREST will be on a date notified by the Bookrunners in the contract note. Settlement will be on a delivery versus payment basis. However, in the event of any difficulties or delays in the admission of the Placing Shares to CREST or the use of CREST in relation to the Placing, the Company and the Bookrunners may agree that the Placing Shares should be issued in certificated form. The Bookrunners reserve the right to require settlement for the Placing Shares, and to deliver the Placing Shares to Placees, by such other means as they deem necessary if delivery or settlement to Placees is not practicable within the CREST system or would not be consistent with regulatory requirements in a Placee's jurisdiction.

Interest is chargeable daily on payments not received from Placees on the due date in accordance with the arrangements set out above, in respect of either CREST or certificated deliveries, at the rate of two percentage points above prevailing LIBOR as determined by the Bookrunners.

Each Placee has agreed that if it does not comply with these obligations, the Bookrunners may sell any or all of their Placing Shares on their behalf and retain from the proceeds, for the relevant Bookrunner's own account and benefit, an amount equal to the aggregate amount owed by the Placee plus any interest due. The relevant Placee will, however, remain liable for any shortfall below the Placing Price which may arise upon the sale of its Placing Shares on its behalf.

If Placing Shares are to be delivered to a custodian or settlement agent, Placees must ensure that, upon receipt, the conditional contract note is copied and delivered immediately to the relevant person within that organisation. Insofar as Placing Shares are registered in a Placee's name or that of its nominee or in the name of any person for whom a Placee is contracting as agent or that of a nominee for such person, such Placing Shares should, subject as provided below, be so registered free from any liability to United Kingdom stamp duty or stamp duty reserve tax. Placees will not be entitled to receive any fee or commission in connection with the Placing.

Settlement of transactions in CREST will take place by the crediting of Depositary Interests to CREST accounts operated by the respective Bookrunner for the Company and the Bookrunners will enter their respective delivery instructions into the CREST system. The input to CREST by each Placee of a matching or acceptance

instruction will then allow delivery of the relevant Depository Interests to that Placee against payment of the Placing Price.

Placees procured by Cenkos should settle against CREST ID: Crest 601 KLCLT, Placees procured by Canaccord Genuity should settle against CREST ID: 805. Each Placee agrees that it will do all things necessary to ensure that delivery and payment is completed in accordance with either the standing CREST or certificated settlement instructions which it has in place with the relevant Bookrunner.

### **Conditions of the Placing**

The Placing is conditional upon the Placing Agreement becoming unconditional and not having been terminated in accordance with its terms.

The obligations of the Bookrunners under the Placing Agreement are, and the Placing is, conditional upon, inter alia:

- (a) certain announcement obligations;
- (b) delivery of certain documents, including duly signed copies of the Subscription Agreements;
- (c) the passing of the GM Resolutions;
- (d) none of the warranties and undertakings on the part of the Company contained in the Placing Agreement being untrue, inaccurate or misleading at the applicable time being the date on which the Placing Agreement was signed, or immediately before Admission, by reference to the facts and circumstances then subsisting;
- (e) the Company having allotted, subject only to Admission, the Placing Shares and the Subscription Shares in accordance with the Placing Agreement; and
- (f) Admission having become effective at or before 8.00 a.m. on 24 April 2019 (or such later time as the Bookrunners may agree in writing with the Company, being not later than 8.00 a.m. on 5 May 2019),

(all conditions to the obligations of the Bookrunners included in the Placing Agreement being together, the "**conditions**").

If any condition set out in the Placing Agreement is not fulfilled or, where permitted, waived in accordance with the Placing Agreement within the stated time periods (or such later time and/or date as the Company and the Bookrunners may agree), or the Placing Agreement is terminated in accordance with its terms, the Placing will lapse and the Placee's rights and obligations shall cease and terminate at such time and each Placee agrees that no claim can be made by or on behalf of the Placee (or any person on whose behalf the Placee is acting) in respect thereof.

By participating in the Placing, each Placee agrees that its rights and obligations cease and terminate only in the circumstances described above and under "Termination of the Placing" below and will not be capable of rescission or termination by it.

The conditions may be waived, in whole or in part, by notice in writing given jointly by the Bookrunners to the Company and the respective times for satisfaction of the conditions may be extended by notice in writing given jointly by the Bookrunners to the Company; save that certain conditions including the condition relating



to Admission referred to in paragraph (f) above may not be waived. Any such extension or waiver will not affect Placees' commitments as set out in this Appendix.

Cenkos, following prior consultation with Canaccord Genuity and such consultation with the Company as the circumstances may allow, may terminate the Placing Agreement in certain circumstances, details of which are set out below.

Neither the Bookrunners nor any of their respective affiliates, agents, directors, officers or employees nor the Company shall have any liability to any Placee (or to any other person whether acting on behalf of a Placee or otherwise) in respect of any decision any of them may make as to whether or not to waive or to extend the time and/or date for the satisfaction of any condition to the Placing nor for any decision any of them may make as to the satisfaction of any condition or in respect of the Placing generally and by participating in the Placing each Placee agrees that any such decision is within the absolute discretion of the Bookrunners.

### **Termination of the Placing**

Cenkos, following prior consultation with Canaccord Genuity and such consultation with the Company as the circumstances may allow, may in its absolute discretion (acting in good faith), by notice to the Company, terminate the Placing Agreement at any time up to Admission if, inter alia:

- (a) there has been a material breach of the warranties given to the Bookrunners pursuant to the Placing Agreement;
- (b) there has, in the opinion of the Bookrunners (acting in good faith), been a material adverse change affecting, inter alia, the operations or financial condition of the Company;
- (c) any statement contained in this Announcement is or has become or has been discovered to be materially untrue or inaccurate; or
- (d) in the opinion of the Bookrunners (acting in good faith), there has been a force majeure event.

If the Placing Agreement is terminated in accordance with its terms, the rights and obligations of each Placee in respect of the Placing as described in this Announcement shall cease and terminate at such time and no claim can be made by any Placee in respect thereof.

By participating in the Placing, each Placee agrees with the Company and the Bookrunners that the exercise by the Company or the Bookrunners of any right of termination or any other right or other discretion under the Placing Agreement shall be within the absolute discretion of the Company or the Bookrunners or for agreement between the Company and the Bookrunners (as the case may be) and that neither the Company nor the Bookrunners need make any reference to such Placee and that none of the Company, the Bookrunners nor any of their respective affiliates, agents, directors, officers or employees shall have any liability to such Placee (or to any other person whether acting on behalf of a Placee or otherwise) whatsoever in connection with any such exercise.

By participating in the Placing, each Placee agrees that its rights and obligations terminate only in the circumstances described above and under the "Conditions of the Placing" section above and will not be capable of rescission or termination by it after the issue by the relevant Bookrunner of a form of confirmation confirming each Placee's allocation and commitment in the Placing.

### **Representations, warranties and further terms**

By participating in the Placing, each Placee (and any person acting on such Placee's behalf) represents, warrants, acknowledges, confirms and agrees (for itself and for any such prospective Placee) with each Bookrunner in each case as a fundamental term of its application for Placing Shares (save where the Bookrunners expressly agrees in writing to the contrary) that:

1. it has read and understood this Announcement in its entirety and that its acquisition of the Placing Shares is subject to and based upon all the terms, conditions, representations, warranties, indemnities, acknowledgements, agreements and undertakings and other information contained herein and that it has not relied on, and will not rely on, any information given or any representations, warranties or statements made at any time by any person in connection with Admission, the Placing, the Placing Shares, the VSI Subscriptions, the Offer, the Company or otherwise, other than the information contained in this Announcement and the Publicly Available Information;
2. it has not received a prospectus or other offering document in connection with the Placing and acknowledges that no prospectus or other offering document:
  - (a) is required under the Prospectus Directive; or
  - (b) has been or will be prepared,in connection with the Placing;
3. it has made its own assessment of the Placing Shares and has relied on its own investigation of the business, financial or other position of the Company in accepting a participation in the Placing and neither the Bookrunners nor the Company nor any of their respective affiliates, agents, directors, officers or employees nor any person acting on behalf of any of them has provided, and will not provide, it with any material regarding the Placing Shares or the Company or any other person other than the information in this Announcement or the Publicly Available Information; nor has it requested the Bookrunners, the Company, any of their respective affiliates, agents, directors, employees or officers or any person acting on behalf of any of them to provide it with any such information;
4. neither the Bookrunners nor any person acting on behalf of them nor any of their respective affiliates, agents, directors, officers or employees has or shall have any liability for any Publicly Available Information, or any representation relating to the Company, provided that nothing in this paragraph excludes the liability of any person for fraudulent misrepresentation made by that person;
5.
  - (a) the only information on which it is entitled to rely on and on which it has relied in committing to subscribe for the Placing Shares is contained in this Announcement and/or the Publicly Available Information, such information being all that it deems necessary to make an investment decision in respect of the Placing Shares and it has made its own assessment of the Company, the Placing Shares and the terms of the Placing based on this Announcement and/or Publicly Available Information;
  - (b) neither the Bookrunners, nor the Company (nor any of their respective affiliates, agents, directors, officers and employees) have made any representation or warranty to it, express or implied, with respect to the Company, the Placing or the Placing Shares or the accuracy, completeness or adequacy of this Announcement or the Publicly Available Information;

- (c) it has conducted its own investigation of the Company, the Placing and the Placing Shares, satisfied itself that the information is still current and relied on that investigation for the purposes of its decision to participate in the Placing; and
  - (d) it has not relied on any investigation that the Bookrunners or any person acting on their behalf may have conducted with respect to the Company, the Placing or the Placing Shares;
- 6. the content of this Announcement and the Publicly Available Information has been prepared by and is exclusively the responsibility of the Company and that neither the Bookrunners nor any persons acting on their behalf is responsible for or has or shall have any liability for any information, representation, warranty or statement relating to the Company contained in this Announcement or the Publicly Available Information nor will they be liable for any Placee's decision to participate in the Placing based on any information, representation, warranty or statement contained in this Announcement, the Publicly Available Information or otherwise. Nothing in this Appendix shall exclude any liability of any person for fraudulent misrepresentation;
- 7. the Placing Shares have not been registered or otherwise qualified, and will not be registered or otherwise qualified, for offer and sale nor will a prospectus be cleared or approved in respect of any of the Placing Shares under the securities laws of the United States, or any state or other jurisdiction of the United States, Australia, Canada, Japan or the Republic of South Africa and, subject to certain exceptions, may not be offered, sold, taken up, renounced or delivered or transferred, directly or indirectly, within the United States, Australia, Canada, Japan or the Republic of South Africa or in any country or jurisdiction where any such action for that purpose is required;
- 8. it has the funds available to pay for the Placing Shares for which it has agreed to subscribe and acknowledges and agrees that it will make payment to the relevant Bookrunner for the Placing Shares allocated to it in accordance with the terms and conditions of this Announcement and on the due times and dates set out in the contract note, failing which the relevant Placing Shares may be placed with others on such terms as the relevant Bookrunner determines in its absolute discretion without liability to the Placee and it will remain liable for any shortfall below the net proceeds of such sale and the placing proceeds of such Placing Shares;
- 9. it and/or each person on whose behalf it is participating:
  - (a) is entitled to acquire Placing Shares pursuant to the Placing under the laws and regulations of all relevant jurisdictions;
  - (b) has fully observed such laws and regulations;
  - (c) has capacity and authority and is entitled to enter into and perform its obligations as an acquirer of Placing Shares and will honour such obligations; and
  - (d) has obtained all necessary consents and authorities (including, without limitation, in the case of a person acting on behalf of a Placee, all necessary consents and authorities to agree to the terms set out or referred to in this Appendix) under those laws or otherwise and complied with all necessary formalities to enable it to enter into the transactions contemplated hereby and to perform its obligations in relation thereto and, in particular, if it is a pension fund or investment Company it is aware of and acknowledges it is required to comply with all applicable laws and regulations with respect to its subscription for Placing Shares;

10. it is not, and any person who it is acting on behalf of is not, and at the time the Placing Shares are subscribed will not be, a resident of, or with an address in, or subject to the laws of, Australia, Canada, Japan or the Republic of South Africa, and it acknowledges and agrees that the Placing Shares have not been and will not be registered or otherwise qualified under the securities legislation of Australia, Canada, Japan or the Republic of South Africa and may not be offered, sold, or acquired, directly or indirectly, within those jurisdictions;
11. it is acting as principal only in respect of the Placing or, if it is acting for any other person (i) it is duly authorised to do so and has full power to make the acknowledgments, confirmations, undertakings, representations, warranties and agreements herein on behalf of each such person; and (ii) it is and will remain liable to the Company and/or the Bookrunners for the performance of all its obligations as a Placee in respect of the Placing (regardless of the fact that it is acting for another person). Each Placee agrees that the provisions of this paragraph 11 shall survive the resale of the Placing Shares by or on behalf of any person for whom it is acting;
12. it understands, and each account which it represents has been advised, that (i) the Placing Shares have not been and will not be registered under the Securities Act or under the applicable securities laws of any state or other jurisdiction of the United States; (ii) the Placing Shares will be subscribed for either (a) in an "offshore transaction" within the meaning of Regulation S under the Securities Act; or (b) in a transaction that is otherwise exempt from, or not subject to, the registration requirements of the Securities Act; and (iii) no representation has been made as to the availability of any exemption under the Securities Act or any relevant state or other jurisdiction's securities laws for the reoffer, resale, pledge or transfer of the Placing Shares;
13. (i) its subscription for the Placing Shares has been or will be made either (a) in an "offshore transaction" (within the meaning of Regulation S under the Securities Act); or (b) in a transaction that is otherwise exempt from, or not subject to, the registration requirements of the Securities Act, in which case it has executed or will execute an investor letter substantially in the form provided to it by the Bookrunners; (ii) it is not subscribing for any of the Placing Shares as a result of any form of "directed selling efforts" within the meaning of Regulation S under the Securities Act; (iii) it is not acquiring the Placing Shares as a result of any general solicitation or general advertising (within the meaning of Rule 502(c) of Regulation D under the Securities Act); and (iv) it is acquiring the Placing Shares with investment intent and it is not acquiring the Placing Shares with a view to reselling or distributing any such Placing Shares within the meaning of the Securities Act;
14. it will not distribute, forward, transfer or otherwise transmit this Announcement or any part of it, or any other presentational or other materials concerning the Placing in or into or from the United States (including electronic copies thereof) to any person, and it has not distributed, forwarded, transferred or otherwise transmitted any such materials to any person;
15. none of the Bookrunners, their respective affiliates and any person acting on behalf of any of them is making any recommendations to it or advising it regarding the suitability of any transactions it may enter into in connection with the Placing and that participation in the Placing is on the basis that it is not and will not be a client of the Bookrunners and that none of the Bookrunners have any duties or responsibilities to it for providing the protections afforded to its clients or for providing advice in relation to the Placing nor in respect of any representations, warranties, undertakings or indemnities contained in the Placing Agreement nor for the exercise or performance of any of its rights and obligations thereunder including any rights to waive or vary any conditions or exercise any termination right;
16. its allocation (if any) of Placing Shares will represent a maximum number of Placing Shares which it will be entitled, and required, to subscribe for, and that the Company may call upon it to subscribe for a

lower number of Placing Shares (if any), but in no event in aggregate more than the aforementioned maximum;

17. no action has been or will be taken by any of the Company, the Bookrunners or any person acting on behalf of the Company or the Bookrunners that would, or is intended to, permit a public offer of the Placing Shares in the United States or in any country or jurisdiction where any such action for that purpose is required;
18. the person who it specifies for registration as holder of the Placing Shares will be:
  - (a) the Placee; or
  - (b) a nominee of the Placee, as the case may be.

Each Placee and any person acting on behalf of such Placee agrees to acquire Placing Shares pursuant to the Placing and agrees to indemnify the Company and the Bookrunners in respect of the same on the basis that the Placing Shares will be allotted to a CREST stock account of the relevant Bookrunner or transferred to a CREST stock account of the relevant Bookrunner who will hold them on behalf of the Placee until settlement in accordance with its standing settlement instructions with it;

19. the allocation, allotment, issue and delivery to it, or the person specified by it for registration as holder, of Placing Shares will not give rise to a stamp duty or stamp duty reserve tax liability under (or at a rate determined under) any of sections 67, 70, 93 or 96 of the Finance Act 1986 (depository receipts and clearance services) and that it is not participating in the Placing as nominee or agent for any person or persons to whom the allocation, allotment, issue or delivery of Placing Shares would give rise to such a liability;
20. it and any person acting on its behalf (if within the United Kingdom) falls within Article 19(5) and/or 49(2) of the Order and undertakes that it will acquire, hold, manage and (if applicable) dispose of any Placing Shares that are allocated to it for the purposes of its business only;
21. it has not offered or sold and will not offer or sell any Placing Shares to persons in the United Kingdom or elsewhere in the EEA prior to the expiry of a period of six months from Admission except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their business or otherwise in circumstances which have not resulted and which will not result in an offer to the public in the United Kingdom within the meaning of section 85(1) of the FSMA or an offer to the public in any other member state of the EEA within the meaning of the Prospectus Directive;
22. if it is within the EEA, it is a Qualified Investor as defined in section 86(7) of the FSMA, being a person falling within Article 2(1)(e) of the Prospectus Directive;
23. it has only communicated or caused to be communicated and it will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) relating to Placing Shares in circumstances in which section 21(1) of the FSMA does not require approval of the communication by an authorised person and it acknowledges and agrees that this Announcement has not been approved by Bookrunner in their capacity as an authorised person under section 21 of the FSMA and it may not therefore be subject to the controls which would apply if it was made or approved as financial promotion by an authorised person;

24. it has complied and it will comply with all applicable laws with respect to anything done by it or on its behalf in relation to the Placing Shares (including all relevant provisions of the FSMA in respect of anything done in, from or otherwise involving the United Kingdom);
25. it represents and warrants that, if it is a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive (including any relevant implementing measure in any member state), the Placing Shares acquired by it in the Placing will not be acquired on a non-discretionary basis on behalf of, nor will they be acquired with a view to their offer or resale to, persons in a member state of the EEA which has implemented the Prospectus Directive other than Qualified Investors, or in circumstances in which the express prior written consent of the Bookrunners has been given to the offer or resale;
26. either (i) it has neither received nor relied on any "inside information" as defined in MAR, including any confidential price sensitive information concerning the Company, in accepting this invitation to participate in the Placing; or (ii) if it has received any confidential price sensitive information about the Company in advance of the Placing, it warrants that it has received such information within the market soundings regime provided for in Article 11 of MAR and associated delegated regulations and has not (a) dealt (or attempted to deal) in the securities of the Company; (b) encouraged, recommended or induced another person to deal in the securities of the Company; or (c) disclosed such information to any person, prior to the information being made publicly available;
27. the Bookrunners and their affiliates, acting as an investor for their own accounts, may bid or subscribe for and/or purchase Placing Shares and, in that capacity, may retain, purchase, offer to sell or otherwise deal for its or their own account(s) in the Placing Shares, any other securities of the Company or other related investments in connection with the Placing or otherwise. Accordingly, references in this Announcement to the Placing Shares being offered, subscribed, acquired or otherwise dealt with should be read as including any offer to, or subscription, acquisition or dealing by, the Bookrunners and/or any of their respective affiliates acting as an investor for its or their own account(s). Neither the Bookrunners nor the Company intend to disclose the extent of any such investment or transaction otherwise than in accordance with any legal or regulatory obligation to do so;
28. it has complied with its obligations under MAR, the Criminal Justice Act 1993, s118 of FSMA and, in connection with money laundering and terrorist financing, the Proceeds of Crime Act 2002, the Terrorism Act 2000, the Terrorism Act 2006, the Anti-terrorism Crime and Security Act 2001, the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (as amended) and the Money Laundering Sourcebook of the FCA (together, the "**Regulations**") and, if making payment on behalf of a third party, that satisfactory evidence has been obtained and recorded by it to verify the identity of the third party as required by the Regulations;
29. in order to ensure compliance with the Regulations, the Bookrunners (for themselves and as agents on behalf of the Company) or the Company's registrars may, in their absolute discretion, require verification of its identity. Pending the provision to the relevant Bookrunner or the Company's registrars, as applicable, of evidence of identity, definitive certificates in respect of the Placing Shares may be retained at the relevant Bookrunner's absolute discretion or, where appropriate, delivery of the Placing Shares to it in uncertificated form may be delayed at the relevant Bookrunner's or the Company's registrars', as the case may be, absolute discretion. If within a reasonable time after a request for verification of identity the relevant Bookrunner (for itself and as agent on behalf of the Company) or the Company's registrars have not received evidence satisfactory to them, either the relevant Bookrunner and/or the Company may, at its absolute discretion, terminate its commitment in respect of the Placing, in which event the monies payable on acceptance of allotment will, if already paid, be returned without interest to the account of the drawee's bank from which they were originally debited;

30. it acknowledges and agrees that any Placing Shares that it is allocated in the Placing delivered through CREST will be allotted and issued to the Depository, and that the Company shall procure that the Depository shall issue Depository Interests representing the Placing Shares allocated to it in accordance with the procedures set out under 'Registration and settlement' herein, and that the Bookrunners shall have no responsibility or liability in respect of the acts of, or failure to act by, the Depository;
31. its commitment to acquire Placing Shares on the terms set out in this Announcement will continue notwithstanding any amendment that may in future be made to these terms and conditions and that Placees will have no right to be consulted or require that their consent be obtained with respect to the Company's or the Bookrunners' conduct of the Placing;
32. it has knowledge and experience in financial, business and international investment matters as is required to evaluate the merits and risks of subscribing for the Placing Shares. It further acknowledges that it is experienced in investing in securities of this nature and is aware that it may be required to bear, and is able to bear, the economic risk of, and is able to sustain, a complete loss in connection with the Placing. It has relied upon its own examination and due diligence of the Company and its affiliates taken as a whole, and the terms of the Placing, including the merits and risks involved;
33. to the extent it is the holder of existing Ordinary Shares, it shall use its best endeavours to vote in favour of the GM Resolutions;
34. it shall not breach any requirements of the Australian Corporations Act 2001 by virtue of its acquisition of Placing Shares;
35. it irrevocably appoints any duly authorised officer of the Bookrunners as its agent for the purpose of executing and delivering to the Company and/or its registrars any documents on its behalf necessary to enable it to be registered as the holder of any of the Placing Shares for which it agrees to subscribe for upon the terms of this Announcement;
36. the Company, the Bookrunners and others (including each of their respective affiliates, agents, directors, officers and employees) will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements, which are given to each Bookrunner on its own behalf and on behalf of the Company and are irrevocable;
37. if it is acquiring the Placing Shares as a fiduciary or agent for one or more investor accounts, it has full power and authority to make, and does make, the foregoing representations, warranties, acknowledgements, agreements and undertakings on behalf of each such accounts;
38. time is of the essence as regards its obligations under this Appendix;
39. any document that is to be sent to it in connection with the Placing will be sent at its risk and may be sent to it at any address provided by it to the Bookrunners;
40. the Placing Shares will be issued subject to the terms and conditions of this Appendix; and
41. the terms and conditions contained in this Appendix and all documents into which this Appendix is incorporated by reference or otherwise validly forms a part and/or any agreements entered into pursuant to these terms and conditions and all agreements to acquire Placing Shares pursuant to the Placing will be governed by and construed in accordance with English law and it submits to the exclusive jurisdiction of the English courts in relation to any claim, dispute or matter arising out of such contract except that enforcement proceedings in respect of the obligation to make payment for the Placing

Shares (together with interest chargeable thereon) may be taken by the Company or the Bookrunners in any jurisdiction in which the relevant Placee is incorporated or in which any of its securities have a quotation on a recognised stock exchange.

By participating in the Placing, each Placee (and any person acting on such Placee's behalf) agrees to indemnify and hold the Company, the Bookrunners and each of their respective affiliates, agents, directors, officers and employees harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the representations, warranties, acknowledgements, agreements and undertakings given by the Placee (and any person acting on such Placee's behalf) in this Appendix or incurred by the Bookrunners, the Company or each of their respective affiliates, agents, directors, officers or employees arising from the performance of the Placee's obligations as set out in this Announcement, and further agrees that the provisions of this Appendix shall survive after the completion of the Placing.

The agreement to allot and issue Placing Shares to Placees (or the persons for whom Placees are contracting as agent) free of stamp duty and stamp duty reserve tax in the United Kingdom relates only to their allotment and issue to Placees, or such persons as they nominate as their agents, direct by the Company. Such agreement assumes that the Placing Shares are not being acquired in connection with arrangements to issue depository receipts or to transfer the Placing Shares into a clearance service. If there are any such arrangements, or the settlement related to any other dealings in the Placing Shares, stamp duty or stamp duty reserve tax may be payable. In that event, the Placee agrees that it shall be responsible for such stamp duty or stamp duty reserve tax and neither the Company nor the Bookrunners shall be responsible for such stamp duty or stamp duty reserve tax. If this is the case, each Placee should seek its own advice and they should notify the Bookrunners accordingly. In addition, Placees should note that they will be liable for any capital duty, stamp duty and all other stamp, issue, securities, transfer, registration, documentary or other duties or taxes (including any interest, fines or penalties relating thereto) payable outside the United Kingdom by them or any other person on the acquisition by them of any Placing Shares or the agreement by them to acquire any Placing Shares and each Placee, or the Placee's nominee, in respect of whom (or in respect of the person for whom it is participating in the Placing as an agent or nominee) the allocation, allotment, issue or delivery of Placing Shares has given rise to such non-United Kingdom stamp, registration, documentary, transfer or similar taxes or duties undertakes to pay such taxes and duties, including any interest and penalties (if applicable), forthwith and to indemnify on an after-tax basis and to hold harmless the Company and the Bookrunners in the event that either the Company and/or the Bookrunners have incurred any such liability to such taxes or duties.

The representations, warranties, acknowledgements and undertakings contained in this Appendix are given to each Bookrunner for itself and on behalf of the Company and are irrevocable.

Cenkos and Canaccord Genuity are authorised and regulated by the FCA in the United Kingdom and are acting exclusively for the Company and no one else in connection with the Placing, and Cenkos and Canaccord Genuity will not be responsible to anyone (including any Placees) other than the Company for providing the protections afforded to their clients or for providing advice in relation to the Placing or any other matters referred to in this Announcement.

Each Placee and any person acting on behalf of the Placee acknowledges that the Bookrunners do not owe any fiduciary or other duties to any Placee in respect of any representations, warranties, undertakings, acknowledgements, agreements or indemnities in the Placing Agreement.

Each Placee and any person acting on behalf of the Placee acknowledges and agrees that each Bookrunner may (at its absolute discretion) satisfy its obligations to procure Placees by itself agreeing to become a Placee in respect of some or all of the Placing Shares or by nominating any connected or associated person to do so.



When a Placee or any person acting on behalf of the Placee is dealing with the Bookrunners, any money held in an account with the relevant Bookrunner on behalf of the Placee and/or any person acting on behalf of the Placee will not be treated as client money within the meaning of the relevant rules and regulations of the FCA made under the FSMA. Each Placee acknowledges that the money will not be subject to the protections conferred by the client money rules: as a consequence this money will not be segregated from the relevant Bookrunner's money in accordance with the client money rules and will be held by it under a banking relationship and not as trustee.

References to time in this Announcement are to London time, unless otherwise stated.

All times and dates in this Announcement may be subject to amendment. Placees will be notified of any change.

No statement in this Announcement is intended to be a profit forecast or estimate, and no statement in this Announcement should be interpreted to mean that earnings per share of the Company for the current or future financial years would necessarily match or exceed the historical published earnings per share of the Company.

The price of shares and any income expected from them may go down as well as up and investors may not get back the full amount invested upon disposal of the shares. Past performance is no guide to future performance, and persons needing advice should consult an independent financial adviser.

The Placing Shares to be issued pursuant to the Placing will not be admitted to trading on any stock exchange other than AIM.

Neither the content of the Company's website nor any website accessible by hyperlinks on the Company's website is incorporated in, or forms part of, this Announcement.

## APPENDIX II

### DEFINITIONS

"Admission"	admission of the Placing Shares and the Subscription Shares to trading on AIM and such admission becoming effective in accordance with the AIM Rules;
"AIM"	the AIM market operated by the London Stock Exchange;
"AIM Rules"	the AIM Rules for Companies published by the London Stock Exchange from time to time;
"Bookrunners"	together, Cenkos and Canaccord Genuity;
"Canaccord Genuity"	Canaccord Genuity Limited;
"Cenkos"	Cenkos Securities plc;
"Company" or Seeing Machines"	Seeing Machines Limited
"Computershare"	Computershare Investor Services PLC, receiving agents to the Company and depositary for the Depositary Interests;
"Constitution"	the constitution of the Company;
"CREST"	the relevant system (as defined in the Uncertificated Securities Regulations 2001 (SI 2001/3755) in respect of which Euroclear and Ireland Limited is the operator;
"Depositary Interests"	the depositary interests issued by Computershare representing Ordinary Shares;
"Directors"	the current directors of the Company;
"EEA"	the European Economic Area;
"FCA"	the Financial Conduct Authority;
"FSMA"	the Financial Services and Markets Act 2000 (as amended);
"GM Resolutions"	the resolutions to be proposed at the general meeting of the Company to be held at 11.00 a.m. on 23 April 2019;
"Group"	Seeing Machines and its subsidiaries;
"London Stock Exchange"	London Stock Exchange plc;
"MAR"	the EU Market Abuse Regulation (No 596/2014);

<b>"Offer"</b>	the proposed offer to be made to Qualifying Participants following the successful close of the Placing;
<b>"Order"</b>	the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended);
<b>"Ordinary Shares"</b>	the ordinary shares of no par value in the capital of the Company including, where the context requires, Depositary Interests;
<b>"Placees"</b>	any person who is invited to and who chooses to participate in the Placing by making or accepting and oral or written offer to take up Placing Shares;
<b>"Placing"</b>	the placing of the Placing Shares pursuant to, inter alia, the Placing Agreement and this Announcement;
<b>"Placing Agreement"</b>	the placing agreement entered into on or around the date of this Announcement between the Company and the Bookrunners in respect of the Placing;
<b>"Placing Price"</b>	three (3) pence;
<b>"Placing Shares"</b>	the new Ordinary Shares to be allotted and issued to institutional and other investors pursuant to the Placing;
<b>"Prospectus Directive"</b>	Directive 2003/71/EC, as amended from time to time;
<b>"Publicly Available Information"</b>	any information publicly announced through a Regulatory Information Service (as defined in the AIM Rules) by or on behalf of the Company on or prior to the date of this Announcement;
<b>"Qualifying Participants"</b>	Shareholders on the register of members of the Company or the register of holders of Depositary Interests, as applicable, on the Record Date with a registered address in the UK, Ireland or Isle of Man;
<b>"Record Date"</b>	6.00 p.m. (London time) on 19 March 2019;
<b>"Securities Act"</b>	the United States Securities Act of 1933, as amended;
<b>"Shareholders"</b>	holders of Ordinary Shares from time to time;
<b>"Subscription Shares"</b>	the new Ordinary Shares to be subscribed for, at the Placing Price, pursuant to the VSI Subscriptions;
<b>"VSI Directors"</b>	Gan Chu Cheng and Gan Sem Yam, two directors of VS International
<b>"VS International"</b>	VSI International Venture Pte. Limited (registration number 201538343N) of 19 Keppel Road, #03-03/04, Jit Poh Building, Singapore, 089058; and

**"VSI Subscriptions"**

the subscriptions to be made directly with the Company for Subscription Shares by VS International and the VSI Directors.

The exchanges rates used throughout this Announcement are as follows:

£1 : AUD\$1.8644

US\$1 : AUD\$1.4096