

1 August 2019

Seeing Machines Limited

Post Close Trading Update

[Seeing Machines](#) Limited (AIM: SEE) (“**Seeing Machines**” or the “**Company**”), the leading provider of AI-enabled driver monitoring technology for improved transport safety, provides a trading update for the financial year ended 30 June 2019 (“**FY2019**” or “**the period**”).

New automotive OEM awards, improved Fleet results, developments in Aviation and a successful equity fundraising were key successes during the period.

FY2019 Financial Highlights:

- Revenues for FY2019 are expected to be A\$31.8 million, slightly ahead of FY2018 (A\$30.7) and the Board expectations as outlined on 20 March 2019.
- Revenue for SaaS (software as a service), the monthly monitoring fee from the Company’s fleet solution, Guardian, increased by over 89% to A\$5.7 million during the period and, coupled with contracted recurring royalty payments in mining, represents annualised recurring revenue of more than A\$12 million as at 30 June 2019.
- Following a number of further OEM contract wins during the period, the total projected value of contracted revenue for the Automotive business is now in the range of A\$170 million to A\$200 million, up from A\$110 million at the end of FY2018, with the majority of this expected to be recognised in the 2021-2024 period based on projected lifetime OEM volumes.
- Successful A\$58.1 million (£31.57 million) fundraise completed in April 2019 to continue investment into the Company’s driver monitoring platform which will underpin successful execution on existing awarded programs as well as accelerate the development of its technology to maintain a leadership position on future, global opportunities.
- Cash position at 30 June 2019 was A\$64.3 million.

FY2019 Operational Highlights

- In the Automotive division, two new production awards secured with OEM customers, one based in China and another in North America, both to be delivered on the FOVIO Driver Monitoring Chip.
- Expanded automotive programs announced for two existing customers in North America and, post period-end, a further existing customer in Germany, bringing the total number of active Automotive programs to eight across six global OEMs.
- The Company’s Guardian Backup-driver Monitoring System (“**BdMS**”), a retrofit system designed specifically for autonomous vehicles, was launched to the market during the year and Seeing Machines secured its first contract with one of the world’s leading self-driving car companies based in North America.

- The Aviation division secured its first two commercial deals to deliver the eye-tracking based “Crew Training System” to the [Royal Australian Air Force](#) and [L3 Commercial Aviation](#), a leading provider of airline pilot training solutions.
- Divisional review of Fleet has resulted in improvements in direct costs, hardware simplification and cost reduction, as well as efficiencies in monitoring services. As a result, the division is on track to deliver scale benefits to the Company from 2020 onwards with renewed focus on installation rates and the generation of recurring monthly revenue.
- Guardian is now connected to over 16,000 commercial vehicles around the world and the monthly installation rate continues to accelerate through direct and distributor channel sales.
- Exclusive deal signed with [National Transport Insurance \(NTI\)](#), Australia’s largest truck insurer, to deliver a bundled incentive which advocates the use of Guardian to enhance safety and improve the risk profile of commercial fleets around the country. The “NTI-Seeing Machines Proposal” will be delivered to the market through the NTI broker network in Australia and via the Company’s distribution partners.
- Post-period end, Paul McGlone confirmed as CEO and Kate Hill appointed Chair of the Board. Dr Mike Lenné is now SVP Fleet and Human Factors, and Susan Dalliston, General Counsel, has been appointed as Company Secretary.

Paul McGlone, CEO of Seeing Machines commented: *“These results are very pleasing and I’m happy to say, slightly ahead of expectations. 2019 was somewhat challenging for Fleet but a deep dive into the business has seen us turn that division around. We have worked particularly hard at increasing the high-quality recurring revenues in both Fleet and Mining. Management believe the current value of those contracted revenues alone underpin the existing market valuation of Seeing Machines, before appreciating the self-evident value of the considerable and growing order book in our Automotive division. We are also seeing increasing activity in the Aviation division and opportunities to leverage our IP across all transport sectors.*

“The team at Seeing Machines has been working on our market-leading technology for almost 20 years and, with the European Union looking to mandate driver monitoring from 2024, as well as the European New Car Assessment Programme working to formalise requirements to achieve safety ratings for automakers over a similar timeframe, we are in a strong position to start seeing the benefits of years of intensive R&D and hard work start to materialise.

“In addition to the progress made with our customers, we’ve made important internal changes. Management is now in place to deliver on existing and potential programs across its transport sectors as momentum for driver monitoring and enhanced safety continues to step up around the world. Kate Hill is a great addition to the team. I speak for the whole Board when I say we look forward to working closely with her to ensure that our strategy remains applicable to emerging markets and regions focused on improving passenger safety in an increasingly mobile world.”

Seeing Machines expects to publish its audited year-end results in late September 2019.



The financial results in this announcement are based on the unaudited management accounts for the year to 30 June 2019.

Enquiries:

Seeing Machines Limited

Paul McGlone – CEO

Sophie Nicoll – SVP, Corporate Communications

+61 2 6103 4700

Cenkos Securities plc (Nominated Adviser and Broker)

Neil McDonald

Pete Lynch

+44 131 220 6939

Antenna Group for Seeing Machines (Media Enquiries)

SeeingMachines@antennagroup.com

This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) No. 596/2014. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

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 and is set to become a regulatory requirement for all cars, vans, trucks and buses in Europe from 2022, with the rest of the world expected to follow soon after.