

Seeing Machines Limited

1 February 2021

Half year trading update

Seeing Machines Limited (AIM: SEE, “Seeing Machines” or the “Company”), the advanced computer vision technology company that designs AI-powered operator monitoring systems to improve transport safety, publishes a trading update for the six months to 31 December 2020 (“**H1 2021**”).

The Company expects to report revenue for H1 2021 of A\$18.1m (H1 2020: A\$15.8m), a 14.6% increase. Total connected Guardian units at 31 December 2020 was 26,597, securing forward Annualised Recurring Revenues including royalties of A\$15.5m (H1 2020: A\$13.2m, +17.4%). This represents an increase of 3,182 Guardian units in H1 2021 with additional hardware sales of 3,371 units still to be connected. Cash position at 31 December 2020 of A\$52.7m (H1 2020: A\$38.1m).

Driver Monitoring System (DMS) technology continues to gain momentum as it becomes central to safety in all transport sectors. Regulatory and safety bodies in Europe have acknowledged its importance and this trend extends globally as the USA becomes focused on a road safety agenda to address risks posed by emerging semi- and fully-automated vehicle technologies.

Seeing Machines continues to grow despite the ongoing disruption caused to its key transport sectors by the global COVID-19 pandemic. FY2021 marks the start of production for two major Automotive OEM programs, one in Europe and one in North America, as well as one of many vehicles from an expanded program for an existing OEM customer, signalling the beginning of meaningful Automotive production royalty revenues.

OEM Highlights:

- Three-pillar embedded product strategy launched, targeting the rapidly expanding camera-based interior monitoring market for automotive focused on its FOVIO Chip, the introduction of its Occula™ Neural Processing Unit and its e-DME (embedded Driver Monitoring Engine);
- Three-pillar strategy closely supports carmakers with a range of integration options for industry-leading DMS as they design cars to meet mounting safety standards and deliver more convenience features for their customers;
- Over the next two years, Seeing Machines expects to be in full production with existing OEM customers on more than 30 distinct car models, ranging from world leading technology flagship brands to world sales volume leaders;



- The Company is now formally working with additional global semi-conductor companies, Qualcomm Technologies and OmniVision Technologies, to extend the delivery of its DMS and partnerships within a growing ecosystem of Tier-1 customers;
- Seeing Machines led the DMS industry with its formal launch of Occupant Monitoring System (OMS) technology to the Automotive market; and
- A non-binding MOU was signed with global aerospace and defence technology company, L3Harris Technologies which frames the intent to enter a global non-exclusive license agreement with Seeing Machines' Crew Training System, enhancing pilot training

Aftermarket Highlights:

- Fleet revenue of A\$15m for H1 2021 a significant contributor to the overall Company result, representing 16% growth on the previous period;
- Guardian (Company Fleet solution) pipeline developed, alongside uninstalled hardware sales from H1 2021, and is expected to generate significantly increased revenue through to 30 June 2021, commensurate with previous periods;
- Naturalistic driving data, a fundamental metric to Seeing Machines' ongoing technology roadmap, collected by Guardian has now reached over 5.8 billion kilometres;
- Distribution partners around the world now totals fifteen across Asia Pacific, Europe, UK, Africa and The Americas.

Outlook:

Seeing Machines continues to trade in line with expectations for FY2021.

Paul McGlone, CEO of Seeing Machines commented: *"The first half of FY2021 has been significant for the company and the results are pleasing. Despite the obvious ongoing challenges around the world, we are still seeing growth in our Aftermarket (Fleet) business and our engagement across the OEM business and associated industries (Automotive and Aviation), has never been stronger. We are encouraged by our continued engagement across a number of ongoing RFQs, which have increased significantly in both number and value, since 1 July 2020, to deliver Driver and Occupant monitoring system technology to carmakers globally.*

Our expanding ecosystem of partners across the Automotive sector, in particular, is extremely encouraging and we are very positive about the tie-ups with large, global semi-conductor companies that will enable Seeing Machines to provide options and cost-savings for OEMs, especially as regulation really starts to impact delivery schedules. And despite the obstacles we face with momentum in the Aviation industry due to Covid-19, I remain confident that our long-standing collaborations will bear fruit and that Seeing Machines will see growth across this business in the near-term."

The Company expects to publish its half year results in March 2021.

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The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the UK version of the Market Abuse Regulation (596/2014) which is part of English Law by virtue of the European (withdrawal) Act 2018, as amended. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

The person responsible for arranging the release of this announcement on behalf of Seeing Machines is Sophie Nicoll, Corporate Communications.

Seeing Machines (LSE: SEE), a global company founded in 2000 and headquartered in Australia, is an industry leader in vision-based monitoring technology that enable machines to see, understand and assist people. Seeing Machines' technology portfolio of AI algorithms, embedded processing and optics, power products that need to deliver reliable real-time understanding of vehicle operators. The technology spans the critical measurement of where a driver is looking, through to classification of their cognitive state as it applies to accident risk. Reliable "driver state" measurement is the end-goal of Driver Monitoring Systems (DMS) technology. Seeing Machines develops DMS technology to drive safety for Automotive, Commercial Fleet, Off-road and Aviation. The company has offices in Australia, USA, Europe and Asia, and supplies technology solutions and services to industry leaders in each market vertical.

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