

THIS ANNOUNCEMENT AND THE INFORMATION CONTAINED HEREIN IS RESTRICTED AND IS NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN, INTO OR FROM THE UNITED STATES, CANADA, JAPAN, THE REPUBLIC OF SOUTH AFRICA OR ANY OTHER JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OR REGULATIONS OF THAT JURISDICTION. PLEASE SEE THE IMPORTANT NOTICES AT THE END OF THIS ANNOUNCEMENT.

THIS ANNOUNCEMENT IS FOR INFORMATION PURPOSES ONLY AND SHALL NOT CONSTITUTE AN OFFER TO SELL OR ISSUE OR THE SOLICITATION OF AN OFFER TO BUY, SUBSCRIBE FOR OR OTHERWISE ACQUIRE ANY NEW ORDINARY SHARES OF SEEING MACHINES LIMITED IN THE UNITED STATES, CANADA, JAPAN, THE REPUBLIC OF SOUTH AFRICA OR ANY OTHER JURISDICTION IN WHICH SUCH RELEASE, PUBLICATION OR DISTRIBUTION WOULD BE UNLAWFUL.

This announcement is not for publication or distribution, directly or indirectly, in or into the United States of America. This announcement is not an offer of securities for sale into the United States. The securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States, except pursuant to an applicable exemption from registration. No public offering of securities is being made in the United States.

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.

Seeing Machines Limited

Placing and Subscriptions of new shares raising £35 million (approx. AUS\$62 million)

Posting of Offer Document and Notice of General Meeting

5 December 2017

Seeing Machines Limited (AIM: SEE) (“**Seeing Machines**” or the “**Company**”), an industry leader in computer vision technologies which enable machines to see, understand and assist people, today announces that further to the announcement made on 4 December 2017 regarding the proposed Placing and Subscriptions, the Company has conditionally placed 700,000,000 new ordinary shares of no par value in the Company (“**Ordinary Shares**”), at a price of 5 pence per share (the “**Placing Price**”), raising gross proceeds of £35 million. 610,200,000 Ordinary Shares were subscribed for pursuant to the placing with institutional investors (the “**Placing**” and “**Placing Shares**”) and 89,800,000 Ordinary Shares were subscribed for directly with the Company (the “**Subscriptions**” and “**Subscription Shares**”), at the Placing Price.

Pursuant to the Subscriptions, the Company has entered into a subscription agreement with its largest shareholder and strategic investor V S International Venture Pte. Ltd (“**V S International**”), who has subscribed directly with the Company to purchase 70,200,000 Ordinary Shares in the Company at the same issue price and at the same time as the Placing (the “**VSI Subscription**”), in order to broadly maintain its current shareholding of 11.7% in the Company. Following completion of the Placing and the Subscriptions, VS International will hold 11.2% of the Company's then issued share capital.

Furthermore, certain of the Directors and a member of the Company's senior management team and Directors of V S International have also participated in the Placing or have made a subscription directly with the Company for Ordinary Shares, for a total of 21,984,615 Ordinary Shares in the Company. These Ordinary Shares subscribed for were purchased at the same issue price and at the same time as the Placing (the “**Management Subscription**”, and together with the VSI Subscription, are the Subscriptions).

The Placing Shares and Subscription Shares represent approximately 46.9% of Seeing Machines' existing outstanding issued share capital and issue of the Placing Shares and Subscription Shares and will be subject to shareholder approval.

finnCap Ltd (“**finnCap**”), Canaccord Genuity Limited (“**Canaccord Genuity**”) and Cenkos Securities plc (“**Cenkos**”) acted as joint bookrunners to the Company on the Placing (together the “**Bookrunners**”).

Mike McAuliffe, CEO of Seeing Machines, commented:

“I am delighted to announce the successful conclusion of the proposed fundraise which has received a very strong level of support from existing and new shareholders. The Placing was well oversubscribed and consequently the Company elected to increase the size of the fundraising from £30 million to £35 million. Seeing Machines values the ongoing support it has received from its largest shareholder, VS International and from its existing institutional shareholder base. We also welcome many new institutional investors as shareholders in the Company. The proceeds from the Placing and the Subscriptions enables the business to continue to invest into its Vision AI platform and product development as well as scaling the Company's infrastructure and global footprint to meet sustained customer demand for Fleet business expansion and for our leading edge Automotive DMS solutions.”

In addition, the Company will provide an opportunity for certain existing shareholders to subscribe for up to 48,000,000 new Ordinary Shares (the “**Offer Shares**”) at the Placing Price, which would raise up to a further approximately £2.4 million (approximately AUD\$4.3 million) under the offer (the “**Offer**”). The Offer Circular, pursuant to which the Company will make the Offer to Qualifying Participants and which will set out its detailed terms and timetable, together with an accompanying form of application will be posted on 8 December 2017. It will also be made available on the Company's website www.seeingmachines.com/investors (the “**Offer Circular**”).

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 50.1% of Seeing Machines' existing outstanding issued share capital.

Shareholders will be 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 shareholder approval of the issue of the Placing Shares and Subscription Shares and accordingly will not go ahead if those resolutions are not approved.

The shareholder General Meeting to approve the issue of the Placing Shares and the Subscription Shares will be held at the offices of the Company at Level 1, 11 Lonsdale Street, Braddon, ACT 2612, Australia, on Wednesday 3 January 2018 at 11.00 am Australian Eastern Daylight Time (AEDT).

The Notice of General Meeting and form of proxy will be posted to shareholders on 7 December 2017 and will be made available on the Company's website, at www.seeingmachines.com/investors.

Related Party Transactions

Directors

Ken Kroeger (through the Cook Kroeger Super Fund) has conditionally agreed to subscribe for 400,000 Subscription Shares under a subscription agreement with the Company at the Placing Price. In addition, Mike McAuliffe, Yong Kang Ng and Tim Crane have each conditionally agreed to subscribe for 1,000,000, 1,000,000 and 384,615 Placing Shares respectively at the Placing Price. As Directors of the Company, they are related parties for the purposes of the AIM Rules for Companies. The independent directors (being Jim Walker, Rudy Burger and Les Carmichael) consider, having consulted with the Company's nominated adviser, finnCap, that the terms of the subscriptions by Ken Kroeger, Mike McAuliffe, Yong Kang Ng and Tim Crane are fair and reasonable insofar as the Company's shareholders are concerned.

Substantial shareholder

V S International has conditionally agreed to subscribe for 70,200,000 Subscription Shares under a subscription agreement at the Placing Price, in order to broadly maintain its current shareholding of 11.7% following completion of the Placing and the Subscriptions. As a substantial shareholder of the Company, V S International is a related party 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, finnCap, that the terms of the subscription by V S International is fair and reasonable insofar as the Company's shareholders are concerned.

Directors of V S International

Datin Gan Chu Cheng (through Camden United Group Ltd), Datuk Gan Sem Yam and Sean Gan Pee Yong, directors of V S International, have conditionally agreed to subscribe for 10,000,000, 6,000,000 and 3,000,000 Subscription Shares respectively under subscription agreements with the Company, at the Placing Price. As directors of the substantial shareholder V S International, they are deemed to be related parties for the purposes of the AIM Rules for Companies. The independent directors (being all of the Directors of the Company excluding Yong Kang Ng) consider, having consulted with the Company's nominated adviser, finnCap, that the terms of the subscription by Datin Gan Chu Cheng (through Camden United Group Ltd), Datuk Gan Sem Yam and Sean Gan Pee Yong are fair and reasonable insofar as the Company's shareholders are concerned.

Total Voting Rights

As at 4 December 2017, the Company had 1,491,665,552 Ordinary Shares in issue with no shares held in treasury. Subject to shareholder approval at the General Meeting for the issue of the 700,000,000 Ordinary Shares in relation to the Placing and Subscriptions and no Ordinary Shares being issued between the date of this announcement and the General Meeting, the total issued share capital of the Company will be 2,191,665,552 Ordinary Shares. Therefore, the total number of voting rights in the Company post admission of the Placing Shares and Subscription Shares will be 2,191,665,552 and this figure 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 and Subscription Shares are admitted to trading on 4 January 2018.

Key dates for the Placing, Subscriptions and Offer

Record date	6.00 p.m. (GMT) on 4 December 2017
Posting date of the Notice of General Meeting	7 December 2017
Posting Date of the Offer Circular:	8 December 2017
General Meeting	3 January 2018
Admission of Placing Shares and Subscription Shares to AIM	Expected 4 January 2018
Expected closing date for receipt of applications under the Offer	11.00 a.m. (GMT) on 12 January 2018

Enquiries:

Seeing Machines Limited	www.seeingmachines.com / +61 2 6103 4700
Mike McAuliffe, CEO	Mike.McAuliffe@seeingmachines.com
Media inquiries	Sophie.Nicoll@seeingmachines.com

finnCap Ltd (Nomad, Joint Bookrunner) +44 20 7220 0500

Ed Frisby / Emily Watts, Corporate Finance
Tim Redfern / Richard Chambers, Corporate Broking

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

Simon Bridges / Antony Isaacs / Richard Andrews

Cenkos Securities Ltd (Joint Bookrunner) +44 207 397 8900

Neil McDonald / Joe Nally

About Seeing Machines

Seeing Machines (LSE: SEE) an industry leader in computer vision technologies which enable machines to see, understand and assist people. The Company deploys its FOVIO machine learning vision platform to deliver real-time understanding of drivers through AI analysis of heads, faces and eyes for Driver Monitoring Systems (DMS), which monitor driver attention state including drowsiness and distraction. DMS is increasingly considered a core automotive safety technology as well as an enabling technology for ADAS/Autonomous Driving. The Company's pioneering commercial fleet solution (Guardian) delivers an after-market, in-cabin safety intervention system with 24/7 monitoring and cloud analytics services delivered on a telematics SaaS basis. The Company also serves Aviation, Rail and Off-Road markets, and they are seeking to innovate in new markets. Based in Canberra, Australia with the intention to grow in the USA and Europe, the Company delivers multi-platform solutions from embedded software and processors to aftermarket system and service solutions to industry leaders globally. www.seeingmachines.com.

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.

Canaccord, finnCap and Cenkos 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 Bookbuilding Process and the Placing, and Canaccord, finnCap and Cenkos will not be responsible to anyone (including any Placees) other than the Company for providing the protections afforded to its clients or for providing advice in relation to the Bookbuilding Process or 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 the AIM market of the London Stock Exchange.

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.

Definitions:

"Qualifying Participants"

Shareholders on the register of members of the Company or the register of holders of DIs, as applicable, on the Record Date with a registered address in the UK, Ireland or Isle of Man