Seeing Machines Limited

Business Outlook Update

21 May 2018

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, provides an updated business outlook for the current fiscal year.

The Company has been informed by its manufacturer partner that, owing to a global shortage in traditionally short lead-time parts (capacitors and power supply) which are used in the Company's second-generation fleet product, Guardian Gen 2, production of a number of units that were due to be shipped shortly, will now be delayed by approximately six weeks. Whilst sales of these units have been agreed, the shipping of these units is now expected to be delayed accordingly, resulting in this revenue now expected to fall outside of the current financial year. Based on performance to date, existing sales pipeline and revised manufacturing schedule, the Board of Seeing Machines now revises its FY18 forecast and projects to achieve sales in the range of A$30M to A$35M, versus a previous outlook of A$38M to A$43M, as provided in October 2017. Whilst the Board of Seeing Machines is disappointed by this delay, the revised outlook still represents a doubling of FY17 sales for the FY18 period.

Seeing Machines remains optimistic and excited by the large and fast growing market opportunities across all transport sectors. The Fleet business has very strong momentum, with an installed base of 10,000 units, around the world and a strong pipeline of sales opportunities, representing total commercial value of over A$200M through engagements with large transport and logistics companies in Asia Pacific, Europe, UK, the Middle East and USA, and a growing ecosystem of distributors globally.

The Automotive opportunity continues to grow with increasing interest from automotive OEMs and suppliers to deliver driver monitoring into more platforms and models of cars around the world as represented by recently announced design awards with two premium German OEMs.

Seeing Machines' Aviation business is developing steadily as the Company continues to work with significant industry brands to shape tailored solutions to enhance safety with eye-tracking systems for evidence based pilot training, support systems in managing pilot fatigue and air traffic controller alertness systems.

The Off-Road and Rail businesses are progressing well and are performing in line with management's expectations.

More recently, the announcement by the European Commission of "Europe on the Move: Agenda for safe, clean and connected mobility" will see driver monitoring technology mandated for EU vehicles from 2021, and affirms the relevance of Seeing Machines' technology. This will undoubtedly create increased demand across the Company's focused transport sectors globally.

The Commission announced that new models of vehicles are to be equipped with **advanced safety features**, and specifically identifies drowsiness and attention detection for cars, vans, trucks and buses; distraction recognition and prevention for cars, vans, trucks and buses, with Seeing Machines currently one of only a few companies in the world who are well positioned to provide this technology to leading global OEMs.

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The information communicated in this announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) No. 596/2014.

About Seeing Machines

Seeing Machines (LSE: SEE) is 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. A global company based in Canberra Australia, with offices and people in Asia, Europe and USA, Seeing Machines delivers multi-platform solutions from embedded software and processors to aftermarket system and service solutions to industry leaders globally. www.seeingmachines.com.