

Seeing Machines Limited

19 May 2020

Business restructure and Covid measures reduce cost base by A\$12m

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, announces the implementation of a business restructure alongside a range of temporary cost saving measures in response to the COVID-19 pandemic.

Like most other businesses in transport related sectors, Seeing Machines has experienced a reduction in the rate of sales growth compared with the same period last year across all divisions. The Company has therefore implemented a range of permanent structural changes and temporary cost savings designed to ensure its financial strength and counter the effects of the current global crisis. These measures will also permanently reduce costs, positioning the business for profitable growth as demand returns.

The Company has successfully reduced discretionary costs and introduced a number of short term measures to specifically mitigate the impact of the pandemic. These include the following items, which will be in place for an initial six months:

- a. CEO salary reduction of 20% and deferral of any bonus payable for 12 months;
- b. Chair fees reduced by 30%;
- c. Non-executive director fees reduced by 20%; and
- d. Introduction of a four-day working week and consequent 20% salary reduction for staff.

The Australian Federal Government has introduced a robust economic stimulus package designed to assist businesses through this downturn. Seeing Machines has successfully qualified for its JobKeeper program which provides a wage subsidy of A\$1,500 per fortnight per qualifying employee and, at this point, will be available until late September 2020.

At the same time, the Company has restructured to improve its focus on profit in the three business units (Automotive, Fleet/Offroad and Aviation). Specifically, changes to engineering and technology management will improve the balance between innovation and delivery and will result in a more targeted approach to R&D in order to underpin the Company’s market leading position. Corporate Services functions will also be restructured to enable better collaboration across the organisation and facilitate an enhanced focus on profitable growth. As with any cost restructure and streamlining, a number of roles across the Company no longer exist but this process leaves Seeing Machines with a permanent realignment of its cost base from which to grow.

These initiatives are expected to result in significant ongoing cost savings for the business, estimated at approximately A\$12m over the remainder of FY2020 and FY2021, thereby helping preserve Seeing Machine’s balance sheet strength.

Paul McGlone, CEO of Seeing Machines commented: *“The restructuring and cost-saving process has been a difficult but necessary step in our journey to ensure the financial strength of the business and, in turn, improve shareholder returns. The global pandemic presents a range of challenges which will likely continue to impact the industry for some months but also provides those organisations that are able to with a catalyst for change.*”



“The new organisational structure will re-focus our business and enable us to deliver better results faster. Our experienced and leading team is committed and determined to deliver profitable growth and we fully expect that when the world recovers from the pandemic, Seeing Machines will be extremely well positioned in order to leverage its market leading position to enhance safety across our transport sectors.”

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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.

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

About 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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