

## Seeing Machines Limited

17 March 2020

### COVID-19 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, provides an update as global markets react to the rapidly evolving circumstances around the spread of COVID-19.

There is an underlying and unstoppable movement for improved safety across all industry verticals and transport sectors, globally. Seeing Machines’ driver monitoring system technology benefits significantly from this and expects to continue to do so in the medium and long term.

The immediate global impact from COVID-19 is unprecedented and, as governments across the world make a number of significant decisions on a day-to-day basis and implement a range of precautionary measures, many of which impinge on the movement of people and goods, this presents an obvious challenge to the transport sectors which Seeing Machines’ technology and products serve.

Accordingly, despite the otherwise positive momentum across all transport sectors and significant confirmed order books for both the Fleet and Automotive divisions, the short to medium-term outlook is uncertain and it is possible that the Company will be impacted by these conditions.

Specifically, the Company’s current view on those potential impacts is as follows:

#### *Automotive*

- Given the relatively early stage of existing Automotive programs and the timing of projected revenue from those programs, we are of the view that there is likely to be no material impact to this business segment as a result of COVID-19.
- Accordingly, at this stage there is no indication that there will be any impact to the current projected Automotive order book of A\$200m, the bulk of which is expected to be recognised between 2021 and 2024.

#### *Fleet*

- At this point in time, and as previously announced, the Company’s Guardian product supply chain is minimally affected by COVID-19 and the Company holds sufficient stock in various locations to allow it to achieve the previously-stated minimum connections target for FY20.
- However, anticipated business interruption for Fleet customers, resulting indecision on capital expenditure, as well as potential increased supply chain pressure which will reduce availability of vehicles for new installations, will likely have a significant impact on Guardian installation rates and future sales over the coming months.
- Seeing Machines’ contract manufacturer in China has indicated that production of Guardian has recommenced and the Company expects to have access to some additional stock, as manufacturing resumes to full capacity, however the quantity of stock available for FY21 installations is yet to be confirmed.



- The timing of future stock deliveries is currently unconfirmed and further information will be provided as it comes to hand.
- While the Company still expects the Fleet business to achieve significant growth year-on-year, it is unable to accurately forecast the impact or the potential duration of these issues to future Guardian sales at this point in time.

#### *Aviation*

- There has been a very significant impact from COVID-19 on airline operators around the world; however, as the Aviation business represents only a small proportion of the Company's revenue forecast for FY20, the ongoing situation is not expected to have any material impact on that business segment in the near term.

As a consequence of the various factors outlined above, the Company believes it prudent to withdraw current guidance in respect of sales revenue, annualised recurring revenue and the number of connected Guardian units by 30 June 2020.

In response, the Company is implementing contingency plans and cost containment initiatives which, together with the previously-announced A\$47.3m of net cash at 31 December 2019, are designed to maximise the Company's cash runway.

These measures leave Seeing Machines in a strong position and aim to ensure its ability to finance ongoing operations.

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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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