Seeing Machines Limited

22 December 2020

Fleet 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, is pleased to provide a comprehensive, year to date update on its Fleet (Aftermarket) business.

The Fleet business has and continues to grow despite the challenges posed by COVID-19 and subsequent lock-down orders, specifically in the Southern Hemisphere where recovery has been reasonably pleasing albeit with continued caution. At the end of November 2020, Seeing Machines has a total installed base of over 26,000 Guardian units, with additional hardware sales of 3,500 units still to be connected, due to vehicle accessibility and the subsequent slower installation rate. The naturalistic driving data collected by Guardian across these thousands of units having traveled more than 5.5 billion kilometres, is unrivalled and fundamental to the Company's world-leading technology that responds to every-day driving, including edge-case behaviours, reliably.

Regulatory Momentum:

Driver monitoring technology is fast becoming central to safety across commercial transport, following the considerable global momentum in the automotive industry. In Europe, the European Parliament has passed into law the requirement that driver drowsiness and attention distraction systems are included for all new cars, vans, trucks and buses from 2024. Other jurisdictions are also taking a very close and considered look at how technology, like Guardian, impacts the driving patterns and schedules for professional, commercial drivers. In Australia, for example, the National Transport Commission has recently made proposals to change the National Heavy Vehicle Law in the area of fatigue management and hours of service. Seeing Machines provided Human Factors-based evidence to support this proposal, relying on technology to supercede outdated rules based on number of hours drivers can operate over defined periods of time. It is expected that this world-first move will be followed by many other geographies and the requirement for safety technology, like Guardian, will become even more central to this industry. For more information visit https://www.ntc.gov.au/submission/529.

Operational Highlights:

As DMS has become centre stage across Automotive and now, the Fleet industry globally, Seeing Machines is heavily focused on working with government and regulatory bodies to influence the case for DMS as a safety enabler, with a view to seeing it listed as a mandatory technology across multiple geographies.

Dr Mike Lenné is a world-renowned Human Factors scientist, with significant global relationships that position Seeing Machines at the centre of the industry. For example, Mike leads the Company's representation as the only Tier 2 DMS supplier on the Euro NCAP working committee to establish protocols for DMS safety ratings from 2023. This is a tribute to the Company and Mike's reputation on

the global stage. In order to further leverage this position, he will take up an expanded role solely focused on Human Factors, with a renewed emphasis on safety, as the Company's Chief of Human Factors and Safety, effective 1 February 2021. Mike will be responsible for deepened engagement at all levels of government and associated regulatory bodies and will also lead the expanded Human Factors team to continue to focus on research studies that provide inputs into Seeing Machines' future technology and publish technical material to reinforce its leadership position in DMS globally.

Accelerating installations and increased sales of Guardian is a key component of the success of the Seeing Machines business overall and the Company remains focused on building the strength of the Fleet business.

Max Verberne, telematics industry veteran, has been appointed GM Fleet, effective 1 February 2021, and will bring a wealth of experience to the role and the team, based in Canberra.

Max has spent over ten years leading telematics businesses, Radius Telematics Australia and Ctrack by Inseego, and has previously managed divisions and channels for Siemens across Australia and New Zealand. He has extensive sales and business development experience with significant channel management oversight, across technology corporations. His deep knowledge of the industry, network and relationships will be fundamental to the successful growth of the Company's Fleet business.

Distributor Highlights:

Seeing Machines has grown its channel-based sales globally and now has a total of fifteen distributors across Asia Pacific, Europe, UK, Africa and The Americas, including Caterpillar Inc.

AutoSense NZ began distributing Guardian in 2015 and, with exclusive distribution rights in New Zealand, has built up a steady pipeline of customers to reach the milestone of 3,000 installed units. The installation of Guardian to New Zealand fleets has steadily increased over the past couple of years, with AutoSense targeting 100 installations monthly. Key transport brands within New Zealand and Australia have installed Guardian into their fleets including Mainfreight, NZ Post, Hancock Forest Management, Linfox, Z Energy and more recently publicly listed TIL Logistics Group.

Alan Pearson, CEO of TIL Group says *"Safety is one of our key values at TIL and one we are very focused on continuing to improve and adapt in our culture. Guardian is a key technology that is helping to keep our drivers safe, and we wouldn't be without it".*

AutoSense NZ has committed to a milestone of 4,000 connected Guardian units by June next year and has just signed a contract with Dynes, a fleet of 150 trucks and Toll NZ, a fleet of 100 trucks this month. Matt Horan, CEO of Dynes Group commented: *"We recognize fatigue as a very real issue for drivers, and as we care deeply about our people anything that helps protect them is a no brainer. Having Guardian installed across our fleet was the easiest decision we've made in the last 12 months".*

Seeing Machines Latin America ("SMLA") is a long-time distributor of the Company's Guardian solution and has been working with many large and established fleets to test, prove and deploy the technology across large and small transport and logtistics companies in Chile and beyond.

Two featured companies represent the growing acceptance of camera based driver monitoring technology as safety enablers in their organisations and the adoption of Guardian has demonstrated the benefits across their growing fleets.

Arauco Forestry is a globaly forestry company who pride themselves on world-class technology to add value to their processes across their entire value chain. They deliver products to over 3,500 clients via 223 ports across the world. Since implementing Guardian across their fleet of 530 vehicles, they have seen a remarkable decrease in microsleeps (from 5.3 events every 100 hours, to 1.6 events). This 68 percent reduction demonstrates permanent improvement in safety practice and policies and was implemented with a detailed change management plan in place – including driver talks, breakfast meetings with management, providing operatng material and communication of the objectives of installing this safety technology, and positions Arauco as a leader across its industry, globally.

The Chilean national oil company, ENAP (Empresa Nacional de Petróleo), conscious of the growing rate of fatigue and distracted related accidents across the country and around the world, decided to implement a risk management project acorss it's global enterprise, featuring the use of fatigue prediction technology and monitoring of individual driver behavior.

"The root of this project is the need of promoting, implementing and managing the prevention and safety of ENAP's employees. This initiative is additional to our commitment and responsibility towards our suppliers and drivers, who directly provide their services in the transportation field.   In consequence, our duty will be to find tools to help protect them during their journey, so they can come home unharmed," said Rodrigo Rivera – ENAP Ground Transport Director.

To carry out this initiative, ENAP relied on the expertise and proven success of Seeing Machines' Guardian, and combined this with the expertise of fatigue management company, Gauss Control. The incorporation of both companies helped to create a unique platform with the sole purpose of managing fatigue risk and driver behavior follow up.

ENAP was able to reduce microsleep events by 90%, and the accident rate dropped 55% between 2017 and 2019, a reality for ENAP in permanently and progressively implementing safety and prevention policies for their employees.

CEO Paul McGlone commented: *"I am very pleased with the progress of our Fleet business over the past twelve months as momentum continues around the world, demonstrated by these distributor highlights, and is now being bolstered by significant regulatory influence. We are delighted that Max will be joining the Fleet team to lead it through its next phase as we focus on growing our base, but importantly navigate through our product roadmap to continue to stay ahead of the growing competition and continue to bring drivers home safely.*

"Mike's transition to Chief of Human Factors and Safety is fundamental to our growing influence as a technology leader and I have no doubt his uninterrupted focus on that will positively impact our

business, but will also ensure we are respected as experts, something which makes me extremely proud."

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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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