

Seeing Machines Limited

23 February 2022

Half year trading update

Strong growth in both revenue and ARR drive confidence in meeting full year expectations

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, publishes a trading update for the six months to 31 December 2021 (“**H1 2021**”).

The Company expects to report revenue for H1 2022 of A\$21.7m (H1 2021: A\$18.1m), representing a 19.4% increase year-on-year and an underlying growth rate¹ of 24.6%. Total connected Guardian units at 31 December 2021 was 36,933, securing forward Annualised Recurring Revenues including royalties of A\$18.8m (H1 2021: A\$15.5m). Cash position at 31 December 2021 of A\$79.7m (H1 2021: A\$52.7m).

The Driver Monitoring System (DMS) technology market has matured over the past two years accelerating the market opportunity for Seeing Machines significantly across all transport sectors. With that, the global landscape is changing as the Automotive industry starts production on a range of vehicles, featuring semi-automated features, underpinned by DMS as an enabling and safety technology, working closely with advanced driver assistance systems. Aftermarket opportunities have begun to resonate with large multi-national companies concerned with enhanced safety and the Aviation industry has started to commercialise engagement with the Company as the benefits of eye-tracking are acknowledged and implemented.

Government and industry bodies globally are demanding a focus on safety and that is being accompanied by regulation that will see DMS widely mandated, already set for Europe and now backed up by the USA, signaling more global activity.

To support this momentum and maintain its leadership position, Seeing Machines has renewed focus on its technology roadmap and, following the successful fundraise in November 2021, will accelerate the development of new core software and systems features, expand sales channels and overall product portfolio to maximise its win rate of automotive programs in a significant sales pipeline and speed up growth in aftermarket revenue.

OEM (Automotive and Aviation) Highlights:

- In the USA, bipartisan infrastructure legislation includes pieces of the SAFE Act which would require DMS technology to detect distracted driving. In addition, the RIDE Act is included and calls for new cars to use advanced drunk driving technology to stop impaired driving.

¹ This refers to underlying growth rates at constant currency or adjusting for currency so business results can be viewed without the impact of fluctuations in foreign currency exchange rates, thereby facilitating period-to-period comparisons of Seeing Machines business performance. To present this information, current period results and comparative period results are converted into Australian dollars at the 31 December 2021 exchange rate.

- Seeing Machines was appointed by a global Automotive Tier-1 supplier to deliver the largest driver and occupant monitoring system technology award to date for a leading German automaker. Covering an expansive number of vehicle models, with mass production scheduled from early 2024, the program has an initial lifetime value of A\$125 million.
- Currently engaged on eleven automotive programs for eight individual OEMs, spanning an estimated 95 vehicle models, the cumulative initial lifetime value of all Seeing Machines won automotive programs stands at more than A\$325m.
- As cars fitted with Seeing Machines DMS start production, the automotive revenue mix is changing from NRE (non-recurring engineering) to more recurring, higher margin licence royalties. With over nine vehicle models now past start of production, there are more than 250,000 cars on roads featuring the Company's technology, representing an increase of 108% since 30 June 2021. The Company expects a further 30 distinct vehicle models, featuring Seeing Machines technology, to launch by early 2023.
- Airservices Australia announced that it will collaborate with Seeing Machines Aviation to enhance safety in Air Traffic Management. With an initial program of work, valued at around A\$250k, the two organisations will work together to develop and integrate Seeing Machines' technology to support and optimise safe and effective controller performance in an increasingly automated Air Traffic Control environment.
- Seeing Machines and Collins Aerospace, the world's largest Tier 1 Avionics company, have signed a collaboration agreement to jointly market co-developed solutions across the Aviation industry.

Aftermarket Highlights:

- The Company signed a Global Framework Agreement with Shell Global Solutions International B.V. for the provision of its Aftermarket driver distraction and fatigue technology, Guardian, to enhance safety across its worldwide operations.
- EROAD Limited, a leading transportation technology company that offers fleet management software and products, has integrated Seeing machines Guardian technology into its fleet management software to help combat driver fatigue and make roads safer.
- Seeing Machines established a European sales team, headquartered in Amsterdam, the Netherlands, to lead the next phase of its business development and focus on growing demand in Europe for the Company's Aftermarket driver safety technology, Guardian.

Paul McGlone, CEO of Seeing Machines commented: *"The activity across our entire business, coupled with a remarkable increase in cars on the roads fitted with our DMS technology and generating automotive royalty revenues, together with the positive financial results for the first half of 2022, signal excellent momentum and a changing landscape for the business. Our technology is well and truly*



established as industry leading and we are seeing that acknowledgement across all transport sectors as we continue to work with a growing number of the world's most prestigious brands.

“Our focus, as always, is on delivery and technology leadership. The team continues to evolve to achieve this and to meet the growing demand for driver and operator monitoring system technology. We are extremely confident of more progress in the second half of the financial year and I’m looking forward to more expansion, into more geographical markets, to maximise our growth aspirations and return value to our shareholders as we deliver against market expectations².”

Enquiries:

Seeing Machines Limited

+61 2 6103 4700

Paul McGlone – CEO

Sophie Nicoll – Corporate Communications

Stifel Nicolaus Europe Limited (Nominated Adviser and Broker)

+44 20 7710 7600

Alex Price

Nick Adams

Lionsgate Communications (Media Enquiries)

+44 07791 892509

Jonathan Charles

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.

² Market expectations for FY2022 are for revenue of A\$55.6m and EBITDA of A\$(32.7m)