



## Seeing Machines Limited (“Seeing Machines” or the “Company”)

8 February 2024

### H1 FY2024 Trading Update & quarterly KPIs

*Underlying revenue growth rate of 28%, with 116% increase YoY in cars on road which now exceeds 1.5 million*

*No change to FY2024 revenue and cash 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, provides a trading update for the six months to 31 December 2023 (“H1 2024”) and quarterly Key Performance Indicators (“KPIs”) for the quarter ended 31 December 2023.

#### Key Financial Highlights:

- Underlying Revenue growth for H1 FY2024 of 28% to US\$25.6m excluding one-off Magna exclusivity payments (Reported Revenue growth of 5% including these one-offs)
- Annualised Recurring Revenues increased by 22% year on year to US\$14.5m
- Cash at 31 December 2023 of US\$22.2m with cash burn of US\$13.9m, receivables and inventory balance of US\$31.1m with working capital unwind of \$5-6m expected in H2 FY2024

#### Key Operational Highlights:

- Seeing Machines appointed by an existing European Tier 1 customer to deliver its FOVIO Driver Monitoring System (DMS) technology for a new European OEM, initially targeting enhanced regulatory focused DMS features, and evolving into a generational opportunity featuring driver and occupant monitoring system functionality, with an initial lifetime value of US\$30m
- Appointed by an existing Tier 1 customer to deliver FOVIO DMS technology on an additional program for an existing European OEM, targeting safety regulation expectations, with an initial lifetime value of US\$15m
- The Company has now been appointed to deliver 17 Automotive programs with 11 individual OEM customers, building the cumulative initial lifetime value of all OEM programs to US\$366m
- Collins Aerospace, exclusively working with Seeing Machines to target the aviation sector, has begun joint development of the world’s first aviation fatigue detection solution, the first component of a potential multi-modal Pilot Support System



- Guardian Generation 3, the Company's Aftermarket DMS for the commercial transport and logistics sector, was independently tested at IDIADA's state of the art test and development facilities and assessed to meet requirements for drowsiness detection in the European Commission's General Safety Regulation, coming into effect in July 2024

### **Post Period Highlights**

- Seeing Machines launched Guardian Generation 3 at CES 2024, the world's largest technology conference, held in Las Vegas, and announced the beginning of regulatory driven sales with three European OEMs in anticipation of the General Safety Regulation requirements
- CES 2024 was a success for Seeing Machines with 35 meetings held over 3 days covering demonstrations of the Company's latest FOVIO driver and occupant monitoring suite, delivered from the rear-view mirror location, as well as showcasing more advanced R&D based technology. Meetings spanned technology partners, regulators, Tier 1 and OEM customers, investors and media
- Seeing Machines' Automotive team hosted meetings and technology demonstrations at Automotive World 2024, the largest automotive conference in Japan. Here the Company primarily met with Tier 1 and OEM customers, as well as a range of partners and investors

### **Q2 FY2024 KPI highlights:**

- Cars on road increased by 116% over 12 months to 1,516,545 units (Q2 FY23: 701,049)
- Monitored Guardian connections increased 24% during the last 12 months to 56,896 units (Q2 FY2023: 46,018)
- Guardian units sold, yet to be connected of 7,470 units

**Paul McGlone, CEO of Seeing Machines, said:** *"During the half, we reported underlying revenue growth of 28% across the business and as automotive programs progress to production, we are seeing consistent 100%+ year-on-year growth in the number of vehicles with our technology installed - now at over 1.5 million cars. I am confident that automotive production volumes, and our high margin royalty revenue stream, will continue to grow significantly on an annual basis, as ongoing programs build, and we approach the start of production across a number of additional programs this year, including the largest volume program won to date.*

*"We are closely supporting our customers to meet fast-approaching regulatory requirements across both Automotive and Aftermarket and are looking forward to our official, customer-facing Guardian Generation 3 launch at Geotab Connect in the USA this month.*

*Looking ahead, the growing industry demand for fatigue and distraction solutions to support enhanced transport safety, combined with our market leadership position, production pipeline, proprietary AI technology and balance sheet strength, leave us well positioned to meet FY2024 expectations and cash break even run rate during FY2025."*

**Quarterly Key Performance Indicators (KPI's) for Q4 FY2023**
**Automotive Production Volumes (production of new vehicles using Seeing Machines' DMS technology):**

	Q2 FY2023	Q3 FY2023	Q4 FY2023	Q1 FY2024	Q2 FY2024
<b>Production FY2023 - 24</b>	141,747	173,802	211,325	222,138	208,231
<b>% Growth Qtr on Qtr</b>	26%	23%	22%	5%	-6%
	Q2 FY2022	Q3 FY2022	Q4 FY2022	Q1 FY2023	Q2 FY2023
<b>Production FY2022-23</b>	60,205	98,113	105,390	112,077	141,747
<b>% Growth Comparative</b>	135%	77%	101%	98%	47%

**Aftermarket (Guardian) (installed technology for commercial transport fleets and logistics organisations):**

	Q2 FY2023	Q3 FY2023	Q4 FY2023	Q1 FY2024	Q2 FY2024
<b>Monitored connections</b>	46,018	49,046	51,975	54,140	56,896
<b>% Growth Qtr on Qtr</b>	11%	7%	6%	4%	5%
<b>Units sold, yet to be connected</b>	6,085	4,913	7,630	7,189	7,470

Seeing Machines delivered a strong year on year increase of over 100% in **Automotive** production volumes with the Group's technology now installed in over 1.5 million vehicles. While the quarter-on-quarter volume was slightly down, this is expected to increase during Q3 FY2024 as more programs start production and regulatory deadlines approach.

In **Aftermarket**, monitored Guardian connections have increased by 24% during the last 12 months. Monitored connections at the end of December 2023 of 56,896 exclude Guardian units sold to customers that upgrade from Generation 1 to Generation 2, as Australia continues to phase out its 3G network in favour of 4G. Upgrade sales represented 1,260 units during H1 FY2024.

The Company expects to publish its half year results on 18 March 2024.

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**About Seeing Machines (AIM: 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 is revolutionizing global transport safety. Its 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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