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SEEEN PLC
01 February 2024

Prior to publication, the information contained within this announcement was deemed by the Company to constitute inside information for the purposes of Regulation 11 of the Market Abuse (Amendment) (EU Exit) Regulations 2019/310. With the publication of this announcement, this information is now considered to be in the public domain.

SEEEN plc

("SEEEN", the "Group" or the "Company")

Trading and Operational Update

Board Change

SEEEN plc (AIM: SEEN), the global media and technology platform that delivers Key Video Moments to drive Video Commerce and transform its clients' video profitability, is pleased to provide an operational and trading update for the year ended 31 December 2023 ("2023") together with its 2024 outlook. The Company also announces a Board change as it launches the next stage of its growth plan.

Overview

The Group completed a fundraising in December 2022, principally to execute a tightly focused Go to Market sales plan, leveraging the proprietary technology that the Group created over the prior three years, supplemented by two product releases in 2023. During the year, SEEEN reinforced its competitive positioning as an AI-led video commerce platform with sales traction in large and growing addressable markets.

Today's proposed appointment to the Board of Michael Zigman as an independent non-executive director will add significant experience in structuring strategic partnerships and providing domain expertise in a key vertical market around which the Group plans to add sales, in particular use cases for education and training (short-form "How To" videos). He will replace Akiko Mikumo, who is retiring from the Board, but will remain as a member of the Group's Advisory Board.

As highlighted below, the Group successfully delivered progress during 2023 and has momentum for 2024 with: 40 customers (2022: 21) - 28 customers in growing vertical markets such as sports and services with recurring income for 2024 and beyond, 6 customers for e-commerce applications and 6 strategic customers in publishing. The Board believes that this base of customers will enable the Group to accelerate sales in 2024 by leveraging existing customer case studies and adding managed services to existing customers. The Group advanced its technology profile with approximately 37% of revenue being technology related, up from 30% in 2022, with the balance of revenue coming from an increasingly profitable YouTube Creator Services Partner business ("CSP"). The Group has established a strong sales pipeline for 2024 and has hired more sales personnel. Continued execution against the sales pipeline will enable the Group to achieve cash flow breakeven with its current cash resources.

To strengthen its customer offering, a key part of the Group's strategy was to strengthen its technology differentiation by launching two new technology products based on its proprietary AI: *CreatorSuite 2.0* and *ShortsCut*. The Board believes that these unique, proprietary products will drive long-run sustainable value for SEEEN's shareholders.

SEEEN's execution during 2023 has increased gross margins, narrowed operating losses and put the Group on track for cross-over to cash flow positive. Given the sales traction driven by SEEEN's unique technology offering for the video commerce market, the Group is also looking to accelerate beyond organic growth through both strategic partnerships to advance product distribution, and potential accretive acquisitions. The proposed appointment of Michael Zigman, will provide additional capability on the Board through his experience of concluding strategic partnerships and acquisitions in the technology and digital media sectors.

Significant 2023 Customer Wins and 2024 Pipeline

- Market traction with 40 total customers at end of 2023 (2022: 21), including:
  - 28 vertical market customers in financial publishing, sports, retail and services markets
  - 6 strategic customers, 5 in the publishing industry
  - 6 e-commerce customers
- 2023 Key Wins
  - First FAST (Free Advertising Supported Television) channel client, as part of the Group's YouTube CSP, expected to be worth approximately $1 million in revenues per year at a blended gross margin of approximately 15%
    - § Additional up-sell achieved during 2023 to drive further growth from its back catalogue to create Shorts using SEEEN's *ShortsCut* product
    - § Further sale made to a FAST customer in the US, leveraging the current relationship
  - Major financial publisher in the US, expected to be worth approximately $100K per annum, to leverage events videos with Key Video Moments to drive sign-ups for ongoing events (physical and online)
    - § Potential for further sales, both for wider video opportunities and to sister publications, as well as YouTube
  - Appointed video commerce and website partner for London Broncos, a Rugby League Super League side, generating both monthly recurring income and a share of profits generated from video commerce
    - § Builds on momentum in the sports vertical, having signed up various football, rugby league and rugby union clubs - provides a strong reference customer for further video commerce integrations, including potential deals with larger sports clubs
- Strong growth pipeline for 2024
  - Customers with potential for approximately $2 million in annual revenue for CSP
  - Expressions of interest for 2024 strategic distribution partnerships, joint ventures and acquisitions

2023 Operating Highlights

- AI-led video technology products developed for recurring revenues
  - Release of *CreatorSuite 2.0* in July 2023, incorporating both fully customisable Shoppable Video Prompts and advertising
  - Beta version of *ShortsCut*, a tool for rapid clipping of Shorts from a large video back catalogue, currently being used by the Group's CSP to drive Shorts for creator partners
- Technology demo day held for customers and investors with videos from the event available at www.seeen.com/techday/videos
- CSP increasingly profitable
  - Increasing focus on targeting publishers with large video back catalogues to optimise historic and new video content through "Key Video Moments" and perform social media management
  - Shedding of lower margin, higher volume legacy creator partners who had minimal cross-sell opportunities now complete
- Strong pipeline of business (both Technology licensing and CSP), driven from customer case studies and increased sales team

Unaudited FY 2023 Financial Highlights

Profitability

- Improved gross margin of above 20% (2022: 15.2%), reflecting increasing mix of technology sales and higher margin CSP channel partners
- Adjusted Group EBITDA* loss expected to be approximately $0.6 million (2022: loss of $0.8 million), reflecting increased investment in sales team, offset by increased profitability from technology and CSP businesses

Revenues

- Changing mix of revenue, reflecting technology commercialisation
- Revenues from customers using *CreatorSuite*, the Group's primary technology product, of approximately $0.8 million, representing approximately 37% of Group's revenues (2022: 30%)
  - Recurring technology revenues of more than $0.2 million (2022: $0.1 million)
- Total Group revenues for the year ended 31 December 2023 expected to be approximately $2.1 million (2022: $3.3 million). Reduction reflects shifting priority away from lower value CSP business towards higher value media technology business: (i) completion of elimination of unprofitable revenue from CSP channel partners with no technology upselling potential; (ii) weaker than expected advertising rates in 2H 2023 for CSP

Balance Sheet

- Cash position of $1.2 million as at 31 December 2023, following one-off development costs of *CreatorSuite 2.0*, considered sufficient to reach cash flow profitability given the Group's current pipeline

Board Change and Proposed Director Appointment

SEEEN announces that Akiko Mikumo is retiring from the Board with immediate effect and the Board proposes the appointment of Michael Zigman as an independent non-executive director to replace Ms. Mikumo. Ms. Mikumo will join the Group's Advisory Board. Mr. Zigman is currently CEO of NYC First, an educational non-profit that promotes Science, Technology, Engineering, and Mathematics (STEM) learning including Artificial intelligence (AI) and robotics. Michael has spent over 25 years operating, scaling and advising technology companies. Prior to NYC First, Michael was a managing director at Soundview Technology Group and WR Hambrecht & Co., both technology-focused U.S. investment banks. He is a graduate of Dartmouth College. The Board believes that Mr. Zigman's experience in education and technology will be synergistic both in advancing SEEEN's customer use

cases for training (short-form "How To" videos) and in financial advisory matters that support SEEEN's growth plan. Mr. Zigman's appointment to the Board is subject to approval from the Company's Nominated Adviser after the customary director due diligence process to satisfy itself as to Board composition and independence and the suitability of a potential director for the purposes of the AIM Rules for Nominated Advisers.

2024 Outlook

Having made investments during 2023 in the sales team and refining the Group's products, the Board considers that SEEEN is now well positioned to take advantage of two key trends in the market; video commerce and the continued preference across the web for short form, 'snackable' video over longer form content. Snackable videos are increasingly used for education and training to reinforce skills. The video commerce and snackable video markets are both expected to grow at CAGRs of over 30% and 10% over the next five and seven years respectively.[1]

SEEEN's products can benefit customers across all vertical markets by driving increased views, advertising revenues and engagement rates, driving directly to product and service sales for the Group's customers. SEEEN's technology does this by identifying and creating the Key Video Moments from a customer's video collection that will drive viewer purchases and engagement. This is reflected in strong clickthrough rates for SEEEN-enhanced videos of more than 10%, versus industry standards typically around 3-5%. This strong engagement also means that viewers shop for more of SEEEN's customers' products because they are being served relevant content, allowing customers to "double dip" by generating both advertising and e-commerce or affiliate revenues. This directly increases their return on investment from videos.

As the market has moved increasingly towards short form video content and video commerce, SEEEN's technology platform allows customers to capture these trends. SEEEN's unique technology can be used by customers both on their own websites, as well as through the creation of short form content for social media, which directly benefits the Group's CSP business (formerly MCN). SEEEN's platform deploys more than 20 different AI models, including natural language processing, visual, activity and optical character recognition. SEEEN combines these results to find the best segments of video to maximise customers' views and income. Having now established traction in key target markets, the Group will continue to execute against the sales pipeline to achieve cash flow breakeven.

Adrian Hargrave, CEO of the Group, stated: "*We have progressed our 2023 Go-to-Market plan. We have also released two new products that leverage our AI and Key Video Moments to drive revenues for both ourselves and our customers. These products have been well received across all our core vertical markets. The results from implementations, including 10% clickthrough rates and enhanced on-site engagement and sales, demonstrate the value that our products deliver.*

The market is increasingly shifting towards video commerce and we are well positioned to capitalise on this, whilst recognising that we have to be opportunistic and aggressive in this fast moving industry."

Dr. Patrick DeSouza, Chairman, added: "*We would like to thank Akiko Mikumo for her service to the Company and its shareholders. Akiko's prior experience in execution and focus as a leader at one of the world's leading law firms has been instrumental in helping our team transition from its founding group to advance SEEEN's corporate development towards being a profitable, growing technology company. We would also like to welcome Michael Zigman's proposed appointment to the board. He has a wealth of operating and financial advisory experience that will help SEEEN now that we have gained sales traction and technology differentiation as a platform to leverage with strategic partners."*

Notes

* EBITDA adjusted for share-based payments and one-time costs

1. Sources include: Reportlinker for global video commerce market (May 2023) and Grand View Research for short video platforms market (March 2023).

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