

# **Seeing Machines Limited**

ABN 34 093 877 331

**Interim Financial Report** for the  
six-month period ended 31 December 2024

# Seeing Machines Limited

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### 31 December 2024

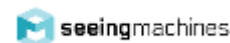


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# Seeing Machines Limited

## Directors' report

### 31 December 2024



## Directors' Report

The Directors submit their report, together with the financial statements, of the consolidated entity (referred to hereafter as the 'Group') consisting of Seeing Machines Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the six-month period ended 31 December 2024 ("half-year"). The Group's functional and presentation currency is US dollars (\$)

## Directors

The names of the Directors of Seeing Machines Limited in office during the half-year and until the date of this report are listed below. All Directors were in office for the entire period covered by the report unless otherwise stated.

Kate Hill	Non-Executive Director and Chair
Paul McGlone	Executive Director and Chief Executive Officer (CEO)
Gerhard Vorster	Non-Executive Director
John Murray	Non-Executive Director
Michael Brown	Non-Executive Director
Stephane Vedio	Non-Executive Director

## Principal Activities

The Group's principal activities during the half-year were:

- Developing, selling and licensing products, services and technology to detect and manage driver fatigue and distraction, including continued market development to secure sustainable channels to market for the product;
- Entering commercial agreements with partners for the design, development and sale of products into key target markets; and
- Research and development of the Company's core vision processing technologies to support the development and refinement of the Company's products.

## Review of Operations

The Group's total revenue for the half-year (excluding foreign exchange gains and finance income) decreased by 2% and adjusted EBITDA losses decreased by 33% compared to the six-month period ended 31 December 2023.

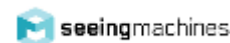
	31 Dec 2024	31 Dec 2023	Change	Change
	\$'000	\$'000	\$'000	%
OEM	14,522	11,413	3,109	27%
Aftermarket	10,785	14,321	(3,536)	(25%)
<b>Revenue</b>	<b>25,307</b>	<b>25,734</b>	<b>(427)</b>	<b>(2%)</b>
	31 Dec 2024	31 Dec 2023	Change	Change
	\$'000	\$'000	\$'000	%
OEM	(8,979)	(12,455)	3,476	(28%)
Aftermarket	(8,733)	(14,048)	5,315	(38%)
<b>Adjusted EBITDA*</b>	<b>(17,712)</b>	<b>(26,503)</b>	<b>8,791</b>	<b>(33%)</b>

\*Adjusted EBITDA is a non-IFRS measure but included as an important metric for shareholders understanding of the business. Please refer to Note 3(a) for a reconciliation of adjusted EBITDA with loss before income tax.

# Seeing Machines Limited

## Directors' report

### 31 December 2024



## Review of Operations (continued)

### OEM division

With 8 automotive programs at start of production by the end of H1 FY2025, Seeing Machines has just under 3 million cars on the road featuring its DMS technology, an increase of 90% from 12 months ago, despite some volatility in OEM quarterly volumes.

During the period, Seeing Machines and Valeo formalised a strategic collaboration to deepen their relationship with automotive Tier 1 suppliers and expand their market share in the automotive sector. The market-leading scale of Valeo, alongside its expertise in cutting-edge cameras and processing units, software and system integration, will help to accelerate adoption of the Company's AI-powered driver and occupant monitoring system (DMS/OMS) technology. The two companies are working closely together to jointly pursue new business as Seeing Machines strategically partners with a small number of blue-chip Tier 1s to enhance opportunities for growth.

Linked to the collaboration with Valeo, Seeing Machines acquired software company Asaphus Vision GmbH ("Asaphus") on 4 July 2024 for \$6,000,000 (cash consideration of \$1,000,000 on acquisition and deferred consideration of \$5,000,000), providing a significant material boost to AI and Machine Learning capabilities. Asaphus, now operating as Seeing Machines Berlin, provides the Company with a European footprint, leaving it strongly positioned to support a rapidly growing customer base with both technical and operational staff. Please refer to Note 19 Business Combinations for further details.

	31 Dec 2024	31 Dec 2023	Change	Change
	\$'000	\$'000	\$'000	%
Royalties	6,346	4,200	2,146	51%
Non-recurring engineering/ consulting	5,381	4,538	843	19%
Licensing	2,130	2,249	(119)	(5%)
Hardware and installations	665	426	239	56%
<b>OEM Revenue</b>	<b>14,522</b>	11,413	3,109	27%
<b>OEM Adjusted EBITDA</b>	<b>(8,979)</b>	(12,455)	3,476	(28%)

- **Royalty revenues**, derived from installation of Seeing Machines' Driver Monitoring System (DMS) technology, represent very high margin revenue. Despite the turbulence in the global automotive market, the Group achieved a 56% increase in royalty volumes and 51% increase in revenues. Importantly, the EU's General Safety Regulation (GSR) introduces the requirement for Advanced Driver Distraction Warning (ADDW) in July 2026 for all new cars, vans, trucks and buses. As OEMs respond to the regulations, Seeing Machines expects to continue to benefit from the increasing adoption of driver monitoring technologies across a widening range of global markets.

- **Non-Recurring Engineering (NRE) revenue** is software development activities undertaken to embed DMS technologies into the specific OEM configuration. The increase represents the revenue earned by the newly acquired company, Asaphus, of \$2,074,000, offset by a reduction in activities for some larger programs that were at or near completion by the end of December 2024. NRE activities, which generate revenue at a low margin, are a leading indicator of future high-margin royalty revenue.

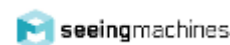
- **Revenue from license fees** was earned from exclusive collaboration agreements with Magna Electronics and Collins Aerospace and reflects the volume of work undertaken during the year to fulfil those agreements. The nature of this type of revenue generally means that each agreement is unique and one-off. This revenue attracts a high margin.

- **Adjusted EBITDA** represents the EBITDA earned by the division after adjusting for capitalised research and development expenditure and allocating corporate costs and overheads. The measure is a proxy for the cash earned or used by the division during the year. A decrease of investment in research and development costs and a higher mix of high margin revenue contributed to a 28% decrease in adjusted EBITDA losses for the half-year.

# Seeing Machines Limited

## Directors' report

### 31 December 2024



## Review of Operations (continued)

### Aftermarket division

Guardian Generation 3, the Company's aftermarket safety technology targeting the commercial transport and logistics segment, is now in production and being trialled across Europe, North America and Asia Pacific in several large fleets. These trials are well underway and in direct comparisons, results have seen Guardian outperform its competition due to its superior detection of fatigue and distraction. The third generation of Guardian has been significantly enhanced, leveraging the Company's automotive grade DMS technology.

Guardian units continue to be connected across transport and logistics fleets as previously sold Guardian Generation 2 units are installed, particularly in the Asia Pacific region, contributing to Annual Recurring Revenue.

Wrightbus, the UK's largest electric bus manufacturer, became the first commercial vehicle manufacturer to achieve homologation with the Company's Guardian Generation 3 product, for Europe's General Safety Regulation and the detection of fatigue related driving events.

Post 31 December 2024, Seeing Machines signed a Referral Agreement with Mitsubishi Electric Automotive America Inc. ("MEAA"), enabling the Company to leverage Mitsubishi's extensive Aftermarket distribution network and customer base of over 1 million individual vehicles across the Americas to accelerate sales of the Company's Guardian Generation 3.

	31 Dec 2024	31 Dec 2023	Change	Change
	\$'000	\$'000	\$'000	%
Driver monitoring	6,935	6,256	679	11%
Hardware and installations	2,273	5,954	(3,681)	(62%)
Royalties	-	1,704	(1,704)	(100%)
Licensing	313	-	313	-
Non-recurring engineering/ consulting	1,264	407	857	211%
<b>Aftermarket Revenue</b>	<b>10,785</b>	<b>14,321</b>	<b>(3,536)</b>	<b>(25%)</b>
<b>Aftermarket Adjusted EBITDA</b>	<b>(8,733)</b>	<b>(14,048)</b>	<b>5,315</b>	<b>(38%)</b>

- **Driver monitoring revenue** represents the high margin recurring revenue generated from Guardian connections with revenue increasing by 11% as a result of an increase in connected units.

- **Hardware and installation revenue** from the sale and installation of Guardian units saw a decline of 62% due to delays in production of Generation 3 units. The production ramp is expected to increase during the remainder of the financial year, helping to meet demand and the requirements of the global pipeline.

- **Royalty revenue** agreements with Caterpillar were replaced with a new five-year license Agreement at the end of June 2024.

- **Licensing revenue** from Caterpillar represents support and maintenance services for the half-year linked to the licensing agreement from June 2024.

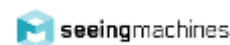
- **Non-recurring engineering revenue** relates to technology development and consulting projects with Caterpillar. The increase in revenue represents the additional revenues for projects finished during the half-year and other additional development work completed.

- **Adjusted EBITDA** losses decreased by 38% for the period due to a higher mix of high margin revenue, lower operating costs and a decrease in research and development costs.

# Seeing Machines Limited

## Directors' report

### 31 December 2024



#### Review of Operations (continued)

##### Gross Profit

Gross profit increased across the entire business from \$10,573,000 in H1 FY2024 to \$14,026,000 in H1 FY2025. The gross profit margin increased from 41% in H1 FY2024 to 55% in H1 FY2025. The increase in gross profit margin was largely due to sales mix changes compared to the prior half-year with a higher proportion of revenue from license fees (including royalty revenue) and a lower proportion of lower margin hardware revenue. Service costs for monitoring revenue also reduced compared to the prior period.

##### Expenditure

The Company incurred total research and development expenses (excluding depreciation and amortisation and including capitalised development costs) of \$13,360,000 (H1 FY2024: \$18,366,000) for the half year ended 31 December 2024 of which \$8,663,000 (H1 FY2024: \$12,350,000) was capitalised.

	31 Dec 2024 \$'000	31 Dec 2023 \$'000	Change \$'000	Change %
Research and development expenses	13,360	18,366	(5,006)	(27%)
Customer support and marketing expenses	4,018	4,306	(288)	(7%)
Operations expenses	6,956	7,256	(300)	(4%)
General and administration expenses	8,127	7,180	947	13%
Net foreign exchange gains/(losses)	(75)	67	(142)	(212%)
<b>Expenses (excluding depreciation and amortisation and including capitalised development costs)</b>	<b>32,386</b>	<b>37,175</b>	<b>(4,789)</b>	<b>(13%)</b>
Depreciation and amortisation	5,855	3,136	2,719	87%
Capitalised development costs during the period	(8,663)	(12,350)	3,687	(30%)
<b>Expenses</b>	<b>29,578</b>	<b>27,961</b>	<b>1,617</b>	<b>6%</b>

Expenses increased compared to last half-year which was due to additional (non-cash) amortisation for development costs and a reduction in capitalised development costs. Asaphus incurred \$804,000 in expenses for the half-year.

General and administrative expenses included \$625,000 (H1 FY2024: nil), which related to a combination of one-off restructuring expenses (\$530,000) and acquisition costs related to Asaphus Vision GmbH (\$95,000). Excluding these one-off restructuring and acquisition costs, the expenses, excluding depreciation and amortisation and including capitalised development costs during the period, reduced by 15% compared to the previous half-year.

The reduction in expenses (excluding depreciation and amortisation and including capitalised development costs) is largely due to a reduction in people resources, both directly employed and indirectly through outsourced contractor roles. The combined number of full-time employees and contractors has reduced from 545 at 31 December 2023 to 468 at 31 December 2024. This movement includes the offsetting impact of 30 additional employees from the acquisition of Asaphus in July 2024.

##### Result for the half-year

As a result of above factors, the loss for the half-year ended 31 December 2024 decreased by \$1,571,000 to \$18,237,000 (H1 FY2024 loss: \$19,802,000).

# Seeing Machines Limited

## Directors' report

### 31 December 2024



#### Review of Operations (continued)

##### Working capital management

After adjusting for the receipts from one-off licensing arrangements, cashflows from operating and investing activities have improved for the half-year, mainly as a result of ongoing cost management initiatives.

	31 Dec 2024 \$'000	31 Dec 2023 \$'000
Net cash flows used in operating activities	(7,098)	(1,109)
Net cash flows used in investing activities	(8,830)	(12,640)
<b>Net cash flows used in operating and investing activities</b>	<b>(15,928)</b>	<b>(13,749)</b>
Less: cash from one-off licensing arrangements	(3,750)	(6,750)
	<b>(19,678)</b>	<b>(20,499)</b>

Within operating cashflows for the 6-month period ended 31 December 2024, payments totalling \$7.1m were made in line with extended credit terms received for the final production runs of Guardian Generation 2 units.

The reduction in development costs capitalised as intangible assets has driven the favourable movement to the cashflows for investing activities.

##### Industry update

Regulatory momentum continues to underpin Seeing Machines' investment thesis as growing numbers of OEMs and transport operators in Europe are required to enhance safety through the adoption of driver monitoring system technology. While the global automotives sector has faced some challenges over the last year, Seeing Machines' Automotive production volumes continue to grow significantly, and this is expected to continue.

##### Other highlights

The 6-month period ended 31 December 2024 was defined by the landmark £26,207,000 (\$32,751,000) investment by Mitsubishi Electric Mobility Corporation ("MELMB"), a global leader in the design and manufacture of automotive products and technologies, into Seeing Machines. MELMB now hold 19.9% of Seeing Machines' issued share capital. This new partnership will provide a strong foundation for future growth.

The two companies have also joined forces through a collaboration agreement to grow their share of the Automotive market in Japan, at a time when OEMs are looking to implement driver safety solutions ahead of regulatory deadlines in Europe and beyond. The collaboration will extend to all areas of Seeing Machines' transport related business and is intended to eventually expand into adjacent markets where Seeing Machines' Intellectual Property may be leveraged to enhance segments in which Mitsubishi has an existing competitive advantage.

##### Chief Executive Officer

The Group's Chief Executive Officer as at the date of this report is Paul McGlone.

##### Company Secretary

As at the date of this report the Company Secretary is Susan Dalliston.

# Seeing Machines Limited

## Directors' report

### 31 December 2024

#### Employee Numbers

At 31 December 2024 the Group had 430 full-time employees (30 June 2024: 421) and 455 full time equivalent employees (30 June 2024: 439). Included in the employee numbers for 31 December 2024 are 30 full-time employees and 39 full time equivalent employees of Asaphus, which was acquired during the period. The corresponding numbers for 30 June 2024 do not include any employees of Asaphus.

#### Significant Changes in State of Affairs

Share capital increased by \$31,240,000 (from \$240,948,000 to \$272,188,000) as a result of the issuance of new shares to MELMB.

The details of the changes in contributed equity are disclosed in Note 16 to the financial statements.

#### Environmental Regulations

The Group holds no licenses issued by relevant Environmental Protection Authorities and there have been no known breaches of any environmental regulations

#### Directors and Officers Insurance

During the half-year, the Company paid a premium in respect of a contract insuring the Directors of Seeing Machines Limited (and its wholly owned subsidiaries), the Company Secretary, and all executive officers of those companies against a liability incurred as such a Director, secretary, or executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

#### Non-Audit Services

PwC have not rendered any non-audit services during the half-year.

#### Rounding of amounts

The company is of a kind referred to ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the directors' report and financial report. Amounts in the directors' report and financial report have been rounded off to the nearest thousand dollars in accordance with the instrument.

Signed at Canberra this in accordance with a resolution of the Directors.

On behalf of the Board



Paul McGlone  
Executive Director & Chief Executive Officer  
Canberra  
27 March 2025



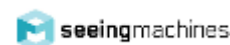
**Seeing Machines Limited**  
**Interim Consolidated Statement of Financial Position - Unaudited**  
**As at 31 December 2024**



	Note	31 Dec 2024 \$'000	30 Jun 2024 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	5	39,642	23,361
Trade and other receivables	6	11,833	25,293
Contract assets		5,231	7,044
Inventories	7	3,604	3,625
Other financial assets		294	315
Other current assets		2,931	2,113
<b>Total current assets</b>		<b>63,535</b>	<b>61,751</b>
<b>Non-current assets</b>			
Property, plant and equipment	8	3,076	3,486
Right-of-use assets		3,237	3,737
Intangibles	9	68,712	61,323
<b>Total non-current assets</b>		<b>75,025</b>	<b>68,546</b>
<b>Total assets</b>		<b>138,560</b>	<b>130,297</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	10	10,808	21,161
Contract liabilities		6,559	5,471
Lease liabilities	11	1,167	1,122
Provisions		4,911	4,909
Deferred consideration	19	640	-
<b>Total current liabilities</b>		<b>24,085</b>	<b>32,663</b>
<b>Non-current liabilities</b>			
Contract liabilities		8,013	9,088
Borrowings	12	48,447	45,701
Lease liabilities	11	3,230	4,097
Deferred tax		1,107	1,423
Provisions		328	342
Deferred consideration	19	3,279	-
<b>Total non-current liabilities</b>		<b>64,404</b>	<b>60,651</b>
<b>Total liabilities</b>		<b>88,489</b>	<b>93,314</b>
<b>Net assets</b>		<b>50,071</b>	<b>36,983</b>
<b>Equity</b>			
Contributed equity	16	272,188	240,948
Other equity	13	5,582	5,582
Accumulated losses		(235,033)	(216,796)
Reserves		7,334	7,249
<b>Total equity</b>		<b>50,071</b>	<b>36,983</b>

*The above interim consolidated statement of financial position - unaudited should be read in conjunction with the accompanying notes*

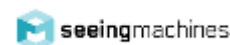
**Seeing Machines Limited**  
**Interim Consolidated Statement of Comprehensive Income -**  
**Unaudited**  
**For the half-year ended 31 December 2024**



	Note	31 Dec 2024 \$'000	31 Dec 2023 \$'000
Sale of goods		2,614	5,858
Royalty and license fees		8,789	8,153
Services revenue		13,904	11,723
<b>Revenue</b>	3	<u>25,307</u>	<u>25,734</u>
Cost of sales		(11,281)	(15,161)
<b>Gross Profit</b>		<u>14,026</u>	<u>10,573</u>
Operations expenses		(8,091)	(8,232)
Research and development expenses		(9,417)	(8,176)
Customer support and marketing expenses		(4,018)	(4,306)
General and administration expenses		(8,127)	(7,180)
Net foreign exchange gains/(losses)		75	(67)
<b>Expenses</b>	4	<u>(29,578)</u>	<u>(27,961)</u>
<b>Operating loss</b>		<u>(15,552)</u>	<u>(17,388)</u>
Finance income		483	252
Finance costs		(3,448)	(2,648)
<b>Finance costs - net</b>		<u>(2,965)</u>	<u>(2,396)</u>
<b>Loss before income tax benefit/(expense)</b>		<u>(18,517)</u>	<u>(19,784)</u>
Income tax benefit/(expense)		280	(18)
<b>Loss after income tax benefit/(expense) for the half-year attributable to the owners of Seeing Machines Limited</b>		<u>(18,237)</u>	<u>(19,802)</u>
<b>Other comprehensive loss</b>			
Exchange differences on translation of foreign operations		(21)	70
<b>Other comprehensive loss for the half-year, net of tax</b>		<u>(21)</u>	<u>70</u>
<b>Total comprehensive income/(loss) for the half-year attributable to the owners of Seeing Machines Limited</b>		<u><u>(18,258)</u></u>	<u><u>(19,732)</u></u>
		<b>Cents</b>	<b>Cents</b>
Basic loss per share	15	(0.3712)	(0.4765)
Diluted loss per share	15	(0.3712)	(0.4765)

*The above interim consolidated statement of comprehensive income - unaudited should be read in conjunction with the accompanying notes*

# Seeing Machines Limited

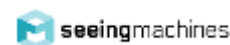


## Interim Consolidated Statement of Changes in Equity - Unaudited For the half-year ended 31 December 2024

	Contributed Equity \$'000	Other Equity \$'000	Accumulated Losses \$'000	Foreign Currency Translation Reserve \$'000	Employee Equity Benefits & Other Reserve \$'000	Total Equity \$'000
<b>Balance at 1 July 2023</b>	240,948	5,749	(185,520)	(13,818)	19,172	66,531
Loss after income tax expense for the half-year	-	-	(19,802)	-	-	(19,802)
Other comprehensive income/(loss) for the half-year, net of tax	-	-	-	70	-	70
<b>Total comprehensive loss for the half-year</b>	-	-	(19,802)	70	-	(19,732)
<b>Transactions with owners in their capacity as owners:</b>						
Share-based payments	-	-	-	-	1,017	1,017
<b>Balance at 31 December 2023</b>	<u>240,948</u>	<u>5,749</u>	<u>(205,322)</u>	<u>(13,748)</u>	<u>20,189</u>	<u>47,816</u>
	Contributed Equity \$'000	Other Equity \$'000	Accumulated Losses \$'000	Foreign Currency Translation Reserves \$'000	Employee Equity Benefits & Other Reserve \$'000	Total Equity \$'000
<b>Balance at 1 July 2024</b>	240,948	5,582	(216,796)	(13,844)	21,093	36,983
Loss after income tax benefit for the half-year	-	-	(18,237)	-	-	(18,237)
Other comprehensive income/(loss) for the half-year, net of tax	-	-	-	(21)	-	(21)
Total comprehensive income/(loss) for the half-year	-	-	(18,237)	(21)	-	(18,258)
<b>Transactions with owners in their capacity as owners:</b>						
Share-based payments	-	-	-	-	106	106
Contributions of equity, net of transaction costs	31,240	-	-	-	-	31,240
<b>Balance at 31 December 2024</b>	<u>272,188</u>	<u>5,582</u>	<u>(235,033)</u>	<u>(13,865)</u>	<u>21,199</u>	<u>50,071</u>

The above interim consolidated statement of changes in equity - unaudited should be read in conjunction with the accompanying notes

**Seeing Machines Limited**  
**Interim Consolidated Statement of Cash Flows - Unaudited**  
**For the half-year ended 31 December 2024**



	Note	31 Dec 2024 \$'000	31 Dec 2023 \$'000
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		42,178	36,113
Payments to suppliers and employees (inclusive of GST)		(49,649)	(37,448)
Interest received		481	252
Transaction costs relating to acquisition of subsidiary		(95)	-
Interest and other finance costs paid		(42)	(26)
Income taxes paid		(44)	-
<b>Net cash used in operating activities</b>		<b>(7,171)</b>	<b>(1,109)</b>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment	8	(95)	(272)
Payments for intangible assets (patents, licenses and trademarks)	9	(21)	(105)
Payments for intangible assets (capitalised development costs)	9	(8,663)	(12,350)
Maturity of term deposits		22	87
<b>Net cash used in investing activities</b>		<b>(8,757)</b>	<b>(12,640)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares	16	32,752	-
Repayment of lease liabilities		(597)	(439)
<b>Net cash from/(used in) financing activities</b>		<b>32,155</b>	<b>(439)</b>
Net increase/(decrease) in cash and cash equivalents		16,227	(14,188)
Cash and cash equivalents at the beginning of the financial half-year		23,361	36,139
Effects of exchange rate changes on cash and cash equivalents		54	264
Cash and cash equivalents at the end of the financial half-year	5	<b>39,642</b>	<b>22,215</b>

*The above interim consolidated statement of cash flows - unaudited should be read in conjunction with the accompanying notes*

# Seeing Machines Limited

## Notes to the Interim Consolidated Financial Statements - Unaudited

### 31 December 2024



#### 1. Corporate information

Seeing Machines Limited (the “Company” or the “Group”) is a limited liability company incorporated and domiciled in Australia and listed on the AIM market of the London Stock Exchange. The address of the Company’s registered office is 80 Mildura Street, Fyshwick, Australian Capital Territory, Australia.

Seeing Machines Limited and its subsidiaries (the “Group”) provide operator monitoring and intervention sensing technologies and services for the automotive, mining, transport and aviation industries.

The interim consolidated financial report of the Group (the “interim financial report”) for the six-month period ended 31 December 2024 was authorised for issue in accordance with a resolution of the Directors on 27 March 2025 .

#### 2. Basis of Preparation

##### (a) Basis of Preparation

The interim financial report for the six-month period ended 31 December 2024 has been prepared in accordance with AASB 134 Interim Financial Reporting in order to fulfil the reporting requirements of Rule 18 of the London Stock Exchange’s AIM Rules for Companies issued July 2016.

The interim financial report does not include all the information and disclosures required in the annual financial report and should be read in conjunction with the Group’s annual consolidated financial statements as at 30 June 2024. The interim financial report has also been prepared on a historical cost basis, except for derivative financial instruments which have been measured at fair value.

There is no requirement for the interim financial report to be subject to audit or review by the external auditor and accordingly no audit or review has been conducted.

##### (b) Accounting policies

The accounting policies applied are consistent with those of the consolidated financial statements for the year ended 30 June 2024.

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2024 reporting periods and have not been early adopted by the Group. These standards, amendments or interpretations are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

#### 3. Segment Information

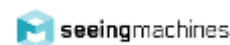
##### a. Description of segments and principal activities

The Executives (including the Executive the Chief Executive Officer and Chief Financial Officer) and the Board, examines the Group’s performance from a product and services perspective and have organised the Group into key business units and identified two reportable operating segments of the business:

1. The OEM operating segment includes both the automotive and aviation business units, which generate largely licence-based royalty and non-recurring engineering services-based revenue, channelled through Tier 1 customers.
2. The Aftermarket operating segment includes Fleet and Off-Road business units, which generate revenue from a mix of direct and indirect customers who retro-fit Seeing Machines technology into commercial vehicles.

The Executive Leadership Team uses a measure of adjusted earnings before interest, tax, depreciation and amortisation (EBITDA) to assess the performance of the operating segments. However, the Executive Leadership Team also receives information about the segments’ revenue on a monthly basis.

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**3. Segment Information (continued)**

**b. Segment revenue and adjusted EBITDA**

<b>FOR THE SIX-MONTH PERIOD ENDED</b>	<b>31 Dec 2024 Segment Revenue \$'000</b>	<b>31 Dec 2024 Adjusted EBITDA \$'000</b>	<b>31 Dec 2023 Segment Revenue \$'000</b>	<b>31 Dec 2023 Adjusted EBITDA \$'000</b>
OEM	14,522	(8,979)	11,413	(12,455)
Aftermarket	10,785	(8,733)	14,321	(14,048)
<b>Total</b>	<b>25,307</b>	<b>(17,712)</b>	<b>25,734</b>	<b>(26,503)</b>

There are no inter-segment revenues and there have been no changes to how each segment's adjusted EBITDA is measured.

Corporate costs and overheads within adjusted EBITDA have been allocated to the operating segments using a percentage of revenue. Research and development costs are allocated based on actual costs that relate to an operating segment.

Adjusted EBITDA excludes the effect of significant items of income and expenditure which may have an impact on the quality of earnings such as restructuring costs and acquisition costs. It also adds back capitalised expenditure during the period to help assess the free cashflow of the business units.

Adjusted EBITDA reconciles to loss before income tax as follows:

<b>FOR THE SIX-MONTH PERIOD ENDED</b>	<b>31 Dec 2024 \$'000</b>	<b>31 Dec 2023 \$'000</b>
<b>31 DECEMBER</b>		
<b>Total adjusted EBITDA</b>	<b>(17,712)</b>	<b>(26,503)</b>
Finance costs - net	(2,965)	(2,396)
Depreciation & amortisation expense	(5,855)	(3,136)
Capitalised costs	8,663	12,350
Restructuring costs and acquisition costs	(625)	-
Other	(23)	(99)
<b>Loss before income tax</b>	<b>(18,517)</b>	<b>(19,784)</b>

3. Segment Information (continued)

c. Disaggregation of revenue from contracts with customers

In the following tables, revenue segments have been disaggregated by type of goods or services which also reflects the timing of revenue recognition.

	OEM	Aftermarket	Total
FOR THE SIX-MONTH PERIOD ENDED 31 DECEMBER 2024	\$'000	\$'000	\$'000
<b>Sales at a point in time</b>			
Hardware and Installations	665	2,273	2,938
	<u>665</u>	<u>2,273</u>	<u>2,938</u>
<b>Sales over time</b>			
Driver Monitoring	-	6,934	6,934
Non-recurring Engineering	5,381	1,264	6,645
Royalties	6,346	-	6,346
Licensing	2,130	314	2,444
	<u>13,857</u>	<u>8,512</u>	<u>22,369</u>
<b>Total Revenue</b>	<b><u>14,522</u></b>	<b><u>10,785</u></b>	<b><u>25,307</u></b>

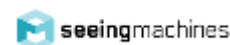
	OEM	Aftermarket	Total
FOR THE SIX-MONTH PERIOD ENDED 31 DECEMBER 2023	\$'000	\$'000	\$'000
<b>Sales at a point in time</b>			
Hardware and Installations	426	5,954	6,380
Royalties	-	1,704	1,704
	<u>426</u>	<u>7,658</u>	<u>8,084</u>
<b>Sales over time</b>			
Driver Monitoring	-	6,256	6,256
Non-recurring Engineering	4,538	407	4,945
Royalties	4,200	-	4,200
Licensing	2,249	-	2,249
	<u>10,987</u>	<u>6,663</u>	<u>17,650</u>
<b>Total Revenue</b>	<b><u>11,413</u></b>	<b><u>14,321</u></b>	<b><u>25,734</u></b>

d. Revenue from contracts with customers by geographic information

FOR THE SIX-MONTH PERIOD ENDED	31 Dec 2024 \$'000	31 Dec 2023 \$'000
Australia	7,488	7,341
North America	8,407	12,606
Asia-Pacific (excluding Australia)	1,536	1,567
Europe	6,490	2,714
Other	1,386	1,506
<b>Total revenue</b>	<b><u>25,307</u></b>	<b><u>25,734</u></b>

The revenue information above is based on the locations of the customers.

**Seeing Machines Limited**  
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**4. Expenses**

**FOR THE SIX-MONTH PERIOD ENDED**

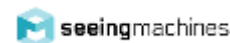
	<b>31 Dec 2024</b>	<b>31 Dec 2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>a. Research and development expenses</b>		
Research and development expenses	18,080	20,526
Capitalised development costs during the period	<u>(8,663)</u>	<u>(12,350)</u>
<b>Total research and development expenses</b>	<b><u>9,417</u></b>	<b><u>8,176</u></b>
<b>b. Depreciation and amortisation expense</b>		
Depreciation expense – owned assets	637	605
Depreciation expense – leased assets	488	344
Amortisation expense – development costs	4,692	2,160
Amortisation expense - others	<u>38</u>	<u>26</u>
<b>Total depreciation and amortisation expense</b>	<b><u>5,855</u></b>	<b><u>3,135</u></b>
<b>c. Employee benefits expense</b>		
Wages and salaries and on-costs (excluding superannuation)	24,332	24,680
Superannuation expense	1,969	2,030
Share-based payment expense	106	1,017
Wages and salaries reported as cost of sales	(5,265)	(7,877)
Wages and salaries capitalised to development costs	<u>(7,215)</u>	<u>(9,776)</u>
<b>Total employee benefits expense</b>	<b><u>13,927</u></b>	<b><u>10,074</u></b>
<b>d. Other operating expenses</b>		
Non-recoverable foreign withholding taxes	8	99
Restructuring costs	530	-
Acquisition costs	<u>95</u>	<u>-</u>
<b>Total other operating expenses</b>	<b><u>633</u></b>	<b><u>99</u></b>

**5. Cash and cash equivalents**

<b>AS AT</b>	<b>31 Dec 2024</b>	<b>30 Jun 2024</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Current assets</i>		
Cash at bank	<u>39,642</u>	<u>23,361</u>
	<b><u>39,642</u></b>	<b><u>23,361</u></b>



**Seeing Machines Limited**  
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**6. Trade and other receivables**

AS AT	31 Dec 2024 \$'000	30 Jun 2024 \$'000
<i>Current assets</i>		
Trade receivables	11,866	24,850
Deferred finance income	-	(2)
Less: Allowance for expected credit losses	<u>(235)</u>	<u>(235)</u>
	<u>11,631</u>	<u>24,613</u>
 Net other receivables	 <u>202</u>	 <u>680</u>
	<u><u>11,833</u></u>	<u><u>25,293</u></u>

**7. Inventories**

AS AT	31 Dec 2024 \$'000	30 Jun 2024 \$'000
<i>Current assets</i>		
Stock on hand - (at lower of cost and net realisable value)	3,725	3,746
Less: Provision for obsolescence	<u>(121)</u>	<u>(121)</u>
<b>Total inventories</b>	<u><u>3,604</u></u>	<u><u>3,625</u></u>

**8. Property, plant and equipment**

During the six-month period ended 31 December 2024, the Group incurred expenditure of \$95,000 for Property, Plant and Equipment (H1 FY2024: \$272,000).

Property, Plant and Equipment of \$97,000 (net) was acquired as part of the Asaphus acquisition.

No assets relating to plant and equipment were disposed by the Group during the six-month period ended 31 December 2024 (H1 FY2024: Nil).

**9. Intangibles**

During the six-month period ended 31 December 2024, the Group incurred expenditure of \$8,684,000,000 (H1 FY2024: \$12,455,000) related to intangibles. \$21,000 (H1 FY2024: \$105,000) of this expenditure related to patent and trademark applications and licenses. \$8,663,000 (H1 FY2024: \$12,350,000) related to capitalised development costs.

Intangibles with a value of \$500,000 was acquired as part of the Asaphus acquisition.

No intangible assets were disposed by the Group during the six-month period ended 31 December 2024 (H1 FY2024: nil).

**10. Trade and other payables**

At 31 December 2024, the balance of the trade payables was \$2,277,000 (FY2024: \$11,500,000), of which an amount of \$1,984,000 (FY2024: \$9,211,000) was aged less than or equal to 60 days; and an amount of \$293,000 (FY2024: \$2,289,000) was aged over 60 days.

11. Lease liabilities

AS AT	31 Dec 2024 \$'000	30 Jun 2024 \$'000
<b>Current</b>		
Lease liabilities	1,167	1,122
<b>Non-current</b>		
Lease liabilities	3,230	4,097
	<b>4,397</b>	<b>5,219</b>

AS AT 31 DECEMBER 2024	6 months \$'000	6-12 months \$'000	>1 year \$'000	Total \$'000	Carrying value \$'000
Lease Liabilities	747	814	3,818	5,379	4,397

AS AT 30 JUNE 2024	6 months \$'000	6-12 months \$'000	>1 year \$'000	Total \$'000	Carrying value \$'000
Lease liabilities	641	829	4,830	6,300	5,219

12. Borrowings

AS AT	31 Dec 2024 \$'000	30 Jun 2024 \$'000
<b>Non-current</b>		
<b>Unsecured</b>		
Convertible notes (i)	48,447	45,701
<b>Total borrowings - non-current</b>	<b>48,447</b>	<b>45,701</b>

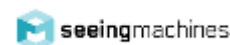
(i) Convertible notes

On 4 October 2022, Seeing Machines received funding of \$47,500,000 from Magna International in the form of a non-transferable 4-year convertible note maturing in October 2026 (the "Convertible Note"). The Convertible Note can be drawn down in two tranches across the 4-year term. The Convertible Note has an all-in yield of 8%, inclusive of fees. The Convertible Note contains standard covenants, and anti-dilution provisions. The interest due at the end of the facility can be paid in cash or converted into equity at Seeing Machines' election.

The first tranche of \$30,000,000, was drawn on 5 October 2022 and the second tranche of \$17,500,000 was drawn down on 27 June 2023. The liability portion of tranches 1 and 2 are valued at amortised cost in accordance with AASB 9 Financial Instruments ("AASB 9") and have effective interest rates of 13.14% and 11.84% respectively.

Magna may elect to convert the principal and at Seeing Machines' election, interest outstanding under the Convertible Note at any time during its term, up to a maximum of 349,650,350 shares which, when added to Magna's existing shareholding in the Company, will represent approximately 9.9% of the fully diluted share capital of the Company. The conversion will be at a price of 11 British pence per share. The option provided to Magna is deemed to be an embedded derivative and is classified as other equity.

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**12. Borrowings (continued)**

AS AT	31 Dec 2024 \$'000	30 Jun 2024 \$'000
Face value of notes issued	47,500	47,500
Other equity securities – value of conversion rights	(7,974)	(7,974)
Transaction costs on borrowings	(1,202)	(1,202)
Other costs on borrowings	(513)	(317)
	<u>37,811</u>	<u>38,007</u>
Interest expense	<u>10,636</u>	<u>7,694</u>
<b>Total borrowings - non-current</b>	<b><u>48,447</u></b>	<b><u>45,701</u></b>

**13. Other equity**

AS AT	31 Dec 2024 \$'000	30 Jun 2024 \$'000
Value of conversion rights – convertible notes	7,974	7,974
Deferred tax liability component	(2,392)	(2,392)
<b>Total other equity</b>	<b><u>5,582</u></b>	<b><u>5,582</u></b>

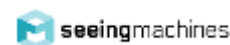
*(i) Conversion right of convertible notes*

The amount shown for other equity securities is the value of the conversion rights relating to the convertible note, details of which are shown in Note 12 Borrowings

**14. Dividends paid**

No interim dividends or distributions have been made to members during the six-month period ended 31 December 2024 (H1 FY2024: nil) and no interim dividends or distributions have been recommended or declared by the directors in respect of the six-month period ended 31 December 2024 (H1 FY2024: nil).

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**15. Loss per share**

The following table reflects the loss and share data used in the basic and diluted loss per share computations:

**Loss used in calculating loss per share**

<b>FOR THE SIX-MONTH PERIOD ENDED</b>	<b>31 Dec 2024</b>	<b>31 Dec 2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Loss per share for loss</i>		
Loss for the period	<u>(18,237)</u>	<u>(19,802)</u>
<b>Loss after income tax attributable to the owners of Seeing Machines Limited used in calculating diluted loss per share</b>	<u><b>(18,237)</b></u>	<u><b>(19,802)</b></u>

**Weighted average number of shares**

<b>AS AT 31 DECEMBER</b>	<b>2024</b>	<b>2023</b>
	<b>Thousands</b>	<b>Thousands</b>
<b>Weighted average number of ordinary shares</b>		
Weighted average number of ordinary shares used in calculating basic loss per share	<u>4,912,392</u>	<u>4,156,019</u>
Weighted average number of ordinary shares used in calculating diluted loss per share	<u><b>4,912,392</b></u>	<u><b>4,156,019</b></u>

**16. Contributed equity**

<b>AS AT</b>	<b>31 Dec 2024</b>	<b>30 June 2024</b>	<b>31 Dec 2024</b>	<b>30 June 2024</b>
	<b>Shares</b>	<b>Shares</b>	<b>\$'000</b>	<b>\$'000</b>
	<b>'000</b>	<b>'000</b>		
Ordinary shares - issued and fully paid	<u>4,912,392</u>	<u>4,156,019</u>	<u>272,188</u>	<u>240,948</u>

Fully paid shares carry one vote per share and carry the right to dividends. The Company has no set authorised share capital and shares have no par value.

On 26 November 2024 Board issued a total of 118,904,187 new ordinary shares of no par value in the Group (“New Ordinary Shares”) for the benefit of key members of staff for previously announced performance awards under the terms of the Group’s Long Term Incentive (“LTI”) scheme (the “Award”).

On 23 December 2024, the company issued 640,746,822 new shares at a price of 4.09 pence per share, resulting in a total investment of \$32,752,000. The shares were issued to Mitsubishi Electric Mobility Corporation. The contributed equity (net of transaction costs) and the cash balance increased by \$31,240,000 due to the issuance of new shares.

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**17. Share-based payments**

***Long Term Incentive – 2020 Performance rights or share options offers - Executive and key staff***

From 1 July 2015, senior staff and other key staff are offered long term incentive (LTI) performance rights or share options. Under this structure, the staff are only able to exercise the rights, and have new ordinary shares issued to them, if any performance, market and vesting conditions are met. These conditions typically include a performance condition requiring the staff member to achieve a minimum “meets expectations” rating and some rights have included a market condition in the form of a minimum Target Share Price (TSP). The vesting period ranges from 9 months to 5 years from the end of the relevant financial year or grant date. Performance rights or options are often offered as part of the annual remuneration review and may be offered at other times. Any offer of performance rights or options requires Board approval and, when granted, is announced to the market.

In March 2023 the Company awarded a total of 12,420,232 performance rights in respect of ordinary shares to Executive and key staff to be issued at nil cost.

8,004,838 of the performance rights under the LTI have been awarded in recognition of the past achievement of the Company's objectives in FY2022. The rights were valued at the spot rate of the shares at grant date, and the value is amortised over the vesting period. The rights vest annually over 3 years in equal tranches with the first vesting date being 1 July 2022 and require the employee to remain continuously employed by the Company until each relevant vesting date. If an employee leaves before the rights vest and the service condition is therefore not met, the rights lapse.

The remaining 4,415,394 performance rights have been granted under a Key Person Agreement in respect of one nominated person. This person has been identified as having a key role directly related to the Company's long-term success and the allocation of accelerated performance rights has been implemented by the Board to successfully retain this employee and affirm successful delivery on a range of projects and customer commitments. These awards have an accelerated grant with delayed vesting taking place on 1 July 2024 and require the employee to remain continuously employed by the Company until the vesting date (80%) and specific market conditions to be met (20%). If the employee leaves before the rights vest and the service condition is therefore not met, the rights lapse. During the half-year 3,532,315 of the performance rights vested and 892,079 rights were cancelled as market condition were not met.

In some cases, for 'good leavers', determined on a discretionary basis by management, options are prorated for service in the current period and that portion is vested on termination, the remaining rights are cancelled.

There is no cash settlement of the rights. The Group accounts for the Executive Share Plan as an equity-settled plan.

**18. Related party disclosures**

The following table provides the total amount of transactions that have been entered into with related parties during the six-month period ended 31 December 2024 and 2023:

		Balance 1-Jul Thousands	Acquired or sold for cash Thousands	Other changes during the period Thousands	Balance 31-Dec Thousands
<b>Directors shares:</b>					
Directors' securities	2024	15,533	200	-	15,733
Directors' securities	2023	8,022	850	7,500	16,352

**19. Business combinations**

On 4 July 2024 Seeing Machines Limited acquired 100% of the issued shares in Asaphus Vision GmbH, a highly specialised development group with leading Machine Learning (ML) and Artificial Intelligence (AI) capability, for consideration of \$4,665,000. The acquisition is expected to increase the Group’s market share in OEM.

Details of the net assets acquired, goodwill and purchase consideration are as follows:

	<b>Fair value \$'000</b>
Cash and cash equivalents	938
Receivables	391
Other current assets	186
Plant and equipment	110
Other intangible assets	500
Payables	(142)
Other liabilities	<u>(217)</u>
Net assets acquired	1,766
Goodwill	<u>2,899</u>
<b>Acquisition-date fair value of the total consideration transferred</b>	<b><u><u>4,665</u></u></b>
Representing:	
Cash paid or payable to vendor	1,000
Deferred consideration	<u>3,665</u>
	<b><u><u>4,665</u></u></b>
Acquisition costs expensed to profit or loss	<u><u>95</u></u>

Goodwill is attributable to Asaphus Vision GmbH unique Intellectual Property which will add complementary skills that will accelerate the Company’s feature roadmap with advanced AI and ML capability, optimise development costs and deliver enhanced engineering talent in Germany, an ideal location to support Seeing Machines’ growing customer base in Europe. Goodwill is not tax deductible.

The fair value of the acquired intangible assets of \$500,000 is provisional pending receipt of the final valuations.

**(i) Acquisition-related costs**

Acquisition-related costs of \$376,000 are included in general and administration expenses in the statement of comprehensive income in the reporting period ending 30 June 2024 and \$95,000 in general and administration expenses in the statement of comprehensive income in the reporting period ending 31 December 2024.

**(ii) Deferred consideration**

The Company has agreed to pay Asaphus \$1,000,000 cash on the one-year anniversary and a further \$4,000,000 over the five years from acquisition date based on 20% of royalties earned from specific customer programs. In order to account for the deferred consideration's fair value at the date of acquisition, the company has discounted the consideration to \$3,665,000. At 31 December 2024, the fair value of the deferred consideration had increased to \$3,919,000.

**(iii) Revenue and profit contribution**

The acquired business contributed revenues of \$2,074,000 and net profit of \$76,000 to the group for the period from 4 July 2024 to 31 December 2024.

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**20. Commitments**

As at 31 December 2024, the group had no commitments (H1 FY2024: \$5,881,000 - relating to the manufacturing contract for the Group's Guardian 2.1 product).

**21. Events after the reporting period**

No matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

# Seeing Machines Limited

## Directors' declaration

### 31 December 2024

In accordance with a resolution of the Directors of Seeing Machines Limited, I state that:

In the opinion of the Directors:

- (a) The financial statements and notes of Seeing Machines Limited for the six-month period ended 31 December 2024 present fairly, in all material aspects, the consolidated entity's financial position as at 31 December 2024 and of its performance for the six-month period ended on that date, in accordance with the Australian Accounting Standards.
- (b) There are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

On behalf of the Board



Paul McGlone  
Executive Director & Chief Executive Officer  
Canberra  
27 March 2025