

Annual Report

Technology to get everyone
home safe.

20
25

ABN 34 093 877 331

This annual financial report covers Seeing Machines Limited as a consolidated entity. The Group's functional and presentation currency is US Dollars (\$).

A description of the Group's operations and its principal activities is included in the review of operations and activities in the directors' report commencing on page 2. The following information is current as at 30 June 2025.

Directors

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 (resigned 27 March 2025)

Stephane Védie Non-Executive Director

Company Secretary

Martin Ive

Registered office

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Fyshwick ACT 2609

Principal place of business

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Share register

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Abbotsford VIC 3067,
Australia

Computershare Investor Services PLC
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Bristol BS996ZY
United Kingdom

Seeing Machines Limited shares are listed on the London Stock Exchange AIM market.

Solicitors

Herbert Smith Freehills
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Sydney NSW 2000 Australia

Fieldfisher LLP
Riverbank House
2 Swan Lane
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United Kingdom

Bankers

HSBC Commercial Bank
580 George Street
Sydney NSW 2000 Australia

Auditors

PricewaterhouseCoopers
2 Riverside Quay
Southbank Victoria 3006
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Getting people home
safely is our purpose:

21.6 Billion
kilometres

Guardian has traveled over 21.6 billion
kilometres, protecting drivers and communities

31 Million

Seeing Machines has alerted drivers
to over 31 million distraction events

234,000

Intervened in over 234 thousand fatigue
related driving events in the past 12 months

Letter to Shareholders

Dear Shareholders,

It is my pleasure to present the Seeing Machines 2025 Annual Report. This year has been marked by significant progress, the formation of key strategic partnerships, and a steadfast commitment to our core mission: ensuring the safe return of every individual. The appointment of Professor Mike Lenné as Chief Safety Officer exemplifies this dedication; his leadership in advancing our global regulatory initiatives and close collaboration with customers across all transport sectors have been instrumental in driving meaningful safety outcomes for our partners and realizing our vision of zero transport fatalities.

The company's restructure also included the promotion of long-standing team member John Noble to the role of Chief Technology Officer. This critical position supports our commitment to operational efficiency and will sustain our agile engineering approach, reinforcing our leadership in technology and our capacity to deliver advanced in-cabin monitoring solutions to address complex challenges.

Strategic Partnerships underpin Global Expansion

For Seeing Machines, collaboration with select strategic partners has been fundamental to our ongoing success. During the financial year, we strengthened our relationship with the leading French Tier 1 automotive company Valeo. As part of this partnership, we acquired Asaphus, establishing a European base in Germany and expanding our team with highly skilled AI and machine learning experts.

We also commenced an exciting collaboration with Mitsubishi Electric Mobility Corporation (MELMB). This partnership has accelerated the rollout of our Guardian technology in key regions such as Europe and the Americas. Additionally, we have intensified our joint efforts to capture Automotive opportunities in Japan, where car manufacturers are preparing to meet increasingly stringent European and emerging global regulatory standards.

Industry Recognition and Impact

The growing global acceptance of driver monitoring system (DMS) technology as crucial for improving transport safety has reinforced our mission. Our team collaborates closely with international organisations, including the European New Car Assessment Protocol (Euro NCAP) and government regulators in Europe and the US, to promote the adoption of advanced driver and occupant monitoring systems.

Recent (Post-Period) Highlights

Demonstrating Seeing Machines' technical leadership, in September, our team launched the capability to detect non-fatigue impairment using DMS, notably Intoxication. This is a key factor for regulators in markets like the US where intoxication detection leads their safety agenda alongside distraction and it was also called out as a Top Pick+ for Safety by the Insurance Institute for Highway Safety (IIHS), an independent organisation in the US who rate cars based on their safety, to help better inform consumers when purchasing cars.

In Automotive, we have achieved some ground-breaking results, such as the driver and occupant monitoring system integrated rear-view mirror showcased at Europe's InCabin 2025 event by Volkswagen and Magna. These projects highlight and reinforce our engineering expertise and our capacity to deliver complex programs successfully to production. This is underpinned by our market leadership position with around four million vehicles on roads today featuring Seeing Machines DMS technology.

The rollout of Guardian Generation 3 continues to provide a robust safety solution for the transport and logistics sector, with the promise of global expansion bolstered by our alliance with MELMB. Our support for self-driving car companies also remains strong, with the Guardian Backup-driver Monitoring System enabling the safe expansion of autonomous vehicle testing and operations into new markets in the US and around the world.

Commitment to Transparency and Sustainability

This year, we also publish our FY2025 Sustainability Report, emphasising our dedication to transparent and meaningful sustainability reporting. We are transitioning our ESG disclosures from the Sustainability Accounting Standards Board (SASB) framework to the Global Reporting Initiative (GRI) Standards, adopting a broader and more globally recognised approach to sustainability.

Our people are the core of Seeing Machines. Powered by a global team of engineers, scientists, designers, and professionals, we share a deep commitment to innovation and human safety. And our approach to responsible AI guides the way we design, train, and deploy machine-learning systems, ensuring transparency, fairness, and accountability throughout the development process.

Looking Ahead

FY2026 has started positively. We are focused on achieving our business objectives and fulfilling the expectations of our shareholders. Our shared purpose—to get everyone home safely—continues to drive us individually and collectively.

I am proud to serve as Chair of Seeing Machines with a group of dedicated directors from diverse industries who bring exceptional experience. Leading this growing organisation—one that is shaping the future of transport safety through innovation and commitment—is a privilege. Every achievement and milestone reached by our teams only strengthens my belief in our vision and in the positive global impact we make together.

Thank you for your continued support.

Yours sincerely,

Kate Hill
Chair & Non-Executive Director
Seeing Machines Limited



The year in review

Company Highlights

\$62.3M 

FY 2025 revenue (US\$)

\$13.6M

Annual recurring revenue (US\$)

\$22.6M

Cash position at 30 June 2025

3.7M+ 

Total cars on road across 8 programs

1.5M+ 

Production volume FY 2025 35% increase on FY 2024

\$1M

Per month cost base reduction (US\$)

Guardian

Gen 3 in production, new channel with Mitsubishi
Electric in the Americas and Europe



Our collaboration with Mitsubishi Electric Mobility Corporation

Seeing Machines and Mitsubishi Electric Mobility Corporation Form Strategic Alliance to Accelerate Global Guardian Sales and Automotive Growth.

Collaborative agreement unlocks new opportunities in Aftermarket segments across Japan, North America, and Europe.

Seeing Machines and Mitsubishi Electric Mobility Corporation (MELMB) have entered into a significant Collaboration Agreement, marking a new chapter in automotive innovation and market expansion. The partnership aims to capitalise on joint Automotive business prospects in Japan while accelerating Aftermarket growth throughout North America, Europe, and Japan. This alliance is testament to both companies' commitment to advancing transport safety and connectivity, leveraging their respective strengths and global reach.

Central to the partnership is the joint utilisation of Guardian, Seeing Machines' advanced driver monitoring technology. By combining this proprietary solution with MELMB's extensive global aftermarket distribution network, the companies intend to tap into growing demand for safety and monitoring systems across commercial transport and logistics. Seeing Machines has entered into Referral Agreements with Mitsubishi Electric Automotive America and Mitsubishi Electric Europe. By integrating Guardian with Mitsubishi Electric's established distribution channels, the partnership aims to deliver enhanced Aftermarket solutions to customers worldwide.

The agreement also enables both parties to jointly access new business opportunities, particularly in adjacent markets where Mitsubishi Electric Mobility maintains a leadership position. This strategic move is designed not only to bolster market presence but also to introduce innovative technologies to a broader customer base.

Strategic Investment via Subscription Agreement.

Further reinforcing the collaboration, Mitsubishi Electric Mobility has made a substantial investment in Seeing Machines through a Subscription Agreement. This transaction raised gross proceeds of £26.2 million (US\$32.8 million). This financial commitment underscores Mitsubishi Electric Mobility's confidence in Seeing Machines' growth potential while strengthening the Company's balance sheet, providing additional capacity to pursue expansion across existing transport segments.

With a strengthened financial position and a unified approach to market expansion, both companies are well-placed to pursue new opportunities within and beyond traditional transport segments. The collaboration sets the stage for future growth, enabling the joint development and deployment of innovative technologies and solutions on a global scale.

In summary, the alliance between Seeing Machines and MELMB represents a forward-looking strategy to drive growth, enhance technology deployment, and create value for stakeholders across the Automotive and Aftermarket sectors. By combining technical expertise, market leadership, and financial strength, the partnership is poised to deliver substantial benefits and shape the future of transport safety and connectivity.

Mitsubishi Electric Mobility Corporation

US\$32.8M (£26.2M) Investment in Seeing Machines

19.9% Shareholding – Collaboration – Referral Agreement
Partnership To Underpin Growth Across Multiple Segments



Director's Report

Your Directors present their report on the consolidated entity consisting of Seeing Machines Limited and the entities it controlled at the end of, or during, the year ended 30 June 2025. Throughout the report, the consolidated entity is referred to as the Group.

Principal activities

The Company's principal activities during the year were:

- Developing, selling and licensing products, services and technology to detect and manage driver fatigue and distraction;
- Entering commercial agreements with partners for the development, manufacturing 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.

Dividends - Seeing Machines Limited

No dividends or distributions have been made to members during the year ended 30 June 2025 (FY2024: nil) and no dividends or distributions have been recommended or declared by the Directors in respect of the year ended 30 June 2025 (FY2024: nil).

Directors

The following persons were Directors of Seeing Machines Limited during the whole of the financial year and up to the date of this report:



Kate Hill
Chair of the Board &
Non-Executive Director



Paul McGlone
CEO and Executive Director



Gerhard Vorster
Non-Executive Director



John Murray
Non-Executive Director



Stephane Védie
Non-Executive Director



Michael Brown
Non-Executive Director
(resigned 27 March 2025)



Review of Operations

The Group's total adjusted revenue for the financial year (excluding foreign exchange gains and finance income) decreased by 22% and total adjusted EBITDA losses reduced by 23% on prior year results.

	30 June 2025	30 June 2024	Change	Change
	\$'000	\$'000	\$'000	%
OEM	27,955	26,524	1,431	5%
Aftermarket	24,814	41,101	(16,287)	(40%)
Adjusted Revenue	52,769	67,625	(14,856)	(22%)
OEM	(15,339)	(19,051)	3,712	(19%)
Aftermarket	(14,712)	(19,832)	5,120	(26%)
Adjusted EBITDA	(30,051)	(38,883)	8,832	(23%)

Adjusted revenue and adjusted EBITDA are non-IFRS measures but included as important metrics for shareholders understanding of the underlying performance of the business. Adjusted revenue includes adjustments linked to minimum royalty guarantees. Adjusted EBITDA includes earnings before interest, tax, depreciation, amortisation and adjustments for capitalised development costs, restructuring and acquisition related costs, certain tax items, and revenue adjustments linked to minimum royalty guarantees.

Please refer to Note 4(b) for a reconciliation of adjusted revenue and adjusted EBITDA with their IFRS measures.

OEM Division

Seeing Machines' driver and occupant monitoring technology (DMS/OMS) is now installed in over 3.7 million vehicles across nine automotive production programs. The implementation of Europe's General Safety Regulation, which requires advanced distraction warnings in all new vehicles by July 2026, has contributed to increased adoption by automakers. The number of vehicles on the road using Seeing Machines' technology has increased by 69% compared to the previous year, with further growth expected as the regulatory deadline approaches. This growth is significant for the Company, as it is associated with high-margin royalty revenue.

The integration of Asaphus Vision GmbH into the Company has progressed as planned, with engineering teams collaborating to enhance Seeing Machines' AI and machine learning capabilities. The acquisition has also resulted in the establishment of a European headquarters in Berlin.

Collaboration with Mitsubishi Electric Mobility Corporation (MELMB) is ongoing, with a primary focus on automotive opportunities in Japan and a secondary focus on global markets.

The Company expects that the General Safety Regulation will continue to influence current and future projects. Programme awards are anticipated in the coming months, enabling automakers to meet the increasing demand for advanced safety technologies, particularly in Europe. Other regions may also adopt similar standards in the future.

	30 June 2025	30 June 2024	Change	Change
	\$'000	\$'000	\$'000	%
Royalties	14,406	10,632	3,744	35%
Non-recurring engineering	9,383	9,242	141	2%
Licensing	3,188	6,038	(2,850)	(47%)
Hardware and installations	978	612	366	60%
OEM Adjusted Revenue	27,955	26,524	1,431	5%
OEM Adjusted EBITDA	(15,339)	(19,051)	3,712	(19%)

- **Royalty revenues**, derived from the installation of Seeing Machines' Driver Monitoring System (DMS) technology, remains a high-margin revenue stream. During the year, the Group recorded a 36% increase in royalty volumes and a 29% increase in royalty revenue. The introduction of the EU General Safety Regulation (GSR), which will require Advanced Driver Distraction Warning (ADDW) in all new vehicles sold in Europe from July 2026, is expected to further increase adoption of driver monitoring technologies by automotive OEMs.

- **Non-recurring engineering (NRE)** revenue relates to software development activities undertaken to embed DMS technologies into specific OEM configurations. The increase in NRE revenue for the year reflects contributions from the newly acquired Asaphus Vision GmbH (\$3,454,000), offset by a reduction in activities for some larger programs that were at or near completion by the end of June 2025. NRE revenue is typically lower margin and is considered a leading indicator of future royalty revenue.
- **Revenue from license fees** was earned from exclusive collaboration agreements with Magna Electronics (exclusivity period ended 30 June 2025) and Collins Aerospace, reflecting the volume of work undertaken during the year to fulfil those agreements. These agreements are generally unique and one-off in nature, and license fee revenue typically attracts a high margin.
- **Adjusted EBITDA** loss improved by 19% compared to the prior year, primarily due to a higher proportion of high-margin revenue and a decrease in research and development expenditure.

Aftermarket division

Guardian Generation 3 entered full production during the year, with units being trialled by customers in multiple regions, particularly in the Americas. In FY2025, global sales of Guardian hardware totaled 5,466 units.

Referral agreements were established with Mitsubishi Electric Automotive America, Inc. and Mitsubishi Electric Europe B.V., supporting Guardian Generation 3 sales in the Americas and Europe through Mitsubishi's customer networks.

Guardian Generation 3 received homologation approval from two UK bus manufacturers in preparation for the new European General Safety Regulation (GSR) requirements for advanced distraction monitoring by July 2026. The product is positioned for adoption by commercial vehicle OEMs for after-manufacture fitment in Europe.

In North America, Guardian Backup-driver Monitoring System (BdMS) continues to be used in the development of automated vehicle technology. During the year, a contract valued at \$1,135,000 was secured to supply Guardian BdMS to a major autonomous vehicle company in North America for its test fleet.

	30 June 2025	30 June 2024	Change	Change
	\$'000	\$'000	\$'000	%
Driver monitoring	13,563	12,433	1,130	9%
Hardware and installations	6,435	18,902	(12,467)	(66%)
Royalties	-	3,463	(3,463)	(100%)
Licensing	3,478	5,000	(1,522)	(30%)
Non-recurring engineering / Consulting	1,338	1,303	35	3%
Aftermarket Adjusted Revenue	24,814	41,101	(16,287)	(40%)
Aftermarket Adjusted EBITDA	(14,712)	(19,832)	5,120	(26%)

- **Driver monitoring revenue** represents recurring, high-margin revenue generated from Guardian connections. Revenue increased by 9% during the year, reflecting an increase in the number of connected units.
- **Hardware and installation revenue** from the sale and installation of Guardian units declined by 66%, primarily due to delays in the production of Generation 3 units. As at 30 June 2025, Generation 3 units were available to meet current demand and requirements in the global pipeline.
- **Royalty revenue** agreements with Caterpillar were replaced with a new five-year license agreement at the end of June 2024.
- **NRE revenue** relates to technology development and consulting projects with Caterpillar.
- **Adjusted EBITDA** losses improved by 26% for the year, primarily due to a higher mix of high-margin revenue, efficiency in service costs, lower operating costs, and a reduction in research and development expenditure.

Gross Profit

Gross profit increased from \$31,525,000 in FY2024 to \$39,204,000 in FY2025. The gross profit margin rose from 47% in FY2024 to 63% in FY2025. This increase was primarily due to a change in sales mix, with a higher proportion of revenue from license fees (including royalty revenue) and a lower proportion of lower margin hardware revenue compared to the prior year. Service costs for monitoring revenue also decreased compared to the previous year.

Expenditure	30 June 2025	30 June 2024	Change	Change
	\$'000	\$'000	\$'000	%
Operations expenses	13,273	14,473	(1,200)	(8%)
Research and development expenses	26,668	34,549	(7,881)	(23%)
Customer support and marketing expenses	7,548	8,033	(485)	(6%)
General and administration expenses	14,726	15,284	(558)	(4%)
Net foreign exchange gains/(losses)	(34)	(69)	35	(51%)
Adjusted operating expenses *	62,181	72,270	(10,089)	(14%)
Depreciation and amortisation	12,813	8,981	3,832	43%
Capitalised development costs during the period	(17,058)	(22,868)	5,810	(25%)
Operating expenses	57,936	58,383	(447)	(1%)

*Adjusted operating expenses is a non-IFRS measure but included as an important metric for shareholders understanding of the underlying performance of the business. Adjusted operating expenses exclude depreciation and amortisation expense and include capitalised development costs.

Adjusted operating expenses decreased primarily due to a reduction in people resources, both directly employed and through outsourced contractor roles. The combined number of full-time equivalent employees and contractors declined from 509 at 30 June 2024 to 393 at 30 June 2025, including the addition of 34 full-time equivalent employees from the acquisition of Asaphus in July 2024.

Adjusted operating expenses for the year included \$2,386,000 (FY2024: \$1,489,000) in one-off costs, comprising restructuring expenses of \$2,291,000 (FY2024: \$1,113,000) and acquisition costs related to Asaphus Vision GmbH of \$95,000 (FY2024: \$376,000). Excluding these one-off costs, adjusted operating expenses decreased by \$10,986,000 (or 16%) compared to the previous financial year.

Results for the year

As a result of above factors, the loss for the year ended 30 June 2025 decreased by \$6,010,000 to \$25,266,000 (FY2024 loss: \$31,276,000).

Working capital management

After adjusting for the receipts from one-off licensing arrangements, cashflows from operating and investing activities have improved for the year.

	30 June 2025	30 June 2024
	\$'000	\$'000
Net cash flows from/ (used in) operating activities	(12,310)	12,052
Net cash flows used in investing activities	(17,486)	(23,996)
Net cash flows used in operating and investing activities	(29,796)	(11,944)
Less: cash from one-off licensing arrangements	(3,750)	(25,250)
Adjusted cashflows *	(33,546)	(37,194)

* Adjusted cashflows is a non-IFRS measure but included as an important metric for shareholders understanding of the underlying performance of the business. Adjusted cashflows excludes cash from one-off licensing arrangements

Excluding cash received from one-off licensing arrangements, operating cashflows declined by \$2,862,000 during the year. This decline was primarily attributable to significant payments for inventories, including payments made to close out remaining Generation 2 units sold in the prior year and payments for new Generation 3 units to support current demand and the global pipeline.

The reduction in development costs capitalised as intangible assets contributed to a favourable movement in cashflows from investing activities.

Industry Update

Driver Monitoring System (DMS) Technology Adoption Driven by Regulatory Developments

The European Union continues to implement regulations that support the adoption of Driver Monitoring System (DMS) technologies. Under the General Safety Regulation (GSR), all new vehicle types have been required to include Driver Drowsiness and Attention Warning (DDAW) systems since July 2022. As of July 2024, this requirement applies to all new vehicles. A further regulation, Advanced Driver Distraction Warning (ADDW), will take effect in July 2026. This regulation mandates systems capable of monitoring driver eye movements to detect distraction, necessitating the use of camera-based DMS.

These regulatory measures are intended to reduce road fatalities and improve driver safety across the EU. The requirement for camera-based systems is expected to increase the deployment of advanced DMS technologies across both the aftermarket and original equipment manufacturer (OEM) segments in Europe.

In addition, the European New Car Assessment Programme (Euro NCAP) has introduced incentives for DMS adoption by awarding safety points to vehicles equipped with such systems. This has contributed to increased interest from OEMs seeking to meet top safety rating criteria.

Outside of Europe, regulatory activity is also progressing. In the United States, the National Highway Traffic Safety Administration (NHTSA) has proposed rulemaking that includes DMS as a countermeasure for impaired and distracted driving. The proposed roadmap includes phased implementation, beginning with detection of distraction and drowsiness, followed by alcohol impairment monitoring and, ultimately, vehicle-initiated safe stops.

In Australia, regulatory focus is increasing, particularly in relation to heavy vehicle safety. Meanwhile, China and Japan are advancing toward DMS mandates, with Japanese OEMs actively working to align with international standards.

The Company has contributed to policy development through submissions to NHTSA, the Federal Aviation Administration (FAA), and the National Transport Commission (NTC), and continues to participate in Euro NCAP's Tier 2 working group on Occupant State Monitoring.

Other Highlights

The Company completed a strategic reorganisation, reducing annualised operating costs by approximately \$12 million. As part of this process, John Noble was appointed Chief Technology Officer and Dr Mike Lenné was appointed Chief Safety Officer.

A £26,207,000 (\$32,751,000) investment was secured through a partnership with Mitsubishi Electric Mobility Corporation (MELMB).

Referral agreements were signed with Mitsubishi Electric Automotive America, Inc. (MEAA) and Mitsubishi Electric Europe B.V. to support sales of Guardian Generation 3 across the Americas and Europe.

A new 3D camera technology for in-cabin monitoring was launched in collaboration with Airy3D Inc., offering a cost-effective solution for meeting future safety regulations.

A collaboration was initiated with Valeo, and the company acquired Asaphus Vision GmbH, a Berlin-based AI and machine learning development group.

Significant change 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 Mitsubishi Electric Mobility Corporation. The details of the changes in contributed equity are disclosed in Note 21 to the financial statements.

Subsequent events after the balance date

No matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Likely developments and expected results of operations

More information on the likely developments and expected results of the operations are included in the review of operations, trading update and other highlights on pages 12 to 16.

Environmental regulation

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

Chief Executive Officer

The Company's Chief Executive Officer (CEO) is Paul McGlone (appointed 4 July 2019).

Company secretary

Susan Dalliston was the General Counsel & Company Secretary (appointed 4 July 2019) until her resignation on 27 June 2025.

Martin Ive (Chief Financial Officer) was appointed Company Secretary in a placeholding capacity and has remained in this role to the date of this report. Martin joined Seeing Machines as Chief Financial Officer on 14 November 2022, joining from Altium, the Australian multinational software company, where he had worked since 2004. During his time

at Altium he performed a number of roles in Australia and the United States, including Senior VP Finance and Chief Financial Officer, overseeing the global finance organisation and the company's compliance and statutory requirements, while providing valuable business support to Altium's global sales teams. Prior to Altium, Martin trained as an auditor in the UK before moving to Sydney and holding a management position in the Business Services Group at Grant Thornton. He is a member of the Institute of Chartered Accountants in Australia, holds a BA Hons (Accounting) from Portsmouth University, UK and an MBA from Macquarie Graduate School of Management in Australia.

Employee Numbers

At 30 June 2025 the Group had 365 full-time equivalent employees (FY2024: 437). Included in the employee numbers for 30 June 2025 are 34 full-time equivalent employees of Asaphus, which was acquired during the year. The corresponding numbers for 30 June 2024 do not include any employees of Asaphus.

Information on directors

The names and particulars of the directors of the Company are set out in the following table. The directors were in office for the entire period unless otherwise stated.

Directors	
Kate Hill	Chair of the Board & Non-Executive Director
Experience and expertise	Kate had a distinguished 20+ year career with Deloitte Touche Tomatsu as an audit partner where she worked with Australian Securities Exchange (ASX) listed and privately owned clients. She has worked extensively in regulated environments including assisting with Initial Public Offerings, capital raising and general compliance, as well as operating in an audit environment. She held a variety of leadership and executive roles in Deloitte and was the first woman appointed to the Board of Partners of the Australian firm. Kate holds a BSc (Honours) in Mathematics and Statistics from Bristol University, is a Member of Chartered Accountants in Australia and New Zealand, and a Graduate of the Australian Institute of Company Directors. Kate is considered to be an independent Director.
Other current directorships	Kate is a Non-Executive Director of Count Limited (ASX: CUP), Artrya Limited (ASX: AYA), MedAdvisor Limited (ASX: MDR) and Hipages Group Holdings Ltd (ASX: HPG).
Special responsibilities	Appointed as a Non-Executive Director on 13 December 2018, as interim Chair of the Board on 5 June 2019, and as Chair of the Board on 22 July 2019. Member of the Risk, Audit and Finance Committee and of the People, Culture and Risk Committee.
Interests in shares	Ordinary shares: 5,500,000
Paul McGlone	CEO & Executive Director
Experience and expertise	Appointed as CEO on 4 July 2019, prior to which he held the position of Head of Fleet, prior to its renaming as Aftermarket. Paul has extensive experience in public company leadership, supply chain and technology driven businesses. During his 10-year career at Australian listed company, Brambles, Paul held operational and corporate leadership roles including President of CHEP Asia Pacific and Group Vice President Strategy, Planning and Innovation. He was the architect of its global growth plan which resulted in a threefold increase in the company's market capitalisation
Other current directorships	None
Special responsibilities	Chief Executive Officer
Interests in shares	9,590,882

Directors	
Interests in options	12,000,000
Interests in rights	25,000,000
Gerhard Vorster	Non-Executive Director
Experience and expertise	Appointed on 1 December 2019. Gerhard is the Managing Director of Quidni Advisory, a boutique strategy advisory firm. He is an accomplished senior executive and former Deloitte partner with a growing board portfolio and significant expertise in strategy and technology. Gerhard began his career at Deloitte in 1987 in the consulting business as a strategic management consultant and partner. Over a 28-year career with the firm, Gerhard was appointed to various executive roles, including Managing Partner for Consulting for the Australia and Asia Pacific region and his most recent role, Chief Strategy Officer for the region. Gerhard holds a BSc in Civil Engineering from the University of Pretoria and a Master of Business Administration (Cum Laude) from the University of Potchefstroom. He is a member of the Australian Institute of Company Directors. Gerhard is considered to be an independent Director.
Other current directorships	Gerhard is currently an alternate director of the Brisbane Airport Corporation, Chairman of Rise Q Consulting, Chairman of 365 Mechanix, Advisory Board Member of Commercial & Infrastructure and Chair of HR and Remuneration Committee of Trovio Limited.
Special responsibilities	Non-Executive Director and Chair of the People, Culture and Remuneration Committee
Interests in shares	109,375
John Murray	Non-Executive Director
Experience and expertise	Appointed on 1 December 2019. John is a highly experienced board director with significant expertise in the technology sector. John has been non-executive director and Chair of several ASX-listed and high growth companies throughout his career, which began in audit and investment banking, involved rising through various positions at large organisations, and eventually becoming Vice President and Head of Investment Banking at Bank of America Asia in 1989. From there, John joined the Australian Technology Group where he identified and managed investments into early-stage technology companies and went on to co-found the venture capital firm, Technology Venture Partners, in 1997, establishing a 20 year career of investing in, advising and directing technology companies. John holds an Honours Degree in Law from Edinburgh University and is a member of the Australian Institute of Company Directors. He is also a CA and a Member of the Institute of Chartered Accountants of Scotland. John is considered to be an independent Director.
Other current directorships	He is currently Chair of PainChek Ltd (ASX: PCK)
Special responsibilities	Non-Executive Director and Chair of the Risk, Audit and Finance Committee
Interests in shares:	832,291

Directors

Stephane Vedio

Non-Executive Director

Experience and expertise

Appointed on 25 October 2023. Stephane Vedio is a seasoned CEO with a track record of growth and significant expertise in mergers and acquisitions. He has 27 years' experience in the automotive industry, working for global corporations in Europe and North America, and is currently the CEO of LUXIT Group based in Michigan USA, a global lighting supplier to the automotive industry. Prior to LUXIT Group, Stephane was CEO for Varroc Lighting Systems (now OP Mobility) and prior to that, CEO of Magneti Marelli N.A. (now Marelli).

Stephane holds a Masters degree in Purchasing Management (DESS/MBA) from Grenoble University (1997) and a Master's degree in Business from the Graduate Business School of Amiens in France (1996).

Stephane is considered to be an independent Director.

Other current directorships

Stephane is a Non-Executive Director of CLM Search Ltd.

Special responsibilities

Non-Executive Director and member of the Risk, Audit and Finance Committee and member of People, Culture and Remuneration Committee.

Interests in shares

1,789,500

Directors' Meeting

The following table sets out the number of Board and Committee meetings each Director attended and the number they were eligible to attend during the year ended 30 June 2025.

	Attended	Board Held	Attended	Risk, Audit & Finance Committee Held	Attended	People, Culture & Remuneration Committee Held
Kate Hill	11	11	3	3	4	4
Paul McGlone	11	11	-	-	-	-
Gerhard Vorster	11	11	-	-	4	4
John Murray	11	11	3	3	-	-
Michael Brown	8	8	-	-	2	2
Stephane Vedio	11	11	3	3	2	2

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

Performance rights and share options

Unissued ordinary shares

Reference is made to Note 27 of the financial statements in respect of performance rights and options in relation to directors and staff members.

i. *Performance rights granted during or since the end of the year*

During the year 86,860,251 (FY2024: nil) performance rights were granted by the Company under the performance rights scheme for employees. The terms and conditions of these rights are disclosed in Note 27 to the financial report.

ii. *Shares Issued as a result of the Vesting of Performance rights and options*

During the year, 22,080,897 (FY2024: 15,532,751) rights vested and ordinary shares were transferred to the employee participants from the Group Trust (the "Trust"). On the exercise of such performance rights and / or options, the Trust will transfer the shares to the relevant beneficiary.

Indemnification of Directors and Officers

During the financial 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.

Indemnification of Auditors

To the extent permitted by law, the Company has agreed to indemnify its auditors, PricewaterhouseCoopers, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify PricewaterhouseCoopers during or since the financial year.

Audit and non-audit services

Details of the amounts paid or payable to the auditor (PricewaterhouseCoopers) for audit and non-audit services during the year are disclosed in Note 32 Remuneration of auditors.

The board of Directors, in accordance with advice provided by the audit committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the provision of non-audit services by the auditor did not compromise the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- All non-audit services have been reviewed by the audit committee to ensure they do not impact the impartiality and objectivity of the auditor, and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

Rounding of amounts

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the next page.

Auditor

PricewaterhouseCoopers continues in office in accordance with section 327 of the Corporations Act 2001.

Rounding of amounts

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

Signed at Canberra on 25 September 2025 in accordance with a resolution of the Directors made pursuant to section 298(2) of the Corporations Act 2001.



Paul McGlone

Executive Director & Chief Executive Officer

25 September 2025



Auditor's Independence Declaration

As lead auditor for the audit of Seeing Machines Limited for the year ended 30 June 2025, I declare that to the best of my knowledge and belief, there have been:

- a. no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b. no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Seeing Machines Limited and the entities it controlled during the period.

Jon Roberts
Partner
PricewaterhouseCoopers

Melbourne
25 September 2025

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Liability limited by a scheme approved under Professional Standards Legislation.

Consolidated statement of financial position

As at 30 June 2025	Notes	2025 \$'000	2024 \$'000
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	9	22,556	22,828
Trade and other receivables	10	9,079	25,293
Contract assets	11	8,089	7,044
Inventories	12	4,614	3,625
Other financial assets	13	308	315
Other current assets	14	2,611	2,113
TOTAL CURRENT ASSETS		47,257	61,218
NON-CURRENT ASSETS			
Contract assets	11	6,253	-
Property, plant and equipment	15	2,634	3,486
Right-of-use assets	25	3,014	3,737
Intangibles	16	71,621	61,323
Other financial assets	13	521	533
TOTAL NON-CURRENT ASSETS		84,043	69,079
TOTAL ASSETS		131,300	130,297
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	17	10,162	21,161
Contract liabilities	19	4,329	5,471
Leases	25	1,430	1,122
Provisions	18	4,718	4,909
Deferred consideration	34	1,177	-
TOTAL CURRENT LIABILITIES		21,816	32,663

As at 30 June 2025	Notes	2025 \$000	2024 \$000
NON-CURRENT LIABILITIES			
Contract liabilities	19	7,943	9,088
Borrowings	20	51,315	45,701
Leases	25	2,856	4,097
Deferred tax	6	791	1,423
Provisions	18	292	342
Deferred consideration	34	3,027	-
TOTAL NON-CURRENT LIABILITIES		66,224	60,651
TOTAL LIABILITIES		88,040	93,314
NET ASSETS		43,260	36,983
EQUITY			
Contributed equity	21	272,188	240,948
Other equity	22	5,582	5,582
Other reserves	23	7,552	7,249
Accumulated Losses and Reserves	23	(242,062)	(216,796)
TOTAL EQUITY		43,260	36,983

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.



Consolidated statement of comprehensive income

For the year ended 30 June 2025	Notes	2025 \$000	2024 \$000
Sale of goods		6,865	18,168
Royalty and license fees		30,640	25,133
Service revenue		24,832	24,324
Revenue	4	62,337	67,625
Cost of sales		(23,133)	(36,100)
Gross profit		39,204	31,525
Expenses			
Operations expenses		(16,749)	(16,600)
Research and development expenses		(18,947)	(18,535)
Customer and marketing expenses		(7,548)	(8,033)
General and administration expenses		(14,726)	(15,284)
Net foreign exchange (losses)/gains		34	69
Expenses	5	(57,936)	(58,383)
Operating loss		(18,732)	(26,858)
Finance income		935	411
Finance costs	5	(7,981)	(5,757)
Finance costs - net		(7,046)	(5,346)
Loss before income tax benefit		(25,778)	(32,204)
Income tax benefit	6	512	928
Loss after income tax benefit for the year attributable to the owners of Seeing Machines Limited		(25,266)	(31,276)

For the year ended 30 June 2025	Notes	2025 \$000	2024 \$000
Other comprehensive income/(loss)			
Exchange differences on translation of foreign operations		2	(26)
Other comprehensive income/(loss) for the year, net of tax		2	(26)
Total comprehensive loss for the year attributable to the owners of Seeing Machines Limited			
		(25,264)	(31,302)
Loss per share for loss from continuing operations attributable to the owners of Seeing Machines Limited			
		Cents	Cents
Basic loss per share	8	(0.555)	(0.753)
Diluted loss per share	8	(0.555)	(0.753)

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity

For the year ended 30 June 2025	Contributed Equity \$000	Other Equity \$000	Accumulated Losses \$000	Foreign Currency Translation Reserve \$000	Employee Equity Benefits & Other Reserve \$000	Total Equity \$000
Balance at 1 July 2023	240,948	5,749	(185,520)	(13,818)	19,172	66,531
Loss after income tax benefit for the year	-	-	(31,276)	-	-	(31,276)
Other comprehensive loss for the year, net of tax	-	-	-	(26)	-	(26)
Total comprehensive loss for the year	-	-	(31,276)	(26)	-	(31,302)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS						
Share-based payments (note 27)	-	-	-	-	1,921	1,921
Value of conversion rights on convertible notes	-	(167)	-	-	-	(167)
Balance at 30 June 2024	240,948	5,582	(216,796)	(13,844)	21,093	36,983
Balance at 1 July 2024	240,948	5,582	(216,796)	(13,844)	21,093	36,983
Loss after income tax benefit for the year	-	-	(25,266)	-	-	(25,266)
Other comprehensive income for the year, net of tax	-	-	-	2	-	2
Total comprehensive income/(loss) for the year	-	-	(25,266)	2	-	(25,264)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS						
Contributions of equity, net of transaction costs (Note 21)	31,240	-	-	-	-	31,240
Share-based payments (Note 27)	-	-	-	-	301	301
Balance at 30 June 2025	272,188	5,582	(242,062)	(13,842)	21,394	43,260

The above consolidated statement of equity should be read in conjunction with the accompanying notes.

Consolidated statement of cash flows

For the year ended 30 June 2025	Notes	2025 \$000	2024 \$000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		60,689	81,634
Payments to suppliers and employees (inclusive of GST)		(73,811)	(69,952)
Interest received		933	411
Income taxes paid		(121)	(41)
Net cash from/(used in) operating activities	24	(12,310)	12,052
Cash flows from investing activities			
Payment for purchase of business, net of cash acquired	34	(62)	-
Purchase of property, plant and equipment	15	(235)	(831)
Payments for intangibles (patents, licenses and trademarks)	16	(131)	(297)
Payments for intangibles (capitalised development costs)	16	(17,058)	(22,868)
Net cash used in investing activities		(17,486)	(23,996)
Cash flows from financing activities			
Proceeds from issue of shares	21	32,752	-
Share issue transaction costs	21	(1,512)	-
Payment of lease liabilities	25	(1,760)	(729)
Net cash from/(used in) financing activities		29,480	(729)
Net decrease in cash and cash equivalents		(316)	(12,673)
Cash and cash equivalents at the beginning of the financial year		22,828	35,606
Effects of exchange rate changes on cash and cash equivalents		44	(105)
Cash and cash equivalents at the end of the financial year	9	22,556	22,828

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the financial statements

Note 1. Corporate Information

Seeing Machines Limited (the "Company") 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 consolidated financial report of the Group (the "financial report") for the year ended 30 June 2025 was authorised for issue in accordance with a resolution of the Directors on 25 September 2025. The Directors have the power to amend and reissue the financial statements.

Note 2. Material accounting policies, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial report. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

Management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements as follows:

- Capitalised development costs intangible assets and their determination of useful lives – Note 16
- Recognition of deferred tax assets – Note 6
- Revenue recognition - non-recurring engineering and accounting for minimum royalty guarantees – Note 4
- Accounting and valuation of convertible notes – Note 20

Note 3. Business combinations and acquisition of non-controlling interests

Asaphus Vision GmbH was acquired by Seeing Machines Limited during the year ended 30 June 2025 (FY2024: none). Please refer to Note 34 for further details.

Note 4. Segment Information

a. Description of segments and principal activities:

The Chief Operating Decision Makers (CODM) 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 revenue and earnings before interest, tax, depreciation and amortisation (EBITDA) to assess the performance of the operating segments.

b. Segment adjusted revenue and adjusted EBITDA

	30 June 2025		30 June 2024	
	Adjusted revenue \$'000	Adjusted EBITDA \$'000	Adjusted revenue \$'000	Adjusted EBITDA \$'000
OEM	27,955	(15,339)	26,524	(19,051)
Aftermarket	24,814	(14,712)	41,101	(19,832)
	52,769	(30,051)	67,625	(38,883)

Adjusted revenue and adjusted EBITDA are non-IFRS measures but included as important metrics for shareholders understanding of the underlying performance of the business.

Adjusted revenue includes adjustments linked to minimum royalty guarantees. These adjustments reverse the upfront recognition of minimum guaranteed revenue at the start of production and instead recognise revenue progressively as it is invoiced. This approach ensures consistency in revenue recognition for all royalty-based contracts across the Group.

Adjusted EBITDA includes earnings before interest, tax, depreciation, amortisation and adjustments for capitalised development costs, restructuring and acquisition related costs, certain tax items, and revenue adjustments linked to minimum royalty guarantees.

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 revenue reconciles to revenue as follows:

	30 June 2025 \$000	30 June 2024 \$000
Total adjusted revenue	52,769	67,625
Revenue from contracts that contain minimum royalty guarantees	10,242	-
Invoiced from contracts that contain minimum royalty guarantees	(674)	-
REVENUE	62,337	67,625

Adjusted EBITDA reconciles to loss before income tax as follows:

	30 June 2025 \$000	30 June 2024 \$000
Total adjusted EBITDA	(30,051)	(38,883)
Capitalised development costs during the period	17,058	22,732
Depreciation and amortisation expense	(12,813)	(8,981)
Finance costs - net	(7,046)	(5,346)
Restructuring and acquisition costs	(2,386)	(1,489)
Other expense	(108)	(237)
Minimum royalty guarantees	9,568	-
Loss before income tax	(25,778)	(32,204)

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.

FOR THE YEAR ENDED 30 JUNE 2025	OEM \$'000	Aftermarket \$'000	Total \$'000
Sales at a point in time			
Hardware and Installations	978	6,435	7,413
Licensing	-	2,800	2,800
Sales over time			
Driver Monitoring	-	13,563	13,563
Non-recurring Engineering	9,383	1,338	10,721
Royalties	14,406	-	14,406
Licensing	3,188	678	3,866
TOTAL ADJUSTED REVENUE	27,955	24,814	52,769

Sales over time			
Minimum royalty guarantees	9,568	-	9,568
TOTAL REVENUE	37,523	24,814	62,337

FOR THE YEAR ENDED 30 JUNE 2024	OEM \$'000	Aftermarket \$'000	Total \$'000
Sales at a point in time			
Consulting	-	150	150
Hardware and Installations	612	18,902	19,514
Royalties	-	3,463	3,463
Licensing	-	5,000	5,000
Sales over time			
Driver Monitoring	-	12,433	12,433
Non-recurring Engineering	9,242	1,153	10,395
Royalties	10,632	-	10,632
Licensing	6,038	-	6,038
TOTAL REVENUE	26,524	41,101	67,625

Revenues of approximately \$14,587,000 (including minimum revenue guarantees of \$10,241,000) and \$13,182,000 are derived from two single external customers respectively. These revenues are attributed to the OEM segment

d. Revenue from contracts with customers by geographic location

	30 June 2025 \$'000	30 June 2024 \$'000
Australia	13,196	17,347
North America	19,762	34,660
Asia-Pacific (excluding Australia)	3,667	4,565
Europe	24,003	8,110
Other	1,709	2,943
Total revenue	62,337	67,625

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

e. Other profit or loss disclosures

	30 June 2025		30 June 2024	
	OEM \$'000	Aftermarket \$'000	OEM \$'000	Aftermarket \$'000
Employee benefits expense				
Wages and salaries on-costs (excluding superannuation)	28,083	18,837	25,266	23,520
Superannuation expense	2,257	1,583	2,146	1,870
Share-based payments expense	195	106	1,474	447
Wages and salaries reported as cost of sales	(7,253)	(6,517)	(6,954)	(8,373)
Superannuation reported as cost of sales	-	(392)	-	(503)
Wages and salaries capitalised development costs	(10,496)	(1,468)	(15,838)	(2,387)
TOTAL EMPLOYEE BENEFITS EXPENSE	12,786	12,149	6,094	14,574

f. Material accounting policies, estimates and assumptions

Revenue recognition - non-recurring engineering

The Group grants perpetual software licence to its customers for use of its Background Intellectual Property ("Background IP") which includes DMS and OMS licences. The Group also renders non-recurring engineering services to make significant customisations to the Background IP to make it commercially viable for the customer.

Judgement is required to determine the nature of the performance obligation in these contracts. Management's judgement is that the software licence and the non-recurring engineering services are inputs into a combined output, which is a promise to deliver customised software, and therefore that these services are not distinct from each other. Judgement is also required to determine whether the performance obligation is satisfied at a point in time or over time. Management's judgement is that the performance obligation is satisfied over time, as the development services generate an asset without an alternative use to the group, and the group has an enforceable right to payment for work performed to date.

g. Segment reporting – accounting policy

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision makers. The CODM, who are responsible for allocating resources and assessing performance of the operating segments, have been identified as the Executives and Board of the Company.

No segment assets and liabilities are regularly reported to the entity's chief operational decision makers

h. Revenue recognition – accounting policy

Revenue of the Group arises mainly from the sale and licensing of Driver Monitoring System ("DMS") and Occupant Monitoring System ("OMS") hardware and software, after-sales monitoring and consulting services.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services (i.e., transaction price).

i. Hardware and installation

Revenue from the sale of hardware units is recognised when control of the hardware units is transferred to the customer. Revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur (reflecting, for example, expected levels of returns). The normal credit term is 30 to 60 days upon invoicing.

Revenue from installation service is recognised when the previously sold hardware unit has been installed and connected to the driver monitoring platform, as per the arrangement with the customer.

ii. Driver Monitoring

Revenue from driver monitoring service is recognised periodically with reference to the hardware units that are

connected to the driver monitoring platform during that period, typically every month.

iii. Licence fees

Licences granted to customers are perpetual licences for use of IP (usually in the form of software). Where the software is provided on a hardware kit this is treated as one deliverable of a licence due to the fact that the hardware provided is of no value to the customer without the inclusion of the software and that the software cannot be delivered through any other acceptable mechanism to the customer.

Recognition of revenue from licence fees is dependent on the nature of the licence and whether it is a right to access or a right to use licence.

Licences granted to customers generally provide a right to use IP, and therefore these performance obligations are satisfied at a point in time, generally upon provision of access to the software.

Licences that provide a right to access Seeing Machines IP are performance obligations satisfied over time because the customer simultaneously receives and consumes the benefits provided by the Group. The Group uses time elapsed to measure progress toward complete satisfaction of the service and recognises revenue on that basis.

iv. Royalty revenue

Revenue from royalties relate to performance obligations that may be satisfied at a point in time (for example, royalty payments related to a right to use licence) or over time (for example, royalty payments related to sale of customised software). Where the predominant item in the contract to which the royalties relate is right to use licence, the royalties are recognised as revenue when the sale or usage that gives rise to the royalty occurs, given this is generally after the performance obligation has been satisfied. Where the predominant item in the contract to which the royalties relate is sale of customised software, the royalties are recognised as the associated performance obligation is satisfied, to the extent that the amount of revenue recognised is highly probable of not being subject to significant reversal.

v. Non-recurring engineering

The Group grants perpetual software licence to its customers for use of its Background Intellectual Property ("Background IP") which includes DMS and OMS licences. The Group also renders non-recurring engineering ("NRE") services to make significant customisations to the Background IP to make it commercially viable for the customer.

The software licence and the non-recurring engineering services are inputs into a combined output, which is a promise to deliver customised software, and therefore the software licence is not considered to be distinct from the non-recurring engineering services. This customised software is delivered in packages with increasing levels of customisation in each Sample delivery with reference to the arrangement with the customer.

This performance obligation is satisfied over time, as the services create an asset without an alternative use to the

group, and the group has an enforceable right to payment for performance completed to date.

This revenue is recognised over time using the input method based on costs incurred to date relative to the estimated total cost to complete a package, including a reasonable margin

vi. *Consulting*

Revenue from consultancy and support is recognised by reference to the stage of completion of a contract or contracts in progress at reporting date or at the time of completion of the contract and billing to the customer.

These contracts are typically customer-specific, and revenue recognition is therefore dependent on the facts and circumstances of each arrangement.

For each contract of this type, the Group will determine whether the performance obligation is satisfied at a point in time or over time. For performance obligations satisfied over time, the Group will use the method to measure progress that best depicts transfer of control to the customer, which could be an output or an input method.

vii. *Interest revenue*

Revenue is recognised as interest accrues using the Effective Interest Rate (EIR) method. This is a method of calculating the amortised cost of a financial asset and

allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

viii. *Agreements with multiple deliverables*

Where the Group enters into agreements for the provision of both goods and services as part of a single arrangement, the group identifies the separate performance obligations in the contract. The consideration from the arrangement is allocated to each performance obligation based on their relative stand-alone selling prices.

ix. *Timing of revenue recognition*

Revenue is recognised either at a point in time or over time, when or as the Company satisfies performance obligations by transferring the promised goods or services to its customers.

If the Company satisfies a performance obligation before it receives the consideration, the Group recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

Note 5. Other expense items

	30 June 2025 \$'000	30 June 2024 \$'000
a. Research and development expenses		
Research and development expenses	36,005	41,403
Capitalised development costs during the period	(17,058)	(22,868)
Total research and development expenses	18,947	18,535
b. Depreciation, impairment and amortisation expense		
Depreciation expense - owned assets	1,207	1,209
Depreciation expense - leased assets	1,136	866
Amortisation expense - development costs	9,337	6,854
Amortisation expense - others	1,133	52
Total depreciation, impairment and amortisation expense	12,813	8,981
c. Employee benefits expense		
Wages and salaries and on-costs (excluding superannuation)	46,920	48,786
Superannuation expense	3,840	4,016
Share-based payment expense	301	1,921
Wages and salaries reported as cost of sales	(13,770)	(15,327)
Superannuation reported as cost of sales	(392)	(503)
Wages and salaries capitalised to development costs	(11,964)	(18,225)
Total employee benefits expense	24,935	20,668
d. Other expenses		
Restructuring costs	2,291	1,113
Acquisition costs	95	376
Impairment of receivable	382	24
Non-recoverable foreign withholding taxes	108	237
Total other expenses	2,876	1,750
e. Finance costs		
Interest Amortisation - Convertible Note	6,014	5,383
Interest expense	1,557	-
Property Lease Interest	410	374
Total finance costs	7,981	5,757

Note 6. Income tax benefit

	30 June 2025 \$'000	30 June 2024 \$'000
a. Income tax expense/(benefit)		
Current income tax:		
Current income tax charge	(8,052)	(14,230)
Adjustments in respect of current income tax of previous year	121	41
Taxation loss not recognised	8,052	14,230
Deferred tax:		
Relating to the origination and reversal of temporary differences	(160)	(1,524)
Temporary differences not recognised	(473)	555
Income tax benefit reported in the statement of comprehensive income	(512)	(928)
b. Reconciliation between tax expense and the product of the accounting profit before income tax multiplied by the Group's applicable income tax rate is as follows:		
Loss before income tax	(25,778)	(32,204)
At the parent entity's statutory income tax rate of 30% (FY2024 30%)	(7,733)	(9,661)
Share based payments (equity settled)	90	288
Legal fees	28	56
Adjustments in respect of current income tax of previous years	121	41
Research and development tax offset	-	(5,555)
Other permanent differences	36	87
Origination and reversal of temporary differences:		
Convertible Note	(633)	(969)
Temporary differences not recognised	(473)	555
Taxation loss not recognised	8,052	14,230
Income tax benefit	(512)	(928)
c. Amounts recognised directly in equity		
Aggregate current and deferred tax arising in the reporting period and not recognised in net profit or loss or other comprehensive income but directly debited or credited to equity:		
Deferred tax: Convertible notes	-	(72)
d. Deferred income tax at 30 June relates to the following		
i. Deferred tax liabilities		
The balance comprises temporary differences attributable to:		
Right-of-use assets	(904)	(1,121)
Intangible assets	(13)	(16)
Unrealised foreign exchange gain	(64)	-
	(981)	(1,137)

Note 6. Income tax benefit (continued)

	30 June 2025 \$'000	30 June 2024 \$'000
Other		
Convertible notes	(791)	(1,423)
Total deferred tax liabilities	(1,772)	(2,560)
Set-off of deferred tax assets	981	1,137
Net deferred tax liabilities	(791)	(1,423)
ii. Deferred tax assets		
The balance comprises temporary differences attributable to:		
Provision for expected credit loss	124	90
Accrued Expenses	10	155
Annual leave	787	904
Long service leave	402	415
Warranties	284	223
S. 40-880 deduction	57	97
Borrowing cost	118	211
Finance lease liabilities	1,283	1,565
Accrued bonuses	349	483
Others	151	51
Gross deferred tax assets	3,565	4,194
Set-off of deferred tax liabilities	(981)	(1,137)
Net deferred tax balance not brought to account	2,584	3,057
Tax losses	(56,126)	(48,074)
Losses not recognised	56,126	48,074
	-	-

e. Unrecognised temporary differences

At 30 June 2025, Seeing Machines Limited (consolidated) has unrecognised temporary differences in relation to unbooked tax losses of 187,086,000 (DTA of 56,126,000) for which no deferred tax asset has been recognised on the statement of financial position (FY2024: unrecognised tax losses of \$160,246,000 and DTA of \$48,074,000). These losses are available for recoupment subject to satisfaction of relevant statutory tests in each jurisdiction.

As at 30 June 2025, there are net unrecognised deductible temporary differences of \$8,613,000 (DTA of \$2,584,000) for which no deferred tax asset has been recognised on the statement of financial position (FY2024: net unrecognised deductible temporary differences of \$10,190,000 and DTA of \$3,057,000).

f. Material accounting policies, estimates and assumptions

The Group's accounting policy for taxation requires management's judgement in assessing whether deferred tax assets are recognised on the statement of financial position. Deferred tax assets, including those arising from unrecouped tax losses, capital losses and temporary differences, are recognised only where it is considered probable that taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. Given the recent history of tax losses, management's judgement is that there is not convincing evidence of future taxable profits, and therefore deferred tax assets are only recognised to the extent that there are taxable temporary differences against which these deferred tax assets can be recovered.

g. Tax consolidation

i. Members of the tax consolidated group and the tax sharing arrangement

Seeing Machines Limited and its 100% owned Australian resident subsidiaries formed a tax consolidated group with effect from 1 July 2005. Seeing Machines Limited is the head entity of the tax consolidated group. Members of the tax consolidated group have entered into a tax sharing agreement that provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. No amounts have been recognised in the financial statements in respect of this agreement on the basis that the possibility of default is remote.

ii. Tax effect accounting by members of the tax consolidated group

Measurement method adopted under AASB Interpretation 1052 Tax Consolidation Accounting
The head entity and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. The Group has applied the group allocation approach in determining the appropriate amount of current taxes and deferred taxes to allocate to members of the tax consolidated group.

The current and deferred tax amounts are measured in a systematic manner that is consistent with the broad principles in AASB 112 Income Taxes. The nature of the tax funding agreement is discussed further below.

In addition to its own current and deferred tax amounts, the head entity also recognises current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

Nature of the tax funding agreement

Members of the tax consolidated group have entered into a tax funding agreement. Under the funding agreement, the funding of tax within the Group is based on accounting profit, which is not an acceptable method of allocation under AASB Interpretation 1052. The tax funding agreement requires payments to/from the head entity to be recognised via an inter-entity receivable (payable) which is at call. To the extent that there is a difference between the amount charged under the tax funding agreement and the allocation under AASB Interpretation 1052, the head entity accounts for these as equity transactions with the subsidiaries.

The amounts receivable or payable under the tax funding agreement are due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of each financial year. The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax instalments.

h. Income tax – accounting policy

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not through profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that

it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Note 7. Dividends

No dividends or distributions have been made to members during the year ended 30 June 2025 (FY2024: nil) and no dividends or distributions have been recommended or declared by the directors in respect of the year ended 30 June 2025 (FY2024: nil).

Note 8. Loss per share

	30 June 2025 \$'000	30 June 2024 \$'000
Basic loss per share		
<i>For basic and diluted loss per share:</i>		
Net loss	(25,266)	(31,276)
Net loss attributable to ordinary equity holders of the Company	(25,266)	(31,276)
	Number (Thousands)	Number (Thousands)
Weighted average number of ordinary shares for basic loss per share	4,556,413	4,156,019
Weighted average number of ordinary shares used in calculating diluted loss per share	4,556,413	4,156,019
	Cents	Cents
Basic loss per share	(0.555)	(0.753)
Diluted loss per share	(0.555)	(0.753)

There are no instruments (e.g. share awards) excluded from the calculation of diluted loss per share that could potentially dilute basic loss per share in the future because they are either non-dilutive or anti-dilutive for both periods presented.

There have been no transactions involving ordinary shares or potential ordinary shares outstanding between the reporting date and the date of completion of these financial statements.

a. Loss per share - accounting policy

Basic loss per share ("LPS") is calculated as net profit or loss attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted LPS is calculated as net profit or loss attributable to members of the parent divided by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

b. Information on the classification of securities

Awards granted to employees (including KMP) as well as in the form of capital raising cost as described in Note 27 are considered to be potential ordinary shares and have been included in the determination of diluted loss per share to the extent that they are dilutive. These shares have not been included in the determination of basic loss per share.

Note 9. Cash and cash equivalents

	30 June 2025 \$'000	30 June 2024 \$'000
Basic loss per share		
Current assets		
Bank balances	9,556	22,828
Cash on deposit	13,000	-
	22,556	22,828

During FY2025, the Group reclassified a bank guarantee related to the Collins St lease previously reported as 'Cash and Cash Equivalents' to 'Other Financial Assets' to better reflect its nature. Comparative figures for FY2024 have been reclassified accordingly. This reclassification has no impact on net assets or profit for the prior period.

a. Cash and cash equivalents - accounting policy

Cash and cash equivalents comprise cash at banks and on hand that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

Note 10. Trade and other receivables

	30 June 2025 \$'000	30 June 2024 \$'000
Current assets		
Trade receivables	8,880	24,850
Allowance for expected credit losses	(120)	(235)
Provision for doubtful debts	(127)	-
Deferred finance income	-	(2)
	8,633	24,613
Net other receivables	446	680
Total trade and other receivables - current	9,079	25,293

a. Provision for expected credit loss

Trade receivables are non-interest bearing and are generally 30–60 days terms. The Group applies a simplified approach in calculating ECLs and recognises a loss allowance based on lifetime ECL's at reporting date.

Set out below is the movement in the allowance for expected credit losses of trade receivables:

	30 June 2025 \$'000	30 June 2024 \$'000
As at July 1	235	135
Provision for expected credit losses increase/(decrease)	(115)	100
As at 30 June	120	235

Days Past Due						
30 June 2025	Current	0 - 30 Days	31 - 60 Days	61 - 90 Days	91+ Days	Total (\$'000)
Expected loss rate (%)	1.0	1.4	2.6	4.0	6.0	
Gross carrying amount – trade receivables (\$'000)	7,096.0	878.0	359.0	148.0	399.0	8,880.0
Loss allowance (\$'000)	70.0	12.0	9.0	6.0	23.0	120.0
30 June 2024						
Expected loss rate (%)	0.5	0.6	1.1	1.8	2.0	
Gross carrying amount – trade receivables (\$'000)	14,156.0	2,258.0	2,010.0	434.0	5,992.0	24,850.0
Loss allowance (\$'000)	71.0	14.0	22.0	8.0	120.0	235.0

The Group considers a financial asset in default when contractual payments are 90 days past due unless the Group has entered into discussion with the customer to agree varied payment terms. There was impairment of \$382,000 included in other expenses (FY2024: \$24,000). Receivables 90 days past due but not considered in default are \$399,000 FY2024: \$5,992,000). Payment terms on these amounts have been re-negotiated, and satisfaction has been gained that payment will be received in full. It is expected that all other balances will be received when due.

b. Fair value and credit risk

All trade receivables are short-term in nature and therefore, the carrying values approximate their fair value.

The maximum exposure to credit risk is the fair value of receivables. Collateral is not held as security, nor is it the Group's policy to transfer (on-sell) receivables.

c. Foreign exchange risk

Detail regarding foreign exchange risk exposure is disclosed in Note 26.

d. Trade receivables – accounting policy

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Note 11. Contract assets

	30 June 2025 \$'000	30 June 2024 \$'000
Current assets		
Unbilled revenue	8,255	7,110
Provision for expected credit losses - contract assets	(166)	(66)
Total current	8,089	7,044
Non-current assets		
Unbilled revenue	6,253	-
Total non-current	6,253	-
Total	14,342	7,044

a. Contract assets – accounting policy

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group transfers goods or services to a customer and satisfies its performance obligations before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Note 12. Inventories

	30 June 2025 \$'000	30 June 2024 \$'000
Current assets		
Finished goods – at cost	4,732	3,746
Write-down of inventories for the period	(118)	(121)
Total inventories	4,614	3,625

a. Inventories – accounting policy

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition are accounted for, as follows:

Finished goods: weighted average cost. The cost of purchase comprises the purchase price and other ancillary costs, where appropriate. Volume discounts and rebates are included in determining the cost of purchase.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale, including direct costs.

Note 13. Other financial assets

	30 June 2025 \$'000	30 June 2024 \$'000
Current assets		
Term deposits	308	315
Non-current assets		
Bank guarantee	521	533
Total other financial assets	829	848

At 30 June 2025, term deposits held are classified as short-term and consist of a term deposit of \$91,000 maturing on 27 February 2026 with an interest rate of 3.56% and a term deposit of \$217,000 maturing on 4 May 2026 with an interest rate of 3.09%. The term deposits are short-term in nature and therefore, the carrying values approximate their fair value.

As at 30 June 2025, the bank guarantee issued by HSBC Bank in favour of 271 Collins Pty Ltd (beneficiary), relating to the lease of 271 Collins St Office, represents an unconditional and irrevocable undertaking by HSBC Bank to the beneficiary. Neither the applicant (Seeing Machines) nor the issuing bank (HSBC) has the right to withdraw, amend, or cancel the guarantee prior to its maturity date, unless the original physical guarantee is returned to the bank for cancellation by the beneficiary.

During FY2025, the Group reclassified a bank guarantee related to the Collin St lease previously reported as 'Cash and Cash Equivalents' to 'Other Financial Assets' to better reflect its nature. Comparative figures for FY2024 have been restated accordingly. This reclassification has no impact on net assets or profit for the prior period.

Note 14. Other current assets

	30 June 2025 \$'000	30 June 2024 \$'000
Prepayments	2,314	1,898
Rental bonds	218	161
Term deposits	79	54
	2,611	2,113

Note 15. Property, plant and equipment

	Office Furniture, Fittings and Equipment \$'000	Research and Development Equipment \$'000	Assets under Construction \$'000	Total \$'000
Year ended 30 June 2025				
Opening net book value	2,915	459	112	3,486
Business combination	110	10	-	120
Additions	140	95	-	235
Depreciation charge	(944)	(263)	-	(1,207)
Transfers	-	112	(112)	-
Closing net book amount	2,221	413	-	2,634
At 30 June 2025				
Cost or fair value	7,726	1,612	-	9,338
Accumulated depreciation and impairment	(5,505)	(1,199)	-	(6,704)
Net book amount	2,221	413	-	2,634

	Office Furniture, Fittings and Equipment \$'000	Research and Development Equipment \$'000	Assets under Construction \$'000	Total \$'000
Year ended 30 June 2024				
Opening net book value	3,044	705	112	3,861
Foreign exchange differences	3	-	-	3
Additions	799	32	-	831
Depreciation charge	(931)	(278)	-	(1,209)
Closing net book amount	2,915	459	112	3,486
At 30 June 2024				
Cost or fair value	7,511	1,395	112	9,018
Accumulated depreciation and impairment	(4,596)	(936)	-	(5,532)
Net book amount	2,915	459	112	3,486

a. Property, plant and equipment – accounting policy

Assets under construction are stated at cost less accumulated impairment losses, if any. Property, plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses.

Cost includes the purchase consideration, and those costs directly attributable to bringing the asset to the location and condition necessary for its intended use. Such cost includes the cost of replacing parts of plant and equipment if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation

The major categories of property, plant and equipment are depreciated over the estimated useful lives of the assets on a diminishing value or straight-line basis using the following depreciation rates of the specific asset as follows:

- Office furniture, fittings and equipment 2 to 20 years
- Research and development equipment 3 to 10 years
- Asset under construction Not depreciated

Depreciation commences when an asset is available for use.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss when the asset is derecognised.

Note 16. Intangibles

	Patents, Licences and Trademarks \$'000	Development Costs \$'000	Goodwill \$'000	Technology \$'000	Total \$'000
Year ended 30 June 2025					
Opening net book value	1,499	59,824	-	-	61,323
Additions	131	17,059	-	-	17,190
Business combination	-	-	2,497	1,080	3,577
Amortisation charge for the year	(53)	(9,337)	-	(1,080)	(10,470)
Foreign exchange differences	1	-	-	-	1
Closing net book value	1,578	67,546	2,497	-	71,621
At 30 June 2025					
Cost	1,935	87,009	2,497	1,080	92,521
Accumulated amortisation and impairment	(357)	(19,463)	-	(1,080)	(20,900)
Net book amount	1,578	67,546	2,497	-	71,621

	Patents, Licences and Trademarks \$'000	Development Costs \$'000	Total \$'000
Year ended 30 June 2024			
Opening net book value	1,254	43,810	45,064
Additions	297	22,868	23,165
Amortisation charge for the year	(52)	(6,854)	(6,906)
Closing net book value	1,499	59,824	61,323
At 30 June 2024			
Cost	1,804	69,950	71,754
Accumulated amortisation and impairment	(305)	(10,126)	(10,431)
Net book amount	1,499	59,824	61,323

The Group performs its impairment testing annually at 30 June. Intangible assets are reviewed at each reporting period to determine whether there is an indication of impairment or impairment reversal. Where an indicator of impairment or impairment reversal exists, a formal estimate of the recoverable amount is made at the reporting period. At 30 June 2025, for any impairment indicators that were identified, our detailed impairment assessments resulted in significant headroom. The Group tests Goodwill for impairment on an annual basis.

a. Material accounting policies, estimates and assumptions

i. Capitalised development costs intangible assets and their determination of useful lives

Research costs are expensed as incurred. An intangible asset arising from development expenditure on an internal project is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model.

The determination of the useful lives of development intangible assets has been based on historical experience and expectations of future forecast economic benefits to be derived from the underlying intellectual property which was developed. Adjustments to useful lives are made when considered necessary.

b. Goodwill – accounting policy

Goodwill is measured as described in noted above. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the Group.

c. Other Intangibles – accounting policy

Cost

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and expenditure is recognised in profit or loss in the year in which the expenditure is incurred.

Fair Value

Intangible assets acquired on business combination are measured on initial recognition at fair value. Following initial recognition, intangible assets are carried at fair value less any accumulated amortisation and any accumulated impairment losses.

Amortisation methods and periods

The useful lives of the Group's intangible assets are assessed to be finite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the amortisation period or method, as appropriate, which is a change in accounting estimate. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset.

Derecognition

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss when the asset is derecognised.

i. Patents, Trademarks and Licences

The Group made upfront payments to acquire patents, trademarks and licences. The patents and trademarks have been granted for periods ranging between 15 to 20 years, depending on the patent or trademark, by the relevant government agency with the option of renewal at the end of the period. Licences for the use of intellectual property ("IP") are granted for periods ranging between 3 to 20 years depending on the specific licences.

ii. Research and Development

Costs Expenditure on research activities, undertaken with the prospect of gaining new technical knowledge and understanding, is recognised in the statement of comprehensive income when incurred.

Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials, direct labour and overhead costs that are directly attributable to preparing the asset for its intended use. Other research and development expenditure is recognised in the statement of comprehensive income when incurred.

Capitalised development expenditure is measured at cost less accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when the development is complete, and the asset is available for use. The asset is amortised over the period of expected future benefit and amortisation is recorded in cost of sales. During the period of development, the asset is tested for impairment annually.

iii. Technology

The Group acquired Technology as part of the business combination for the year Note 34. Management have reassessed the useful life of this Technology and determined that the economic benefits would be fully realised within 12 months post-acquisition. Accordingly, management assigned a one-year useful life and amortised the asset to nil for the year ending 30 June 2025.

	Patents and Trademarks	Licences	Development Costs
Useful lives	Finite (10-20 years)	Finite (3-20 years)	Finite (7-10 years)
Amortisation method used	Amortised on a straight- line basis over the period of the patent or trademark	Amortised on a straight-line basis over the period of the licence	Amortised on a straight-line basis over the period of expected future sales from the related project
Amortisation method used or acquired	Acquired	Acquired	Internally generated

Note 17. Trade and other payables

	30 June 2025 \$'000	30 June 2024 \$'000
Current liabilities		
Trade payables	3,558	11,615
GST, payroll tax and payroll liabilities	3,604	4,940
Accrued expenses	1,664	3,927
Other payables	1,336	679
	10,162	21,161

a. Fair value

Due to the short-term nature of these payables, their carrying value is assumed to approximate their fair value. Included in the GST, Payroll Tax and Payroll Liabilities is the accrual for the FY2025 STI (short-term incentive) amounting to \$1,162,000 (FY2024: \$1,611,000).

b. Foreign exchange, interest rate and liquidity risk

Information regarding foreign exchange, interest rate and liquidity risk exposure is set out in Note 26.

Note 18. Provisions

	30 June 2025 \$'000	30 June 2024 \$'000
Current liabilities		
Annual leave	2,616	3,012
Long service leave	1,156	1,146
Warranties	946	744
Provision for income tax	-	7
Total current provisions	4,718	4,909

	30 June 2025 \$'000	30 June 2024 \$'000
Non-current liabilities		
Long service leave	183	239
Other	109	103
Total non-current provisions	292	342
Total provisions	5,010	5,251

a. Nature and timing of provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

b. Movements in provisions

Warranties	30 June 2025 \$'000	30 June 2024 \$'000
Carrying amount at start of year	744	817
Arising during the year	395	439
Utilised during the year	(193)	(512)
Carrying amount at end of year	946	744

c. Provisions – accounting policy

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in profit or loss net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

i. Employee leave entitlements

Employee entitlements to annual leave are recognised when they are accrued by employees. A provision is made for the estimated liability for annual leave because of services rendered by employees up to the reporting date. Employee entitlements to sick leave and maternity leave are not recognised until the time of leave. Annual leave is recognised in current liabilities, as it is expected to be wholly settled within 12 months of the reporting date.

ii. Long service leave

Long service leave is a period of paid leave granted to an employee in recognition of a long period of service to an employer. The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows. Long service leave is recognised in current and non-current liabilities, provided there is an unconditional right to defer settlement of the liability.

iii. Warranty provisions

The Group provides warranties for general repairs of defects that existed at the time of sale, as required by law. Provisions related to these assurance-type warranties are recognised when the product is sold. Initial recognition is based on historical experience. The estimate of warranty-related costs is revised annually.

Note 19. Contract liabilities

	30 June 2025 \$'000	30 June 2024 \$'000
Current		
Deferred revenue	4,329	5,471
Non-current		
Deferred revenue	7,943	9,088
Total contract liabilities	12,272	14,559

Contract liabilities totalling \$3,249,000 included in the balance at 30 June 2024 were satisfied and recognised as revenue during the year ended 30 June 2025.

a. Contract liabilities – accounting policy

A contract liability is recognised if a payment is received from a customer before the Group satisfies its performance obligations. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., satisfies its performance obligations of the related goods or services to the customer).

Note 20. Borrowings

	30 June 2025 \$'000	30 June 2024 \$'000
Non-current		
Unsecured		
Convertible note (i)	51,315	45,701
Total borrowings – non-current	51,315	45,701

i. Convertible notes

The Company has issued two convertible notes to Magna International Inc. with an aggregate principal amount of \$47,500,000. The notes are convertible into ordinary shares at an adjusted conversion price of GBP £0.0995 per share, subject to adjustment, up to a maximum of 386,405,006 shares, and are subject to a 9.99% beneficial ownership cap. Interest is payable at 6% and 8% per annum, respectively, and may be paid in cash or, at the Company's election, capitalised and added to the outstanding principal. The effective interest rates applied to the liability components are 13.14% (Tranche 1) and 11.84% (Tranche 2). The notes mature on 4 October 2026 and contain customary anti-dilution and adjustment provisions. In accordance with AASB 132 and AASB 9, the notes have been accounted for as compound financial instruments, with the liability component recognised at amortised cost and the equity component recognised in equity. The liability component is subsequently measured using the effective interest method. The equity component is not remeasured. Upon conversion, the carrying amounts of the liability and equity components are transferred to share capital.

	30 June 2025 \$'000	30 June 2024 \$'000
Face value of notes issued	47,500	47,500
Other equity securities – value of conversion rights	(7,974)	(7,974)
Transactions costs on Borrowings	(1,202)	(1,202)
Other costs on borrowings	(717)	(317)
	37,607	38,007
Interest expense – accrued to date	13,708	7,694
Non-current liability	51,315	45,701

a. Material accounting policies, estimates and assumptions

Using the terms and conditions of the Convertible Note, entered into in the current financial year, and other available inputs and assumptions, the Group has valued the option component of the Convertible Note using the Binomial Tree Model with 16 steps to value the option. It is to be noted that this valuation technique is permissible as per paragraph B11 of AASB 13 Fair Value Measurement.

b. Borrowings – accounting policy

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

The fair value of the liability portion of a convertible bond is determined using a market interest rate for an equivalent non-convertible bond. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or maturity of the bonds. The remainder of the proceeds is allocated to the conversion option. This is recognised and included in shareholders' equity, net of income tax effects.

Note 21. Contributed equity

	2025 Shares Thousands	2024 Shares Thousands	2025 \$'000	2024 \$'000
Ordinary shares – issued and fully paid	4,915,670	4,156,019	272,188	240,948

	Shares (Thousands)	\$'000
As at 1 July 2024	4,156,019	240,948
Shares issued – LTI scheme	118,904	-
Shares issued – Mitsubishi Electric Mobility Corporation	640,747	32,752
Transaction costs	-	(1,512)
At 30 June 2025	4,915,670	272,188

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. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

On 26 November 2024, the Company 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.

Note 22. Other equity

	30 June 2025 \$'000	30 June 2024 \$'000
Value of conversion rights – convertible notes (i)	7,974	7,974
Deferred tax liability component	(2,392)	(2,392)
Total other equity	5,582	5,582

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 20.

Note 23. Accumulated Losses and Reserves

a. Movements in accumulated losses and reserves

Refer to the statement of changes in equity for movements in accumulated losses and other reserves.

b. Nature and purpose of other reserves

Foreign currency translation

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

Employee equity benefits reserve

The employee equity benefits reserve is used to record the value of share-based payments provided to employees, including KMP, as part of their remuneration. Refer to Note 27 for further details of the plan.

Note 24. Statement of Cash Flow Information

	30 June 2025 \$'000	30 June 2024 \$'000
Reconciliation of net loss after tax to net cash from operating activities		
Loss after income tax benefit for the year	(25,266)	(31,276)
Adjustments for:		
Depreciation	2,338	2,076
Amortisation	10,475	6,906
Share-based payments	301	1,921
Accrued interest on convertible notes	6,014	5,383
Interest on deferred consideration	473	-
Net loss on foreign exchange (unrealised)	85	124
Change in operating assets and liabilities, net of effects from business combination:		
(Increase)/decrease in inventories	(989)	7,566
Decrease in trade and other receivables	16,214	1,746
Increase in contract assets	(7,298)	(531)
Increase in other current assets	(498)	(997)
(Decrease)/increase in other provisions	(241)	663
(Decrease)/increase in trade and other payables	(10,999)	9,515
(Decrease)/increase in contract liabilities	(2,287)	9,925
(Decrease)/increase in deferred tax liabilities	(632)	(969)
Net cash (outflow)/inflow from operating activities	(12,310)	12,052

Note 25. Leases

Group as a lessee

The Group has lease contracts for office space and other equipment used in its operations. Leases of office space and other equipment generally have lease terms between 3 and 10 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	30 June 2025 \$'000	30 June 2024 \$'000
As at 1 July	3,737	1,853
Additions	286	2,687
Depreciation expense	(1,136)	(866)
Foreign exchange differences	127	63
As at 30 June	3,014	3,737

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	30 June 2025 \$'000	30 June 2024 \$'000
As at 1 July	5,219	2,903
Additions	286	2,643
Accretion of interest	410	374
Payments	(1,639)	(729)
Foreign exchange differences	10	28
As at 30 June	4,286	5,219
Lease Liabilities		
Current	1,430	1,122
Non-current	2,856	4,097
	4,286	5,219

The maturity analysis of lease liabilities is disclosed in Note 26. The following are the amounts recognised in profit or loss:

	30 June 2025 \$'000	30 June 2024 \$'000
Depreciation expense of right-of-use assets	1,136	866
Interest expense on lease liabilities (included in finance cost)	410	374
Expenses relating to leases of low-value assets	121	78
	1,667	1,318

The incremental borrowing rate at 30 June 2025 is between 6 - 10% per annum (FY2024: between 6 - 10% per annum).

The Group has lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs.

a. Leases – accounting policy

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Group as a lessee The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i. Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets in which the Group are reasonably certain to obtain ownership of the underlying leased asset at the end of the lease term is depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- | | |
|-------------------|---------------|
| • Office Space | 3 to 10 years |
| • Other equipment | 3 to 5 years |

The right-of-use assets are also subject to impairment. Refer to the accounting policies in Note 35.

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

ii. Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are not included in the measurement of lease liabilities and right-of-use assets and are recognised as an expense (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Note 26. Financial Risk Management

The Group's principal financial instruments comprise cash, trade receivables, term deposits and trade payables. The Group has various other financial assets and liabilities such as sundry receivables and lease liabilities.

The Group manages its exposure to key financial risks, including interest rate and currency risk in accordance with the Group's financial risk management policy. The objective of this policy is to support the delivery of the Group's financial targets whilst protecting future financial security.

Primary responsibility for identification and control of risk rests with the Board. The Board reviews and agrees policies for managing each of its risks identified below, including, credit allowances and future cash flow forecast projections.

a. Market risk

i. Interest rate risk

The Group's exposure to market interest rates relates to the Group's short-term cash holdings. The Group did not enter into any forward contracts during the 30 June 2025 financial year. The Group's exposure to interest rate risk is minimal. At reporting date, the Group had the following mix of financial assets exposed to variable interest rates at the designated variable interest rate:

	30 June 2025 \$'000	30 June 2024 \$'000
Exposed to United States of America variable interest rate risk	19,897	20,858
Exposed to Australian variable interest rate risk	1,584	1,676
Exposed to United Kingdom variable interest rate risk	284	117
Exposed to European variable interest rate risk	768	124
Exposed to New Zealand variable interest rate risk	17	33
Exposed to Japanese variable interest rate risk	6	20
Total cash and cash equivalents	22,556	22,828

In addition to the above, the Group had term deposits classified as financial assets at amortised cost totalling \$308,000 (FY2024: \$315,000) that were subject to short-term fixed interest rates and a bank guarantee related to a property lease also classified as a financial asset totalling \$521,000 (FY2024: \$533,000) (refer to Note 13).

During FY2025, the Group reclassified a bank guarantee related to the Collins St lease previously reported as 'Cash and Cash Equivalents' to 'Other Financial Assets' to better reflect its nature. Comparative figures for FY2024 have been reclassified accordingly. This reclassification has no impact on net assets or profit for the prior period.

Sensitivity

The Group's policy is to not hedge against interest rate movements as funds held are in cash and short-term deposits.

At 30 June 2025, if interest rates had moved, as illustrated in the table below, with all other variables held constant, post-tax profit would have been affected as follows:

	30 June 2025 \$'000	30 June 2024 \$'000
Impact on post-tax profit		
+ 1% (100 basis points)	226	234
- 1% (100 basis points)	(226)	(234)

The movement in profit is due to interest rate changes on cash balances.

Interest rates on the lease arrangements outstanding at year end are fixed and range from 9% to 12%. Interest rates on the convertible note outstanding are fixed at 11.84% or 13.14%.

ii. Foreign exchange risk

Exposure as a result of sales in Australia, United Kingdom, New Zealand and Europe (denominated in those currencies) and contractors costs denominated in Australian dollars, the Group's statement of financial position can be affected by movement in exchange rates generally and the A\$/US\$ exchange rate in particular. The Group seeks to mitigate the effect of its foreign currency exposure by operating Australian Dollar (AU\$), British Pound (GBP), Euro (EUR), New Zealand Dollar (NZD) and Japanese Yen (JP¥) bank accounts.

Approximately 34% of the Group's sales and approximately 49% of the Group's expenses are denominated in currencies other than the functional currency of the operating entity making the transaction. The Group evaluates the concentration of risk with respect to foreign currency as low, as the Group is naturally hedged by holding funds in multiple operating currency accounts, with revenues and expenses being closely aligned on an annual basis.

At 30 June 2025 the Group had the following exposure to foreign currency:

	30 June 2025 \$'000	30 June 2024 \$'000
Financial Assets		
Cash and cash equivalents (AU\$)	1,584	1,676
Cash and cash equivalents (GB£)	284	117
Cash and cash equivalents (EUR)	768	124
Cash and cash equivalents (NZD)	17	33
Cash and cash equivalents (JP¥)	6	20
Trade and other receivables (AU\$)	3,500	8,545
Trade and other receivables (EUR)	760	229
Trade and other receivables (GB£)	1,066	1,264
Trade and other receivables (NZD)	3	-
Trade and other receivables (ZAR)	-	18
Trade and other receivables (JP¥)	9	7
Trade and other receivables (TRY)	6	13
Total	8,003	12,046
Financial Liabilities		
Trade and other payables (AU\$)	(6,285)	(10,526)
Trade and other payables (GBP)	(207)	(203)
Trade and other payables (EUR)	(648)	(346)
Trade and other payables (JP¥)	(23)	(33)
Trade and other payables (NZD)	(16)	(21)
Trade and other payables (ZAR)	(9)	(5)
Total	(7,188)	(11,134)
Net exposure	815	912

The following tables demonstrate the sensitivity to a reasonably possible change in exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities.

	Impact on post-tax profit 2025 \$'000	Impact on post-tax profit 2024 \$'000	Impact on other components 2025 \$'000	Impact on other components 2024 \$'000
Change in AUD rate				
USD/AUD exchange rate +5%	57	15	57	15
USD/AUD exchange rate -5%	(63)	(16)	(63)	(16)
Change in GBP rate				
USD/GBP exchange rate +5%	54	(56)	(54)	(56)
USD/GBP exchange rate -5%	60	62	60	62
Change in EUR rate				
USD/EUR exchange rate +5%	(42)	-	(42)	-
USD/EUR exchange rate -5%	46	-	46	-
Change in NZD rate				
USD/NZD exchange rate +5%	-	(1)	-	(1)
USD/NZD exchange rate -5%	-	1	-	1
Change in ZAR rate				
USD/ZAR exchange rate +5%	-	(1)	-	(1)
USD/ZAR exchange rate -5%	-	1	-	1
Change in TRY rate				
USD/TRY exchange rate +5%	-	(1)	-	(1)
USD/TRY exchange rate -5%	-	1	-	1

Management believes the reporting date risk exposures are representative of the risk exposure inherent in financial instruments.

b. Credit risk

Credit risk arises from the financial assets of the Group, which comprise cash and cash equivalents, trade and other receivables, contract assets and other financial assets. The Group's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. Exposure at reporting date is addressed in each particular note. The Group accounts for expected credit losses in accordance with its policy on impairment of financial assets detailed in Note 35(h). The Group does not hold any credit derivatives to offset its credit exposure.

Trade receivables

It is the Group's policy that all customers who wish to trade are subject to credit verification procedures. In addition, receivables balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. Collateral is not requested nor is it the Group's policy to securitise its trade and other receivables.

Customer credit risk is managed in line with the Group's established policy, procedures and control relating to customer credit risk management. The Group also engaged a Credit Assessment Provider for a list of recommendations and insurance policy limits and has insurance policies in place for the most significant customers. The internal assessment

of each customer is based on the payment history and the reputation and size of the customer. Outstanding customer receivables are regularly monitored and followed up. Refer to Note 10 for credit risk disclosures on trade and other receivables.

c. Capital management and liquidity risk

The Group manages liquidity risk by maintaining adequate cash reserves and by undertaking ongoing monitoring of actual and forecast cash flows and maturity profiles of financial assets and liabilities, in particular, the impact of differing sources of funds on cost and shareholder dilution are taken into consideration when contemplating any funding shortfalls.

The following table reflects all contractually fixed pay-offs for settlement, repayments and interest resulting from recognised financial liabilities as of 30 June 2025. Cash flows for financial liabilities without fixed amount or timing are based on the conditions existing at 30 June 2024.

i. Maturities of financial liabilities

The risk implied from the table below reflects a balanced view of cash inflows and outflows. Trade payables and other financial liabilities mainly originate from the financing of assets used in our ongoing operations such as plant, equipment and investments in working capital (e.g., inventories and trade receivables). To monitor existing financial liabilities as well as to enable an effective controlling of future risks, Seeing Machines Limited has established risk reporting systems that reflects expectations of management of expected settlement of financial liabilities.

The tables below summarises the maturity profile of the Group's liabilities based on their contractual undiscounted payments:

Contractual maturities of financial liabilities	Less than 6 months \$'000	6 - 12 months \$'000	> 1 year \$'000	Total contractual cash flows \$'000	Carrying Value \$'000
at 30 June 2025					
Trade and other payables	10,162	-	-	10,162	10,162
Borrowings	-	-	61,888	61,888	51,315
Lease liabilities	1,066	1,033	4,421	6,520	4,286
Deferred consideration	1,066	502	3,363	4,931	4,204
Total	12,294	1,535	69,672	83,501	69,967
at 30 June 2024					
Trade and other payables	21,161	-	-	21,161	21,161
Borrowings	-	-	58,118	58,118	45,701
Lease liabilities	708	963	6,356	8,027	5,219
Total	21,869	963	64,474	87,306	72,081

The group monitors rolling forecasts of liquidity reserves on the basis of expected cash flows.

ii. Fair values

As at 30 June 2025, the carrying values of the financial instruments approximate their fair value.

Note 27. Share-based payments

a. Recognised share-based payment expenses

The expense recognised for employee services received during the year is shown in the table below:

Expense arising from the performance rights long term incentive	301	1,921
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b. Type of share-based payment plan

2010 Executive Share Plan

In July 2010 the Company adopted an Executive Share Plan (2010 Plan). Under the 2010 Plan the Board may offer and issue ordinary fully paid shares (Shares) to employees or officers (including Directors) of the Company from time to time. The Company has made the following types of offers under the 2010 Plan:

i. 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.

Options were issued to a key staff member in October 2016, the options were valued using a binomial model using volatility as a proxy for implied volatility, long term UK government bond prices for the risk-free rate and AIM share price information. All options expire after 10 years. At 30 June 2025 the weighted average remaining life for the outstanding share options was 2.21 years (FY2024: 3.21 years) and the exercise price for all outstanding options was £0.0561. No new options were granted during the year.

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 were 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 2023 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 were 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 January 2025 the Company awarded a total of 86,860,251 performance rights in respect of ordinary shares to Executive and key staff to be issued at nil cost.

These rights vest in three equal tranches over a three-year period, subject to the satisfaction of performance criteria and continued employment. The performance criteria include revenue and EBITDA targets, as well as relative Total Shareholder Return (TSR) benchmarks against a defined peer group. Vested shares are subject to a holding lock for up to three years, during which they cannot be traded. No consideration is payable by participants for the grant or vesting of Performance Rights. The fair value of the awards is measured at grant date and expensed over the vesting period. The awards are subject to forfeiture if performance conditions are not met or if the employee ceases employment before vesting, except in cases of death, permanent disablement, or redundancy, where the Board may exercise discretion to allow vesting. The plan aligns employee incentives with long-term shareholder value creation and supports retention of key talent across the group.

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.

ii. 2019 CEO Call Options Scheme

In September 2019 the Company awarded rights to acquire 12,000,000 ordinary shares as part of the Company's Call Option Scheme to the CEO. These rights vested on 1 July 2022, given the CEO remained with the Company and were exercisable at any point within one year at a price of £0.0441 per ordinary share, being the average daily volume weighted average price (VWAP) over the 5 trading days to 27 September 2020. There is no cash settlement of the options, and the options were due to expire if they are not exercised by 1 July 2023. On

the 30 June 2023, the Board approved the modification to these options by extending the life of these options until 30 June 2026.

Taking into account the terms and conditions upon which the options were granted, and the assumptions outlined below, the weighted average fair value of the options at grant date is £0.0182. The weighted average fair value uplift to extend the options until 30 June 2026 at modification date is £0.0142. At 30 June 2025 the weighted average remaining life for the outstanding share options was 1 year (FY2024: 2 years).

iii. 2019 CEO LTI Performance Rights

In September 2019 the Company awarded 25,000,000 rights in respect of ordinary shares to the CEO to be issued at nil cost. The rights vest annually over 5 years in equal tranches with the first vesting date being 1 July 2020, with each issue conditional on the satisfaction of key conditions including TSP performance and require the employee to remain continuously employed by the Company until each relevant vesting date. For the purposes of determining whether the TSP has been achieved at a particular vesting date the share price will be determined by the 30-day VWAP immediately prior to the particular vesting date. If the employee leaves before the rights vest and the service condition is therefore not met the rights lapse.

Achievement of the following TSP performance is required for each tranche to vest:

Tranche 1: £0.061 - 1 July 2020
Tranche 2: £0.076 - 1 July 2021
Tranche 3: £0.095 - 1 July 2022
Tranche 4: £0.119 - 1 July 2023
Tranche 5: £0.149 - 1 July 2024

If the TSP has been achieved at the particular vesting date, then 100% of the performance rights allocated to that tranche will vest. Where at least 90% of the TSP has been achieved at the particular vesting date the corresponding Performance Rights equal to the proportion of the TSP achieved for that year will vest.

Where less than 90% of the TSP is achieved 0% of the rights will vest. However, the performance rights issued under the tranche will have the opportunity to achieve 50% vesting two years later by way of re-test. The re-test feature is such that 50% will vest if the original TSP is achieved at the following two consecutive LTI vesting dates. The remaining 50% will lapse.

100% of tranche 1 and 50% of tranche 2 vested in previous financial years. In the current financial year, 7,500,000 shares were issued as a result of the vesting of these performance rights.

Due to the COVID-19 pandemic and geopolitical factors adversely influencing the share-price during FY22 the Board agreed to roll 100% of the Tranche 3 rights (5,000,000 rights) for retesting on 1 July 2023 and 1 July 2024.

In some cases, for 'good leavers', the Board, in its absolute discretion, may partially allow some of the rights to acquire Shares to be exercised or allocate cash on a pro

rata basis, having regard to the group performance to that point and the likelihood that the group will achieve the KPIs by the performance date. Any remaining rights are cancelled.

Taking into account the terms and conditions upon which the rights were granted, and the assumptions outlined below, the following fair values have been calculated:

Tranche 1: £0.0190
Tranche 2: £0.0193
Tranche 3: £0.0193
Tranche 4: £0.0192
Tranche 5: £0.0192

The fair values at grant date are estimated using a binomial pricing model using historic volatility as a proxy for implied volatility, long term UK government bond prices for the risk-free rate and share price information from DataStream. The following assumptions have been used in calculating the fair values in relation to offers made to the CEO:

Dividend yield: 0%
Volatility: 63%
Post-vesting Withdrawal Rate (options only): 0%
Risk-free interest rate:
1 Year: 0.56%
2 Year: 0.44%
3 Year: 0.39%
4 Year: 0.36%
5 Year: 0.35%
6 Year: 0.36%
7 Year: 0.37%

On 30 June 2023 the Board extended the terms of its employment contract with CEO for a 3-year period to 30 June 2026 and invited him to participate in the Seeing Machines Employee Benefits Plan ("the Plan) in respect of 10,000,000 ordinary shares of no par value in the Company ("Ordinary Shares") subject to shareholder approval. As part of the Plan, the CEO was awarded rights in respect of 10,000,000 Ordinary Shares, to vest on 30 June 2026, conditional on the satisfaction of key conditions, including a TSP performance condition and adjusted EBITDA non-market performance condition, to be measured on 30 June 2026.

In addition, previously issued rights of 15,000,000 Ordinary Shares via the Plan in 2019 will be rolled over and extended to vest on 30 June 2026. Vesting hurdles have not been met on 15,000,000 of these rights as at the original dates of 30 June 2022, 2023, and 2024. The full amount of 15,000,000 rights has now been extended to 30 June 2026 and vesting will be conditional on the satisfaction of the relevant conditions, including a TSP performance condition and adjusted EBITDA non-market performance condition, to be measured on 30 June 2026.

Achievement of the following TSP performance is required for rights to vest:

- £0.12 - 40% of rights vest
- £0.12 - £0.20 - linear sliding scale from 40% to 100%

Taking into account the terms and conditions upon which the rights were granted and modified, the weighted average fair value uplift of the rights at modification date is £0.0124.

In January 2025, the Company awarded 4,778,140 in respect of ordinary shares to the CEO to be issued at nil cost. These are consistent with the performance rights described above for the Executive and Key staff performance rights granted during the year.

c. Summaries of shares issued and held in Trust:

	2025 No '000	2025 WAEP (pence)	2024 No '000	2024 WAEP (pence)
Shares held in Trust 1 July	19,247	13.94	34,780	10.29
Issued during the year	118,904	3.24	-	-
Vested and transferred during the year	(22,081)	3.36	(15,533)	5.69
Shares held in Trust at 30 June	116,070	5.02	19,247	13.94

* Weighted Average Exercise Price (WAEP) is the average price at which outstanding options or warrants can be exercised, weighted by the number of options at each exercise price.

Shares held and issued in trust in Seeing Machines Limited are held by the Seeing Machines Share Plans Trust for the purpose of issuing shares under the 2010 Executive Share Plan.

d. Summaries of rights granted under the Performance Right Scheme:

	2025 No '000	2025 WAP (pence)	2024 No '000	2024 WAP (pence)
As at 1 July	146,077	6.23	163,766	6.64
Granted during the year	86,860	3.66	-	-
Exercised during the year *	(22,081)	7.64	(15,533)	8.07
Forfeited during the year	(1,845)	8.04	(2,156)	5.31
As at 30 June	209,011	5.00	146,077	6.23
Vested and exercisable at 30 June	94,602	6.86	63,090	5.16

* Weighted Average Price (WAP) is the Market price at the time of grant

e. Share-based payments – accounting policy

The Group provides benefits to employees, including Key Management Personnel ("KMP"), in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments (equity settled transactions). The cost of these equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised in employee benefits expense (Note 5), together with a corresponding increase in equity (other reserves), over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not considered when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions. No expense is recognised for awards that do not

ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph. The dilutive effect of outstanding awards is reflected as additional share dilution in the computation of diluted earnings per share (refer to Note 8).

Note 28. Commitments

As at 30 June 2025, the Group had no commitments (FY2024: nil) with vendors.

Note 29. Contingent liabilities

The Group had no contingent liabilities at 30 June 2025 (FY2024: nil).

a. Contingent liabilities – accounting policy

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence of one or more future events not wholly within the control of the Group. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote

Note 30. Events after the reporting period

No matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Note 31. Related party transactions

a. Information about subsidiaries

The consolidated financial statements include the financial statements of Seeing Machines Limited and its subsidiaries' as follows:

Name of entity	Country of incorporation	% Equity interest 2025	% Equity interest 2024	Investment 2025	Investment 2024
		%	%	\$	\$
Seeing Machines Incorporated	United States	100%	100%	533,960	533,960
Seeing Machines Executive Share Plans Pty Ltd	Australia	100%	100%	69	69
Seeing Machines Share Plans Trust	Australia	100%	100%	7	7
Seeing Machines (Sales) Pty Ltd	Australia	100%	100%	8	8
Fovio Pty Limited	Australia	100%	100%	69	69
Fovio Incorporated	United States	100%	100%	35	35
Seeing Machines (UK) Ltd	United States	100%	100%	117	117
Seeing Machines Japan Ltd	Japan	100%	100%	9,452	9,452
Seeing Machines Germany GmbH	Germany	100%	100%	28,898	28,898
Seeing Machines (NZ) Ltd	New Zealand	100%	100%	63	63
Asaphus Vision GmbH	Germany	100%	-	4,800,000	-

b. Materially owned subsidiaries

There are no subsidiaries held at 30 June 2025 that have non-controlling interests.

c. Key management personnel

Key management personnel covered in this report

Non-executive and executive Directors

Kate Hill	Non-Executive Director and Chair
Paul McGlone	Executive Director and Chief Executive Officer
Gerhard Vorster	Non-Executive Director
John Murray	Non-Executive Director
Stephane Védie	Non-Executive Director
Michael Brown	Non-Executive Director (resigned 27/03/2025)

Executives (Other Key Management Personnel)

Paul McGlone	Chief Executive Officer
Martin Ive	Chief Financial Officer
Mike Lenné	Chief Safety Officer (formerly Chief Science and Innovation Officer)
Anthony Borgo	Chief Operating Officer
John Noble	Chief Technology Officer
Gary Collins	Senior Vice President (SVP) and General Manager (GM) - Automotive OEM Solutions
Patrick Nolan	General Manager (GM) - Aftermarket Solutions (appointed 28 March 2025) & Aviation
Dean Verberne	General Manager (GM) - Aftermarket Solutions (resigned 28 March 2025)

Compensation for Key Management Personnel

Name	Year	Short-term Salary/Fees/ Bonus/ Leave \$	Post Employment Superannuation \$	Share- Based Payments Rights/ Options \$	Total \$
Chair					
Kate Hill	2025	99,554	11,449	-	111,003
	2024	100,393	11,043	-	111,436
CEO and Executive					
Paul McGlone	2025	689,395	19,413	52,089	760,897
	2024	752,125	18,026	48,027	818,178
Non-Executive Directors					
John Murray	2025	64,417	7,408	-	71,825
	2024	64,960	7,146	-	72,106
Y K NG (resigned 29/11/2023)	2025	-	-	-	-
	2024	24,582	-	-	24,582
Gerhard Vorster	2025	64,417	7,408	-	71,825
	2024	64,960	7,146	-	72,106
Stephane Vedio	2025	61,548	-	-	61,548
	2024	41,129	-	-	41,129
Michael Brown (resigned 27 March 2025)	2025	43,679	-	-	43,679
	2024	58,996	-	-	58,996
Other Key Management Personnel	2025	1,928,948	143,894	36,401	2,109,243
	2024	1,664,803	107,493	392,061	2,164,357
Total	2025	2,951,958	189,572	88,490	3,230,020
	2024	2,771,948	150,854	440,088	3,362,890

d. Director-related transactions

i. Shareholdings of Directors

2025 Name	Balance at the start of the period	Previously vested rights converted to shares	Acquired or sold for cash	Change due to director resignation	Balance at end of the period
Directors of Seeing Machines Limited					
Ordinary shares					
K Hill (iii)	4,800,000	-	700,000	-	5,500,000
P McGlone (ii)	9,590,882	-	-	-	9,590,882
J Murray (i)	832,291	-	-	-	832,291
G Vorster	109,375	-	-	-	109,375
S Vedic	-	-	1,789,500	-	1,789,500
	15,332,548	-	2,489,500	-	17,822,048
2024					
Name					
Directors of Seeing Machines Limited					
Ordinary shares					
K Hill (iii)	4,500,000	-	300,000	-	4,800,000
P McGlone (ii)	540,000	7,500,000	1,550,882	-	9,590,882
YK NG	2,160,349	-	-	(2,160,349)	-
J Murray (i)	832,291	-	-	-	832,291
G Vorster	109,375	-	-	-	109,375
	8,142,015	7,500,000	1,850,882	(2,160,349)	15,332,548

i. John Murray's interest in the Company is held by virtue of his direct ownership of shares in Nanjop Pty Ltd.

ii. Paul McGlone has unvested performance rights on 30 June 2025. Please refer to Note 27 for more details.

iii. Kate Hill's interest in the Company includes a direct holding as well as by virtue of an interest in her superannuation fund, Dunford Super Fund (SMSF).

ii. Other Director related transactions

All transactions with director-related entities were made under normal commercial terms and conditions.

Note 32. Remuneration of auditors

The auditor of the Group is PricewaterhouseCoopers

	30 June 2025 \$	30 June 2024 \$
Audit and review of financial reports		
Consolidated group	209,661	198,553
Controlled entities and joint operations	42,221	39,509
Total audit and review of financial reports	251,882	238,062
Other services in relation to the entity and any other entity in the consolidated group:		
Accounting advisory services	-	4,623
Total services provided by PricewaterhouseCoopers	251,882	242,685

Note 33. Parent entity financial information

a. Summary financial information

	30 June 2025 \$'000	30 June 2024 \$'000
Balance sheet		
Current assets	47,530	64,081
Total assets	133,021	132,494
Current liabilities	18,566	32,770
Total liabilities	85,935	93,414
Shareholders' equity		
Issued capital	272,188	240,948
Reserves	8,712	8,411
Other equity	5,582	5,582
Accumulated losses	(239,396)	(215,861)
Total shareholders' equity	47,086	39,080
Loss of the Parent entity	(23,535)	(31,631)
Total comprehensive income of the Parent entity	(23,535)	(31,631)

b. Parent entity financial information - accounting policy

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed throughout the other notes to the financial statements and in Note 35, except, investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.

Note 34. Business combinations

On 4 July 2024 Seeing Machines Limited acquired 99% of Asaphus Vision GmbH (Asaphus) share capital, a highly specialised development group with leading Machine Learning and Artificial Intelligence capability, for consideration of \$4,800,000. The acquisition is expected to increase the Group's market share in OEM. 1% of the share capital remains as treasury shares in Asaphus.

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

Purchase Consideration	\$'000
Cash paid	1,000
Deferred consideration (see ii) below	3,800
Total purchase consideration	4,800

The assets and liabilities recognised as a result of the acquisition are as follows:	
Cash and cash equivalents	938
Receivables	391
Other assets	249
Property, plant and equipment	110
Right-of-use assets	287
Intangibles	1,082
Payables	(274)
Other liabilities	(480)
Net identifiable assets acquired	2,303
Add: Goodwill	2,497
Net assets acquired	4,800

The Goodwill arising from the acquisition of Asaphus Vision GmbH is primarily attributable to strategic synergies including the establishment of a European base, access to specialised engineering talent, and the facilitation of a formal collaboration agreement with Valeo. These elements are expected to generate future economic benefits beyond the identifiable net assets acquired.

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 financial year ending 30 June 2024 and \$95,000 in general and administration expenses in the statement of comprehensive income in the financial year ending 30 June 2025.

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 for specific customer programs. The Company has included \$3,800,000 as deferred consideration, which represents its fair value at the date of acquisition. At 30 June 2025, the deferred consideration had increased to \$4,204,000.

iii. *Revenue and profit contribution*

The acquired business contributed revenues of \$3,454,000 and net loss of \$540,000 to the group for the period from 4 July 2024 to 30 June 2025.

a. **Business combination - accounting policy**

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- the fair values of the assets transferred
- the liabilities incurred
- the equity interests issued by the group
- the fair value of any asset or liability resulting from a contingent consideration arrangement, and
- the fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the:

- the consideration transferred,
- the amount of any non-controlling interest in the acquired entity, and
- the acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

Note 35. Summary of other potentially material accounting policies

This note provides a list of the other potentially material accounting policies adopted in the preparation of these consolidated financial statements to the extent they have not already been disclosed in the other notes above. These policies have been consistently applied to all the years presented, unless otherwise stated. The consolidated financial statements are for the Group consisting of Seeing Machines Limited and its subsidiaries.

a. **Basis of preparation**

i. *Compliance with IFRS*

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements as issued by the Australian Accounting Standards Board ("AASB"). The financial report also complies with International Financial Reporting Standards ("IFRS") and interpretations ("IFRICs") adopted by the International Accounting Standards Board ("IASB"). The financial report has been prepared under the historical cost convention.

The financial report is presented in US dollars and all values are rounded to the nearest thousand (\$000), except when otherwise indicated under the option available to the company under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. The Company is an entity to which this legislative instrument applies.

ii. *Historical cost convention*

The consolidated financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities (including derivative instruments), certain classes of property, plant and equipment, and investment property - measured at fair value or revalued amount; and
- deferred consideration - measured at fair value.

iii. *New and amended standards adopted by the Group*

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 July 2024:

- AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current [AASB 101]
- AASB 2022-6 Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants [AASB 101]
- AASB 2022-5 Amendments to Australian Accounting Standards - Lease Liability in a Sale and Leaseback [AASB 16]; and
- AASB 2023-1 Amendments to Australian Accounting Standards - Supplier Finance Arrangements [AASB 7 & AASB 107]

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

iv. *New standards and interpretations not yet adopted*

Certain new accounting amendments to accounting standards and interpretations have been published that are not mandatory for 30 June 2025 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 entity in the current or future reporting periods and on foreseeable future transactions.

b. **Going concern**

The financial report has been prepared on the going concern basis which assumes the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business. The Group has made a loss for the year of \$25,266,000 (FY2024: loss of \$31,276,000) and incurred net cash outflows in operating and investing activities of \$29,796,000 (FY 2024 : \$11,944,000). The Group had net current assets of \$25,441,000 (FY 2024 : \$28,555,000). The balance of cash and cash equivalents at 30 June 2025 is \$22,556,000 (FY 2024 : \$22,828,000).

With the implementation of the EU GSR regulations for new vehicle sales starting in July 2026, the Group anticipates an increase in Automotive royalties. This is expected to require about two quarters for vehicles to transition through the supply chain to consumers. Additionally, the rollout of the Gen 3.1 Guardian product and related monitoring services is projected to boost Aftermarket revenue. Coupled with the controlled operating expenses from the cost reduction activities initiated in FY25, the Group is budgeting to achieve positive cash flow (including both operating and investing cash flows) in the second half of FY26. Current cash reserves and budgeted cash inflows are sufficient to meet the Group's budgeted operating, investing and financing outflows over the twelve months from the signing of these consolidated financial statements.

The Group's Convertible Note is set to mature on 4 October 2026. If the holder chooses not to convert it to equity, the principal along with the accrued interest, totaling \$61,888,000, will become payable on this date. To address this potential repayment, the Group is actively planning various strategies. These include utilising available cash reserves, securing new debt facilities backed by royalty income streams and debtor financing arrangements. The Group remains confident in its ability to meet these obligations and finalise any additional necessary funding arrangements.

The Group is confident in its ability to achieve underlying budgets and finalise any additional funding arrangement to repay the Convertible Note should it be required. As a result, the consolidated financial statements have been prepared assuming that the Group will continue as a going concern, which contemplates the realisation of assets and the satisfaction of its liabilities in the normal course of business.

c. **Basis of consolidation**

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries (as outlined in Note 31(a)) as at 30 June each year (the Group).

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the parent of the Group. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation, with an exception to foreign currency profit or loss on monetary items.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, noncontrolling interest and other components of equity, while any resultant gain or loss is recognised in the statement of comprehensive income. Any investment retained is recognised at fair value.

d. Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period;

Or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period;

Or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities

e. Foreign currency translation

i. Functional and presentation currency

Items included in the financial statements of each Group entity are measured using the currency of the primary economic environment in which the entity operates (functional currency). The functional currency of the Company is US dollars (\$), which is also the presentation currency of the Group.

ii. Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. E.g. translation differences on non-monetary assets and liabilities such as equities held at fair value through

profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognised in other comprehensive income.

iii. Group companies

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

f. Climate-related risks

The AASB and the Auditing and Assurance Standards Board (AUASB) issued a joint bulletin in December 2018 (and updated in April 2019), Climate-related and other emerging risks disclosures: assessing financial statement materiality using AASB Practice Statement 2. The bulletin states that Qualitative external factors, such as the industry in which the company operates and investor expectations, may make climate-related risks material and may require such risks to be disclosed in the financial statements as they pertain to specific financial statement line items. The Group has performed an assessment based on the guidance prescribed in the bulletin and concluded that there are no material impacts of climate change that may impact specific financial statement line items. This is based on management's assumption that the transition to a greener economy will result in a move to electric vehicles, and not the cessation of the use of vehicles.

g. Impairment of non-financial assets

The Group assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

The Group conducts an annual internal review of asset values, which is used as a source of information to assess for any indicators of impairment. External factors, such as changes in expected future processes, technology and economic conditions, are also monitored to assess for indicators of impairment. If any indication of impairment exists, an estimate of the asset's recoverable amount is calculated.

Impairment losses, including write-down of inventories to net realisable value, are recognised in profit or loss in expense categories consistent with the function of the impaired asset.

For non-financial assets other than goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

h. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i. Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through OCI, and fair value through profit or loss.

The classification of debt financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price as disclosed in Note 4.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest ("SPPI")' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within

a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

ii. Subsequent measurement

For purposes of subsequent measurement, the Group classifies its financial assets as financial assets at amortised cost.

Financial assets at amortised cost are subsequently measured using the effective interest ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost include cash and cash equivalents, term deposits and trade and other receivables.

iii. Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

iv. Impairment

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a

significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial liabilities

i. Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at amortised cost, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, and lease liabilities.

ii. Subsequent measurement

For purposes of subsequent measurement, the Group classifies its financial liabilities as financial liabilities at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

iii. Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

i. Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

j. Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

k. Comparatives

Where necessary, comparatives have been reclassified to ensure consistency with current year disclosure.

Note 36. Changes in accounting policies

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

Consolidated entity disclosure statement

Entity Name	Entity type	Trustee, partner or participant in JV	Place of incorporation	Ownership interest %	Australian resident	Foreign jurisdiction
Seeing Machines Limited	Body Corporate	-	Australia	-	Yes	n/a
Seeing Machines Executive Share Plans Pty Ltd	Body Corporate	Trustee	Australia	100.00	Yes	n/a
Seeing Machines Executive Share Plans Trust	Trust	-	Australia	-	Yes	n/a
Seeing Machines (Sales) Pty Ltd	Body Corporate	-	Australia	100.00	Yes	n/a
Fovio Pty Limited	Body Corporate	-	Australia	100.00	Yes	n/a
Seeing Machines (UK) Ltd	Body Corporate	-	United Kingdom	100.00	Yes	United Kingdom
Seeing Machines Germany GmbH	Body Corporate	-	Germany	100.00	Yes	Germany
Seeing Machines (NZ) Ltd	Body Corporate	-	New Zealand	100.00	Yes	New Zealand
Seeing Machines Japan Ltd	Body Corporate	-	Japan	100.00	Yes	Japan
Seeing Machines Incorporated	Body Corporate	-	United States	100.00	Yes	United States
Fovio Incorporated	Body Corporate	-	United States	100.00	Yes	United States

Basis of preparation

The ultimate controlling entity of the Group is Seeing Machines Limited. The Consolidated entity disclosure statement has been prepared in accordance with Section 295(3A) of the Corporations Act 2001 and includes information for each entity that was part of the consolidated entity as at the end of the financial year in accordance with AASB 10 Consolidated Financial Statements.

Directors' declaration

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

In the opinion of the Directors:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in Note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2025 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



Paul McGlone
Executive Director & Chief Executive Officer

25 September 2025



Independent auditor's report

To the members of Seeing Machines Limited

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of Seeing Machines Limited (the Company) and its controlled entities (together the Group) is in accordance with the *Corporations Act 2001*, including:

- a. giving a true and fair view of the Group's financial position as at 30 June 2025 and of its financial performance for the year then ended
- b. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The financial report comprises:

- the consolidated statement of financial position as at 30 June 2025
- the consolidated statement of comprehensive income for the year then ended
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- the notes to the consolidated financial statements, including material accounting policy information and other explanatory information
- the consolidated entity disclosure statement as at 30 June 2025
- the directors' declaration.

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Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Group, its accounting processes and controls and the industry in which it operates.

Audit Scope

- Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events.



Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context. We communicated the key audit matters to the Audit and Risk Committee.

<i>Key audit matter</i>	<i>How our audit addressed the key audit matter</i>
Revenue recognition for non-recurring engineering services / (Refer to notes 4 and 35) The Group recognised revenue from pre-production non-recurring engineering services. Revenue recognition is a key audit matter due to the significant judgement associated with the recognition of this revenue, particularly: • Identification of performance obligations within the contract including a number of identifiable goods from non-recurring engineering services and an Intellectual Property (IP) licence, • Allocating the transaction price to separate performance obligations, • Determining the forecast contract costs and the percentage completion of performance obligations in order to recognise revenue over time.	Our audit procedures included, amongst others: • Obtaining an understanding of the terms and conditions of the contracts. • Assessing whether the Group's revenue recognition policies are in accordance with Australian Accounting Standards. • Assessing distinct goods within the contract that qualify as separate performance obligations and assessing the allocation of the transaction price based on the relative stand-alone selling price of each good. • Agreeing a sample of non-recurring engineering services revenue transactions to relevant supporting documentation for performance obligations completed during the year. • For non-recurring engineering services commenced but not completed, assessing total forecasted contract costs and evaluating the percentage of completion based on the actual costs incurred to date and the estimated costs to complete for performance obligations in progress as of the reporting date. • Assessing the Group's forecasting accuracy by comparing historical actual costs incurred relative to the forecast of those costs.



Key audit matter

How our audit addressed the key audit matter

Capitalised development costs / (Refer to notes 16 and 35)

During the year the Group capitalised internally generated project development costs.

The capitalisation of project development costs is a key audit matter due to the size of the internal costs capitalised to the balance sheet and the significant judgement involved by the Group in assessing whether the criteria set out in the Australian Accounting Standards required for capitalisation of such costs had been met, particularly:

- The technical feasibility of the project,
- The likelihood of the project delivering sufficient future economic benefits,
- The useful lives over which costs should be amortised,
- Recoverability of project development costs.

- Evaluating the reasonableness of the disclosures in light of the requirements of Australian Accounting Standards.

Our audit procedures included, amongst others:

- Evaluating the Group's policy and process for calculating the time and cost spent by staff on product development activities eligible for capitalisation in accordance with Australian Accounting Standards.
- Developing an understanding of the capitalised product development projects undertaken during the year and assessing whether the costs meet the criteria for capitalisation in accordance with Australian Accounting Standards.
- On a sample basis, agreeing capitalised costs to supporting documentation, including time sheets and employee contracts, to assess whether labour hours were authorised and to assess the capitalisation rate used in determining the amount of costs to be capitalised.
- Assessing the appropriateness of the useful life attributed to these costs through consideration of the economic life of the projects and benchmarking the useful life based on the industry.
- Evaluating the Group's assessment for indicators of impairment.
- Assessing the Group's recoverable amount calculation for capitalised development costs which are not yet ready for use or have identified impairment indicators.



Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2025, but does not include the financial report and our auditor's report thereon. Prior to the date of this auditor's report, the other information we obtained included the directors' report. We expect the remaining other information to be made available to us after the date of this auditor's report.

Our opinion on the financial report does not cover the other information and we do not and will not express an opinion or any form of assurance conclusion thereon through our opinion on the financial report. We have issued a separate opinion on the remuneration report.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the other information not yet received, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and use our professional judgement to determine the appropriate action to take.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report in accordance with Australian Accounting Standards and the *Corporations Act 2001*, including giving a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.



Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://auasb.gov.au/media/bwvjcgre/ar1_2024.pdf. This description forms part of our auditor's report.

A handwritten signature in black ink that reads 'PricewaterhouseCoopers'.

PricewaterhouseCoopers

A handwritten signature in black ink that reads 'J. Roberts'.

Jon Roberts
Partner

Melbourne
25 September 2025

