

Seeing Machines Limited ("Seeing Machines" or the "Company")

26 February 2025

H1 FY2025 Trading Update & Quarterly KPIs

Strong cash position, 90% increase in cars on road & new partnerships position Company for success against wider market turbulence

Seeing Machines Limited (AIM: SEE), the advanced computer vision technology company that designs AI-powered operator monitoring systems to improve transport safety, provides a trading update for the six months to 31 December 2024 ("H1 2025") and quarterly Key Performance Indicators ("KPIs") for the quarter ended 31 December 2024, based on unaudited numbers.

Key Financial Highlights:

- Reported Revenue for H1 2025 is expected to be US 25.3m, in line with the equivalent period in the prior year (H1 2024: US 25.7m)
- Annualised Recurring Revenues of US 13.4m (H1 2024: US 13.0m)
- Strong balance sheet, with cash at 31 December 2024 of US 39.6m (30 June 2024: US 23.4m)
- Reduction in operating expenses¹ for H1 2025 of US 5.7m compared to H1 2024 and a reduction of US 2.2m compared to H2 2024
- EBITDA loss continues to improve with H1 2025 expected to be around US 9.5m to US 10.0m (H1 2024: loss US 14.3m)
- Adjusted EBITDA loss expected to be around US 17.5m to US 18.0m (H1 2024: loss US 26.5m)
- Cars on the road with Seeing Machines' technology increased to 2,883,745 units

¹ Operating expenses include research and development costs capitalised and exclude one-off/other items

Key Operational Highlights:

- Seeing Machines secured a landmark £26.2m (US 32.8m) investment as part of its partnership with Mitsubishi Electric Mobility Corporation ("MELMB"), a global leader in the design and manufacture of automotive products and technologies. Following an additional purchase of shares, MELMB now holds 19.9% of Seeing Machines' issued share capital, strengthening the Company's balance sheet and providing a strong foundation for future growth.
- The investment by MELMB was underpinned by a collaboration agreement where the two companies have joined forces to grow their market share in Japan and harness rising demand for driver safety solutions as the Japanese Automotive OEMs prepare for regulatory deadlines in Europe and beyond.
- The Mitsubishi collaboration will also extend to all areas of Seeing Machines' transport related business and is intended to eventually expand into adjacent markets where Seeing Machines' Intellectual Property may be leveraged to enhance segments in which Mitsubishi has an existing competitive advantage.
- Valeo and Seeing Machines entered a strategic collaboration to grow market share in Automotive. The market leading scale of Valeo, alongside its expertise in cutting-edge cameras and processing units, software and system integration, will help to accelerate adoption of the Company's AI-powered DMS and OMS technology. The companies are working closely together to jointly pursue new business as Seeing Machines strategically partners with a small number of blue-chip Tier 1s to enhance opportunities for growth.
- Seeing Machines acquired software company Asaphus Vision GmbH ("Asaphus"), providing a significant material boost to AI and Machine Learning capabilities. Asaphus, now operating as Seeing Machines Berlin, provides the Company with a European footprint, leaving it strongly

positioned to support a rapidly growing customer base with both technical and operational staff.

- The UK's largest electric bus manufacturer, Northern Ireland based Wrightbus, became the first commercial vehicle manufacturer to achieve homologation (i.e. been approved and certified) for Europe's General Safety Regulation, leveraging Seeing Machines' Guardian Generation 3, installed in vehicles as they are sold into Europe.

Post period end

- Signed Referral Agreement with Mitsubishi Electric Automotive America Inc. ("MEAA"), enabling Seeing Machines to leverage Mitsubishi's significant Aftermarket distribution network and customer base of over 1m individual vehicles across The Americas to accelerate sales of the Company's Guardian Generation 3 AI-powered driver monitoring solution.

Q2 FY2025 KPI highlights:

- Cars on the road with Seeing Machines' technology increased to 2,883,745 units, representing an increase of 90% from 12 months ago (Q2 FY2024: 1,516,545)
- In line with weakness across the wider automotive market, Quarterly production of 266,654 units, down 34% from the previous quarter (Q1 FY2025: 405,669) and up 28% from the previous corresponding quarter (Q2 FY2024: 208,231), demonstrating continued year on year growth despite quarter-on-quarter volatility.
- Annual Recurring Revenue (ARR), excluding Caterpillar, increased by 3% in US compared to the same period 12 months ago. ARR in US declined by 1% from the previous quarter, however, increased by 6% in constant currency terms. The majority of recurring revenues are derived in A , which weakened against the US towards the end of Q2 2025.

Automotive Production Volumes (production of new vehicles using Seeing Machines' Driver Monitoring System (DMS) technology):

	Q2 FY2024	Q3 FY2024	Q4 FY2024	Q1 FY2025	Q2 FY2025
Production FY2024 - 25	208,231	313,662	381,215	405,669	266,654
%Growth Qtr on Qtr	(6%)	51%	22%	6%	(34%)
	Q2 FY2023	Q3 FY2023	Q4 FY2023	Q1 FY2024	Q2 FY2024
Production FY2023-24	141,747	173,802	211,325	222,138	208,231
%Growth Comparative	47%	80%	80%	83%	28%

The Company has experienced ongoing year on year growth in Automotive production volumes, but consistent with turbulence in the global automotive market, Q2 FY2025 has seen increased volatility resulting in a reduction in sequential volumes across all OEM customers. While this volatility has influenced the timing of some high margin royalty revenue, the Company remains in a unique position where several programs have minimum payment guarantees which are now being received, but not yet being recognised as revenue in H1 2025.

Importantly, as the EU's General Safety Regulation (GSR) introduces the requirement for Advanced Driver Distraction Warning (ADDW) in July 2026 for all new cars, vans, trucks and buses, this will generate increased adoption, and therefore the Company's expectations for production volumes and associated high-margin royalty revenue in 2026 remain largely unchanged.

As OEMs respond to the regulations, Seeing Machines expects to continue to benefit from the increasing adoption of driver monitoring technologies across a widening range of global markets.

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

	Q2 FY2024	Q3 FY2024	Q4 FY2024	Q1 FY2025	Q2 FY2025
Guardian Hardware unit sales	3,037	1,660	9,807	1,491	288
ARR excluding Caterpillar (historical)	13.0m	12.9m	13.3m	13.6m	13.4m
%Growth Qtr on Qtr	8%	(1%)	3%	2%	(1%)

Guardian Generation 3, the Company's aftermarket safety technology targeting the commercial transport and logistics segment, is now in production and being trialed globally in several large fleets. These trials are well underway and have seen Guardian outperform its competition due to its precision detection of fatigue and distraction by leveraging the Company's automotive grade DMS technology, coupled with its unique 24/7 monitoring services and cloud-based platform.

While slightly delayed, the production ramp will increase substantially during H2 FY2025 helping to meet demand and the requirements of the robust global pipeline.

Despite the delay, Guardian units continue to be connected across transport and logistics fleets as previously sold Guardian Generation 2 units are installed, largely in the Asia Pacific region, contributing to Annual Recurring Revenue. The Referral Agreement with MEAA will also see an acceleration of opportunities for Guardian Generation 3 across The Americas as Seeing Machines works with MEAA to successfully leverage their significant customer base in the region.

Paul McGlone, CEO of Seeing Machines, commented: *"We continue to identify growth opportunities created by the rising demand for driver monitoring systems, despite some turbulence across the global automotive market. Our collaboration and work with Mitsubishi is extremely promising, and the Referral Agreement with MEAA is expected to contribute this financial year. Together, these partnerships place us in a strong position from which to grow our overall market share within the transport and logistics sector."*

Prior to the introduction of ADDW requirements for GSR in July 2026, which will increase DMS fitment across Europe, we remain focused on working to achieve a sustainable cashflow break-even run rate. The exact timing of achieving this is dependent on the recovery of automotive royalty revenue and, given the wider market volatility mentioned above, we now expect this target to be reached by the end of the 2025 calendar year.

Global road safety continues to be a priority for world leaders, and our technology is set to play a key role in achieving that. Our disciplined cost management initiatives over the past 12 months are contributing to progress, and we are well positioned to make further improvements through H2 FY2025 to achieve a significantly lower cost base by FY2026 that will enable us to more effectively exploit the growing global and structural adoption of DMS."

The Company expects to publish its unaudited H1 FY2025 results on 27 March 2025.

This announcement contains inside information under the UK Market Abuse Regulation. The person responsible for arranging for the release of this announcement on behalf of the Company is Paul McGlone, CEO.

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About Seeing Machines (AIM: SEE), a global company founded in 2000 and headquartered in Australia, is an industry leader in vision-based monitoring technology that enable machines to see, understand and assist people. Seeing Machines is revolutionizing global transport safety. Its technology portfolio of AI algorithms, embedded processing and optics, power products that need to deliver reliable real-time understanding of vehicle operators. The technology spans the critical measurement of where a driver is looking, through to classification of their cognitive state as it applies to accident risk. Reliable "driver state" measurement is the end-goal of Driver Monitoring Systems (DMS) technology. Seeing Machines develops DMS technology to drive safety for Automotive, Commercial Fleet, Off-road and Aviation. The company has offices in Australia, USA, Europe and Asia, and supplies technology solutions and services to industry leaders in each market vertical.

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