



Announcement to ASX

ASX Code: HTG

August 27, 2025

Appendix 4E Preliminary Final Report

I. DETAILS OF THE REPORTING PERIODS

Reporting period: For the year ended 30 June 2025

Previous period: For the year ended 30 June 2024

II. RESULTS FOR ANNOUNCEMENT TO THE MARKET

				30 June 2025	30 June 2024
				\$	\$
			%		
(i)	Revenue from ongoing ordinary activities	Decrease	6	2,495,951	2,649,497
(ii)	Net loss from ordinary activities attributable to members	Decrease	45	(7,010,118)	(12,663,192)
(iii)	Net loss for the year attributable to members	Decrease	47	(7,057,744)	(13,329,216)
(iv)	Dividends			Nil	Nil
(v)	Record date for determining entitlements for dividend			n/a	n/a

Further details on the results for the year are set out in the 2025 Preliminary Report as below.

III. DIVIDENDS

The Board did not declare nor pay any dividends for the financial year ended 30 June 2025 and it is not proposed to pay any dividends in relation to the financial year end.

IV. NET TANGIBLE ASSETS PER SECURITY

Net tangible assets are defined as the net assets of the Group less intangible assets. Assets classified as intangible assets include goodwill, software and intellectual property.

	30 June 2025	30 June 2024
Net tangible assets per ordinary share (cents per share)	(1.20)	(0.70)

V. CONTROL GAINED OR LOSS OF CONTROL OVER ENTITIES HAVING MATERIAL EFFECT

Not applicable

VI. ASSOCIATES AND JOINT VENTURE ENTITIES

Not applicable

VII. AUDIT QUALIFICATION OR REVIEW

This report is in the process of being audited. At the date of this report, the Directors are not aware of any matter that will result in a qualification of the audit report.

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VIII. ATTACHMENTS

Preliminary Financial Report for the year ended 30 June 2025.

This announcement was authorised for release by Ilario Faenza, Group Chief Executive Officer.

Date: 27 August 2025

Mr. Ilario Faenza

Group Chief Executive Officer, Harvest Technology Group

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of 30 June 2025

	Note	2025 \$	2024 \$
Assets			
Cash and cash equivalents	5.1	722,496	444,943
Trade and other receivables	5.2	766,125	362,110
Inventory	5.3	192,146	458,701
Prepayments		200,873	174,355
Total current assets		1,881,640	1,440,109
Intangible assets	4.1	-	-
Property, plant and equipment	4.2	285,242	806,069
Right of use leased assets	4.3	298,411	1,014,714
Other bonds and deposits	4.4	238,939	228,213
Total non-current assets		822,592	2,048,996
Total assets		2,704,232	3,489,105
Liabilities			
Trade and other payables	5.4	1,360,608	1,334,429
Other liabilities	5.5	222,931	414,756
Borrowings	6.2	2,414,379	5,277,564
Employee entitlements	2.4	308,224	707,419
Lease liabilities	6.3	310,367	290,258
Total current liabilities		4,616,509	8,024,426
Lease liabilities	6.3	719,309	1,028,919
Employee entitlements	2.4	33,375	-
Provisions	6.4	134,505	129,704
Borrowings	6.2	7,960,532	-
Total non-current liabilities		8,847,721	1,158,623
Total liabilities		13,464,230	9,183,049
Net liabilities		(10,759,998)	(5,693,944)
Equity			
Issued capital	6.1	50,614,908	48,076,797
Unissued capital	6.1	235,288	1,278,761
Reserves		6,582,467	6,085,415
Accumulated losses		(68,192,661)	(61,134,917)
Total deficiency attributable to equity holders of the Company		(10,759,998)	(5,693,944)

The accompanying notes are an integral part of these financial statements

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME For the Year Ended 30 June 2025

	Note	2025 \$	2024 \$
Revenue			
Sales	2.2	2,495,951	2,649,497
Research and development tax incentive	2.3	1,590,178	1,670,311
Other income	2.3	30,933	97,002
		4,117,062	4,416,810
Expenses			
Cost of goods sold		(308,980)	(457,192)
Marketing and business development		(164,932)	(507,209)
Personnel expenses – other	2.4	(2,097,633)	(3,884,261)
Personnel expenses – research and development	2.4	(2,932,713)	(2,115,806)
General and administration		(758,268)	(1,084,490)
Professional fees		(1,200,153)	(836,438)
Depreciation and amortisation		(364,067)	(1,378,394)
Research and development		(346,458)	(284,414)
Intangible assets impairment		-	(5,875,887)
Property, plant and equipment impairment		(333,044)	-
Right of use leased assets impairment		(548,771)	-
Inventories written down		(235,600)	-
Finance expenses	2.5	(1,836,561)	(655,330)
Loss before income tax		(7,010,118)	(12,662,611)
Income tax expense	2.6	-	(581)
Net loss for the year from continuing operations		(7,010,118)	(12,663,192)
Loss after tax from discontinued operations	3	(47,626)	(666,024)
Loss attributable to owners of the Company		(7,057,744)	(13,329,216)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign operations – foreign currency translation differences		21,323	(1,239)
Total comprehensive loss for the year		(7,036,421)	(13,330,455)
Total comprehensive loss attributable to owners of the Company		(7,036,421)	(13,330,455)
Loss for the year is attributable to:			
Continuing operations		(7,010,118)	(12,663,192)
Discontinued operations		(47,626)	(666,024)
		(7,057,744)	(13,329,216)
Total comprehensive loss for the year is attributable to:			
Continuing operations		(6,988,795)	(12,664,431)
Discontinued operations		(47,626)	(666,024)
		(7,036,421)	(13,330,455)
Loss per share			
Basic and diluted loss per share (cents per share)	2.7	(0.82)	(1.81)
Basic and diluted loss per share (cents per share) from continuing operations	2.7	(0.81)	(1.72)
Basic and diluted loss per share (cents per share) from discontinued operations	2.7	(0.01)	(0.09)

The accompanying notes are an integral part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2025

	Issued Capital \$	Unissued Capital \$	Share- based Payment Reserve \$	Equity Component of Convertible Note \$	Foreign Exchange Reserve \$	Accumulated Losses \$	Total Equity \$
Balance at 1 July 2023	44,189,044	1,278,761	5,439,695	499,385	(13,564)	(47,805,701)	3,587,620
Net loss for the year	-	-	-	-	-	(13,329,216)	(13,329,216)
Foreign exchange translation	-	-	-	-	(1,239)	-	(1,239)
Total comprehensive loss for the year	-	-	-	-	(1,239)	(13,329,216)	(13,330,455)
Shares issued during the year	3,843,418	-	-	-	-	-	3,843,418
Share issue costs (net of tax benefit)	(360,858)	-	-	-	-	-	(360,858)
Shares in lieu of bonus	405,193	-	-	-	-	-	405,193
Share-based payments (Refer note 7.1)	-	-	161,138	-	-	-	161,138
Balance at 30 June 2024	48,076,797	1,278,761	5,600,833	499,385	(14,803)	(61,134,917)	(5,693,944)
Balance at 1 July 2024	48,076,797	1,278,761	5,600,833	499,385	(14,803)	(61,134,917)	(5,693,944)
Net loss for the year	-	-	-	-	-	(7,057,744)	(7,057,744)
Foreign exchange translation	-	-	-	-	21,323	-	21,323
Total comprehensive loss for the year	-	-	-	-	21,323	(7,057,744)	(7,036,421)
Shares issued	203,370	-	-	-	-	-	203,370
Share issue costs (net of tax benefit)	(6,334)	-	-	-	-	-	(6,334)
Convertible note issued	-	-	-	249,663	-	-	249,663
Deferred consideration on acquisition of subsidiary	1,278,761	(1,278,761)	-	-	-	-	-
Shares in lieu of bonus	246,608	235,288	-	-	-	-	481,896
Shares in lieu of advisory services	454,506	-	-	-	-	-	454,506
Shares in lieu of financing interest	361,200	-	-	-	-	-	361,200
Share-based payments (Refer note 7.1)	-	-	226,066	-	-	-	226,066
Balance at 30 June 2025	50,614,908	235,288	5,826,899	749,048	6,520	(68,192,661)	(10,759,998)

The accompanying notes are an integral part of these financial statements

CONSOLIDATED STATEMENT OF CASHFLOWS

For the year ended 30 June 2025

	Note	2025 \$	2024 \$
Cash flows from operating activities			
Receipts from customers		2,307,517	2,978,355
Receipts from R&D tax incentive		1,590,178	1,670,311
Payments to suppliers and employees		(8,023,314)	(8,978,735)
Interest paid		(408,529)	(443,595)
Interest paid on lease liabilities		(42,463)	(52,245)
Interest received		6,196	23,068
Income taxes paid		-	(581)
Net cash used in operating activities	5.1(b)	(4,570,415)	(4,803,422)
Cash flows from investing activities			
Payments for plant and equipment		(5,563)	(29,952)
Repayment from a former Director		-	100,000
Net cash (used in) / from investing activities		(5,563)	70,048
Cash flows from financing activities			
Proceeds from issue of share capital and options exercise	6.1	-	3,843,418
Proceed from convertible notes		4,479,877	-
Loan from Directors		540,000	-
Repayment to Directors		(150,000)	-
Short term loan		420,000	-
Repayment of short term loan		(420,000)	-
Proceed from loan note financing		183,000	1,217,000
Repayment of loan note financing		(585,000)	-
Proceed from convertible loan notes		1,400,000	-
Loan from former Group CEO		-	250,000
Loan repayment to former Group CEO		-	(250,000)
Loan from R&D funding facility		-	960,045
Repayment of R&D funding facility		-	(960,045)
Payment of fund-raising costs		(513,814)	(360,858)
Repayment of principal lease liabilities	6.4	(331,964)	(322,641)
Repayment of borrowings and premium funding facility	6.2	(168,604)	(190,498)
Net cash from financing activities		4,853,495	4,186,421
Net increase / (decrease) in cash and cash equivalents		277,517	(546,953)
Cash and cash equivalents at 1 July		444,943	992,018
Effect of exchange rate fluctuations on cash held		36	(122)
Cash and cash equivalents at 30 June	5.1(a)	722,496	444,943

The accompanying notes are an integral part of these financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

Section 1: Basis of Preparation

The notes to the consolidated financial statements have been grouped into sections under seven key categories:

- Basis of preparation
- Results for the year
- Business Combination
- Assets and Liabilities
- Working capital disclosures
- Equity and funding
- Other disclosures

Significant accounting policies specific to one note are included within that note and where possible, wording has been simplified to provide clearer commentary on the financial report of the Group. Accounting policies determined non-significant are not included in the financial statements. There have been no changes to the Group's accounting policies during the year.

1.1 General Information

The Company, Harvest Technology Group Limited, is a for-profit, listed public company domiciled in Australia. The Company's registered office is located at 7 Turner Avenue, Technology Park, Bentley WA 6102.

The Group is primarily involved in:

- remote communications technology based around data transmission protocols; and
- bespoke solutions for the offshore energy, resources and renewables sectors, specialising in subsea and asset integrity risk mitigation technology.

The consolidated financial statements of the Group as at and for the year ended 30 June 2025 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and were authorised for issue by the Board of Directors. The financial statements are general purpose financial statements which:

- have been prepared in accordance with Australian Accounting Standards (**AASBs**) adopted by the Australian Accounting Standards Board ("AASB") and the Corporations Act 2001. The consolidated financial statements comply with International Financial Reporting Standards (**IFRSs**) as issued by the International Accounting Standards Board (**IASB**);
- have been prepared on a historical cost basis, except for financial assets held at fair value through profit or loss. The basis of measurement is discussed further in the individual notes;
- are presented in Australian Dollars;
- adopt all new and revised Australian Accounting Standards and Interpretations issued by the AASB that are relevant to the operations of the Group and effective for reporting periods beginning on or after 1 July 2024; and,
- do not early adopt any Australian Accounting Standards and Interpretations that have been issued or amended but not yet effective.

1.2 Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) as at 30 June each year.

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability, to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

1.3 Foreign Currency Translation

The primary economic environment in which the Group operates is Australia. The consolidated financial statements are therefore presented in Australian dollars.

Transactions in foreign currencies are initially recorded in Australian dollars at the exchange rate on that day. Foreign currency monetary assets and liabilities are translated into Australian dollars at the year-end exchange rate. Where there is a movement in the exchange rate between the date of the transaction and the year-end, a foreign exchange gain or loss may arise. Any such differences are recognised in the profit or loss. Non-monetary assets and liabilities measured at historical cost are translated into Australian dollars at the exchange rate on the date of the transaction.

The functional currency of the Group's UK based subsidiary, Harvest Technology (UK) Ltd, is British Pound Sterling (GBP), Ireland based subsidiary, HTE (Harvest Technology) Ltd, is Euro (EUR) and US based subsidiary, Opsivity Inc, is US Dollars (USD).

As at the balance date the assets and liabilities of these subsidiaries are translated into the presentation currency of Harvest Technology Group Limited at the rate of exchange ruling at balance date and income and expense items are translated at the average exchange rate for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the date of the transactions are used.

The exchange differences arising on the translation are taken directly to a separate component of equity, being recognised in the foreign currency translation reserve.

1.4 Research and Development Expenditure Tax Offset

The Group undertakes expenditure on activities that are categorised as 'eligible expenditure' under the Research & Development Tax Concession which, dependent upon certain criteria, may be subject to a tax offset. The Group will submit a claim for the 2025 financial year and have not recognised a receivable pending the review and approval of the claim by the Australian Taxation Office. A deferred tax asset is recognised for unclaimed tax credits that are carried forward to the extent permitted under accounting standards.

1.5 Impairment

Non-financial assets

At each reporting date, the Group reviews the carrying amount of its non-financial assets, other than deferred tax assets, to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

1.6 New, Revised or Amending Accounting Standards and Interpretations Adopted

Standards and Interpretations Applicable to 30 June 2025

The Directors have reviewed all Standards and Interpretations on issue not yet adopted for the period ended 30 June 2025. As a result of this review, the Directors have determined that there is no material impact of the Standards and Interpretations on issue not yet adopted by the Company. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted and are not expected to have a material impact on Group Accounting policies.

1.7 Accounting Judgements and Estimates

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements and information about assumptions and estimation uncertainties that have a significant risk of resulting in material adjustment are included in the following notes:

- Note 2.3 - Other income (Research and development tax incentive)
- Note 2.6 - Income tax expense
- Note 4.1 - Intangibles
- Note 5.2 - Recoverability of Trade Receivables
- Note 6.2 - Borrowings
- Note 7.1 - Share-based payments

1.8 Going Concern

The consolidated financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activities and realisation of assets and settlement of liabilities in the normal course of business and at the amounts stated in the financial statements. Notwithstanding the working capital deficiency of \$2,734,869 (2024: working capital deficiency \$6,584,317) the fact that the Group incurred a loss and a net cash outflow of for the year, the Directors are of the opinion that the Group is a going concern for the following reasons:

- Next financial year will relish the full financial benefits with lower operating cost from the restructuring initiatives completed in this financial year.
- In July 2025, the Group had received \$580,000 from sophisticated investors via a range of convertible note instruments and \$110,000 of unsecured short-term loan from a Director.
- On going fund-raising to sophisticated investors for which an update will be provided in due course.
- On going discussion with the Convertible Loan Notes FY2025 R&D Incentive investors to extend the maturity date to be in line with the timing of receipt of the 2025 R&D tax incentive rebate, if not extended the Group will obtain a short-term financing until the receipt of 2025 R&D tax incentive rebate. An update will be provided in due course.
- Expected receipt of 2025 R&D tax incentive rebate by October/November 2025.
- Positive feedback from various existing and potential customers on Project NEON to be launch in FY2026, our next generation offering, providing unparalleled edge computing for distributed AI and machine learning solutions is expected to significantly improve the Group's speed to market and hence will improve the revenue stream.

After consideration of the above factors together with a review of the Group's financial position and forecast cash flows, the Directors reasonably expect the Group will be able to generate sufficient future cashflows to ensure the Group is able to continue as a going concern for a period of at least 12 months from the date of approval of these financial statements. However, should results be materially less than expected and/or the Group is unable to generate any additional funding required, there would exist a material uncertainty which could cast significant doubt as to whether the Group would in such circumstances be able to continue as a going concern and realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements.

Section 2: Results for the Year

This section focuses on the results and performance of the Group, with disclosures including segment information, components of the operating profit, taxation and earnings per share.

Key Estimates and Assumptions in this Section

Deferred taxation

The Group has unrecognised carried forward tax losses which can be utilised against future taxable profits.

2.1 Operating Segments

The Group's operating segments have been determined with reference to the management accounts used by the Chief Operating Decision Maker to make decisions regarding the Group's operations and allocation of working capital. Due to the size and nature of the Group, the Board as a whole, has been determined as the Chief Operating Decision Maker.

The Group operated in two distinct segments during the past year:

- Remote communications technology sector; and
- Subsea and asset integrity risk mitigation technology-based solutions within the energy, resources and renewables sectors.

The remote communications technology segment generates income from the provision of data transfer, encryption and compression services to clients operating in offshore and remote environments.

The offering of bespoke subsea and asset integrity risk mitigation technology-based solutions segment generates income from subsea infrastructure and assets in the energy, resources and renewables sectors. This segment is now discontinued.

Segment Assets and Liabilities

The following is an analysis of the Group's assets and liabilities by reportable operating segment as at the end of the reporting period:

	Assets		Liabilities	
	30 June 2025 \$	30 June 2024 \$	30 June 2025 \$	30 June 2024 \$
Remote communications technology	525,221	833,086	(548,811)	(838,812)
Subsea and asset integrity risk mitigation	-	-	(30,196)	(122,568)
Total segment assets and liabilities	525,221	833,086	(579,007)	(961,380)
Corporate and other segment assets/liabilities	2,179,011	2,656,019	(12,885,223)	(8,221,669)
Total	2,704,232	3,489,105	(13,464,230)	(9,183,049)

Segment Revenue and Results

The following is an analysis of the Group's revenue and results from continuing operations by reportable operating segment.

	Revenue		Segment Profit / (Loss)	
	30 June 2025 \$	30 June 2024 \$	30 June 2025 \$	30 June 2024 \$
Remote communications technology	2,495,951	2,649,497	(2,133,631)	(8,422,231)
Total for continuing operations	2,495,951	2,649,497	(2,133,631)	(8,422,231)
Subsea and asset integrity risk mitigation (discontinued operation)	-	-	(47,626)	(666,024)
Total for continuing and discontinued operations	2,495,951	2,649,497	(2,181,257)	(9,088,255)
Other income			14,011	64,711
Research and development incentive			1,590,178	1,670,311
Finance income			16,922	32,291
Central and administration expenses			(4,661,037)	(5,352,363)
Finance expense			(1,836,561)	(655,330)
Loss before tax			(7,057,744)	(13,328,635)
Income tax benefit/ (expense)			-	(581)
Loss after tax			(7,057,744)	(13,329,216)

Segment revenues represent revenue generated from external customers. There were no inter-segment revenues in the current period.

The accounting policies of the reportable segments are the same as the Group's accounting policies.

Management do not consider the cashflows of each segment separately.

Geographical Information

	Geographical Non-Current Assets	
	2025 \$	2024 \$
Australia	821,969	2,044,970
United States	-	279
United Kingdom/ Europe	623	3,747
	822,592	2,048,996

Sales to External Customers

	2025	2024
	\$	\$
Americas	129,609	189,648
Australia & Asia Pacific	1,427,946	1,446,857
Europe	126,410	390,665
Middle East & Africa	202,914	362,307
United Kingdom	609,071	260,020
	2,495,951	2,649,497

2.2 Revenue**Accounting Policy**

Revenue from contracts with customers is recognised in consolidated statement of profit or loss and other comprehensive income when the performance obligations are considered met, per the specific requirements of contract for the goods or services being provided by the Group, as disclosed further below.

The Group determines whether each performance obligation within a contract is satisfied over time or at a point in time.

Revenue is recognised at an amount that reflects the consideration the Group expects to be entitled to, net of goods and services tax (or other valued added taxes as applicable). Invoiced amounts are reflected in trade receivables.

Revenue Recognition

The Group recognises revenue from the following key sources:

- Sale of hardware products
- Hire of hardware products
- Software licence subscription fees
- Services

The accounting policies for each of these sources has been set out below:

Sale of hardware products

The Group sells hardware products direct to customers and through distribution partners. Revenue is recognized when control of the hardware has transferred, being when the hardware has been shipped to the customer/distributor's specified location (delivery). Any income derived from shipping charges is also recognised at the time of delivery. It is at this point in time at which the right to consideration becomes unconditional.

Where customers/distributors are responsible for arranging shipment, revenue is recognized on an ex-warehouse basis when collected by the customer/distributor (or their shipping agent).

When a customer/distributor initially places the order, the customer or distributor is invoiced and the transaction price at that point in time is recognised by the Group as deferred revenue, until control of the hardware has transferred to the customer or distributor and revenue is recognised.

Outside of warranties, customers/distributors do not have the right to return hardware sold therefore no "right to returned goods" asset is recognised.

Hire of hardware products

The Group offer customers the ability to hire certain hardware products over time. Typically, the minimum hire period is one month and may stretch up to a maximum term of 36 months. Hire revenues are recognized on a daily basis over the term of the hire period. The Group considers the performance obligation in respect of those services is satisfied over time.

The transaction price allocated to these hire activities is recognized as deferred revenue ("revenue received in advance" liability) at the time of the initial sales transaction and is released on a straight-line basis over the hire period.

Software licence subscription fees

The Group provides customers with a licence to access its software for the duration of the contract term. Such services are recognized as a performance obligation satisfied over time.

The transaction price allocated to these hire activities is recognized as deferred revenue ("revenue received in advance" liability) at the time of the initial sales transaction and is released on a straight-line basis over the period of the licence.

Services

The Group provides project and consulting services to customers. Revenue from these services is recognised over time as services are rendered, typically in accordance with the achievement of project milestones and/or hours expended.

Transaction price

The total transaction price at the start of the contract is estimated as the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods and services to the customer, net of goods and services tax. The transaction price does not include estimates of consideration resulting from change orders for additional goods or services unless these are agreed. Once the total transaction price is determined, the Group allocates this to the identified performance obligations in proportion to their relative stand-alone selling prices and recognises revenue when or as those performance obligations are satisfied.

Disaggregation of revenue

AASB 15 requires entities to disaggregate revenue from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. The Group has determined that a disaggregation of revenue using existing segments and the nature of revenue best depicts the Group's revenue.

	Provision of services		Hardware sales		Total	
	2025 \$	2024 \$	2025 \$	2024 \$	2025 \$	2024 \$
Revenue earned over time	1,498,936	1,400,350	-	-	1,498,936	1,400,350
Revenue at a point in time	-	-	997,015	1,249,147	997,015	1,249,147
	1,498,936	1,400,350	997,015	1,249,147	2,495,951	2,649,497

The Group has 3 customers where the revenue generated from these customers is more than 10% of the Group's revenue. Customer A generated 25% (2024: 30%), Customer B generated 22% (2024: 13%), Customer C generated 16% (2024: 4%) of the Group's revenue for the year.

2.3 Other Income

Accounting Policy

Research and development tax incentive

Research and development tax incentive from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received, and the Group will comply with all attached conditions. Government grants relating to historical expenditure for Research & Development and Export Market Development are recognised in full in the period that they are received.

	2025 \$	2024 \$
Research and development tax incentive	1,590,178	1,670,311
Others		
Government grants	10,370	28,000
Interest income	16,922	32,291
Gain on disposal of an investment	-	34,525
Other	3,641	2,186
	30,933	97,002

2.4 Personnel Expenses and Employee Benefits

Accounting Policy

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits is the amount of the future benefit that employees have earned in return for their services in the current and prior periods. That benefit is discounted to determine its present value. Re-measurements are recognised in profit or loss in the period in which they arise.

Share-based payments

The policy relating to share-based payments is set out in note 7.1.

The table below sets out personnel costs expensed during the year.

		2025	2024
	Note	\$	\$
Wages and salaries		3,618,096	4,793,770
Directors' remuneration	7.4	575,000	758,740
Other KMP remuneration	7.4	-	690,908
Contributions to superannuation		377,338	453,921
(Decrease)/increase in liability for annual leave		(137,123)	62,565
Equity-settled share-based payments		481,896	280,411
Fringe benefits tax		-	3,309
Other associated personnel expenses		115,139	287,143
Total personnel costs		5,030,346	7,330,767
Transferred to intangible assets		-	(1,330,700)
		5,030,346	6,000,067
Shown as:			
Non-research and development expenses		2,097,633	3,884,261
Research and development related personnel expenses		2,932,713	2,115,806
		5,030,346	6,000,067

Further information relating to Directors' and KMP remuneration is set out in note 7.4.

The table below sets out employee benefits payable as at reporting date.

	2025	2024
Current	\$	\$
Salary accrual	(9,808)	(198,126)
Superannuation	(83,437)	(123,816)
Liability for annual leave	(214,979)	(385,477)
	(308,224)	(707,419)
Non-current		
Liability for long service leave	(33,375)	-
	(341,599)	(707,419)

2.5 Finance Costs

Accounting Policy

Finance costs comprise interest and other finance charges on borrowings and banking arrangements. Interest expense on short term borrowings is recognised as it accrues in profit or loss, using the effective interest method.

	Note	2025 \$	2024 \$
Interest expense on financial liabilities measured at amortised cost			
Interest expense on convertible notes & loan notes	6.2	1,667,114	516,344
Interest on lease liabilities		42,463	52,245
Interest expense on R&D funding facility		-	49,947
Interest expense on loan from former Group CEO		-	9,096
Interest expense on loan from Directors		12,022	-
Interest on short term loan		88,200	-
Interest expense on other borrowings		11,252	6,468
Other finance charges		15,510	21,230
Finance expense recognised in profit or loss		1,836,561	655,330

2.6 Income Tax Expense

Accounting Policy

Income tax expense comprises current and deferred tax. Current tax assets and liabilities are measured at the amount expected to be recovered from, or paid to, the taxation authorities. Current tax is based on tax rates enacted or substantively enacted at the balance date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base used for calculating taxable profits. Deferred tax balances are disclosed net to the extent that they relate to taxes levied by the same authority and the Group has the right of set-off.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on substantively enacted rates at the balance date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the income statement.

(a) Amounts recognised in profit or loss

	2025 \$	2024 \$
Current tax benefit / (expense)		
Current tax	-	-
Under provision in prior year	-	(581)
Total income tax benefit / (expense)	-	(581)

(b) Reconciliation of Income Tax

	2025 \$	2024 \$
Loss after tax*	(7,010,118)	(12,663,192)
Total income tax (benefit) / expense	-	581
Loss excluding income tax	(7,010,118)	(12,662,611)
Income tax at the Australian tax rate of 25% (2024: 25%)	(1,752,530)	(3,165,653)
<i>Tax effect of amounts which are non-deductible (taxable) in calculating taxable income:</i>		
Entertainment	474	1,384
Share-based payments	119,444	172,901
Impairment of property, plant and equipment and leased assets	220,454	-
Inventories written down	58,900	-
Amortisation and impairment of intellectual property	-	1,328,197
Other permanent differences	184,604	(519,709)
Difference in foreign income tax rates	14,528	5,008
Under / (over) provision in prior years	-	581
Foreign tax losses not brought to account	74,021	282,963
Deferred tax assets not brought to account	1,080,105	1,894,909
	-	581

* Loss for the year is inclusive of continued operations only.

(c) Recognised Deferred Tax Assets and Liabilities

Recognised deferred tax assets and liabilities are attributable to the following:

	2025 \$	2024 \$
Deferred tax liabilities at 25% (2023: 25%)		
Fixed Assets	2,968	4,824
Right of use assets	74,603	253,679
Other temporary differences	(2,860)	1,952
	74,711	260,455
Offset of deferred tax assets	(74,711)	(260,455)
Net deferred tax liability recognised	-	-

All movements are charged to income tax throughout the year.

(d) Deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

	2025 \$	2024 \$
Deferred tax assets		
Tax losses	74,711	260,455
Capital raising costs	-	-
Employee entitlements	-	-
Right of use assets lease liability	-	-
Provision for restoration	-	-
Other temporary differences	-	-
	74,711	260,455
Offset of deferred tax liabilities	(74,711)	(260,455)
Net deferred tax assets recognised	-	-
Net deferred tax assets unrecognised	9,248,192	8,242,799

2.7 Loss Per Share

Basic and Diluted Loss Per Share

Earnings / (loss) per share (EPS) is the amount of post-tax profit or loss attributable to each share. The calculation of basic loss per share has been based on the loss attributable to ordinary shareholders and weighted average number of ordinary shares outstanding.

Diluted EPS considers the dilutive effect of all potential ordinary shares, being share options on issue.

Loss per share attributable to ordinary shareholders

	2025 \$	2024 \$
Net loss for the year from continuing operations	(7,010,118)	(12,663,192)
Net loss for the year from discontinued operations	(47,626)	(666,024)
Net loss for the year attributable to ordinary shareholders	(7,057,744)	(13,329,216)
Issued ordinary shares at 1 July	811,857,938	631,819,516
Effect of shares issued	44,768,654	102,976,780
Weighted average number of ordinary shares at 30 June	856,626,592	734,796,296
Basic and diluted loss per share from continuing operations (cents per share)	(0.81)	(1.72)
Basic and diluted loss per share from discontinued operations (cents per share)	(0.01)	(0.09)
Basic and diluted loss per share (cents per share) *	(0.82)	(1.81)

* At 30 June 2025, 85,947,247 options (2024: 69,947,247 options), 486,926,227 convertible note shares (2024: 181,181,182), and 1,000,000 performance rights (2024: 1,000,000 performance rights) were excluded from diluted weighted average number of ordinary shares calculation as their effect would have been anti-dilutive.

Section 3: Discontinued Operations

Accounting Policy

A discontinued operation is a component of the consolidated entity that has been disposed or is classified as held for sale and represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the statement of profit or loss and other comprehensive income.

In August 2021, the Group announced the long-term charter of the offshore support vessel VOS Shine would finish and returned to the vessel owner. As such, the subsea and asset integrity risk management operations to which the VOS Shine was related, are shown as discontinued operations in this report. The Group anticipates that there will be minimal movement on these accounts during the upcoming period as the Group finalises payments and expenses in existence at the completion of the previous financial period.

Results for the year from discontinued operations

	30 June 2025	30 June 2024
	\$	\$
General and administration	(4,066)	(6,352)
Professional fees	(43,560)	(187,257)
Impairment on other deposit	-	(472,415)
Loss after tax from discontinued operations	(47,626)	(666,024)

Cash flows from discontinued operations

	2025	2024
	\$	\$
Cash flows from operating activities		
Cash paid to suppliers and employees	(92,372)	(81,909)
Net cash (used in) / from operating activities	(92,372)	(81,909)
Net (decrease)/increase in cash and cash equivalents	(92,372)	(81,909)

Section 4: Assets and Liabilities

This section focuses on the assets and liabilities which form the core of the ongoing business, including those assets and liabilities which support ongoing development as well as capital and other commitments existing at year end.

Key Estimates and Assumptions in This Section

Indicators of impairment

The Group has reviewed property, plant and equipment, right of use leased assets and intellectual property for indicators of impairment. An assessment for impairment of property, plant and equipment, right of use leased assets and intellectual property has been undertaken under the requirements of AASB 136. An impairment was recognised amounting to \$881,815 (2024: \$5,875,887) as a result of this assessment.

4.1 Intangible Assets

Information about Intangible Assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the de-recognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Accounting Policy

Research and development

Research costs are expensed in the period in which they are incurred. Research costs are largely made up of employee labour.

Development costs on a particular project are only to be capitalised if a benefit of more than 12 months is expected and the following recognition criteria have been met:

- It is probable that the project will be a success considering its commercial and technical feasibility;
- The Group can demonstrate its intention to complete and its ability and intention to use or sell the asset;
- The Group has sufficient resources to complete the asset; and
- The ability to measure reliably the expenditure during development.

Capitalised development costs are amortised over their useful life once the asset is ready for use.

Development costs previously recognised as an expense are not recognised as assets in a subsequent period.

Software development

Development costs include personnel and other directly attributable costs incurred in the development of software. Capitalised software development costs are recognised as an intangible asset and amortised over their estimated useful lives, which is considered to be three to ten years. Software development costs are capitalised as "under development" until the products to which the costs relate become available for use. At the point in which the products become available for use, the costs are transferred from "under development" to "in use" and amortised from that point.

Patents and trademarks

Significant costs associated with patents amortised on a straight-line basis over the period of their expected benefit, being their finite life of eight years.

Trademarks are not amortised as they have an indefinite useful life as the Company renews its trademark registration every ten years but are subject to impairment.

Impairment

Non-current assets are tested for impairment when facts and circumstances indicate that the carrying amount may exceed the recoverable amount.

Where a potential impairment is indicated, an assessment is performed for each CGU which is no larger than an area of interest. The Group performs impairment testing in accordance with note 1.5.

	Proprietary Information \$	Patents \$	Software Under Development \$	Total \$
Gross carrying amount				
Balance at 1 July 2023	11,610,935	850	-	11,611,785
Addition	-	-	1,389,200	1,389,200
Foreign currency translation	-	-	-	-
Balance at 30 June 2024	11,610,935	850	1,389,200	13,000,985
Balance at 1 July 2024	-	-	-	-
Addition	-	-	-	-
Foreign currency translation	-	-	-	-
Balance at 30 June 2025	-	-	-	-
Amortisation and impairment				
Balance at 1 July 2023	6,298,996	-	-	6,298,996
Amortisation for the year	826,102	-	-	826,102
Impairment	4,485,837	850	1,389,200	5,875,887
Balance at 30 June 2024	11,610,935	850	1,389,200	13,000,985
Balance at 1 July 2024	-	-	-	-
Amortisation for the year	-	-	-	-
Impairment	-	-	-	-
Balance at 30 June 2025	-	-	-	-
Carrying amounts				
Balance at 30 June 2024	-	-	-	-
Balance at 30 June 2025	-	-	-	-

Impairment charge of Nil (2024: \$5,875,887) has been recognised in the previous year to write-off the remaining intangible assets balance. Despite the write-off, the Group remains optimistic about the future profitability of its product, supported by continuous technological improvements and strategic restructuring initiatives.

4.2 Property, Plant and Equipment

Accounting Policy

Recognition and measurement

Items of property, plant and equipment are measured at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the asset. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and recognised net within "other gains and losses" in profit or loss.

Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognised in profit or loss on a diminishing balance basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

The estimated useful lives of the assets are as follows:

Plant and equipment	3 - 15 years
Motor vehicles	12 - 15 years
Computer equipment & software	2 - 4 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

	Plant & Equipment \$	Fixtures & Fittings \$	Computer Equipment \$	Demonstration Equipment \$	Equipment for Hire \$	Leasehold Improvements \$	Total \$
Gross carrying amount							
Balance at 1 July 2023	8,476	234,806	319,147	55,699	315,751	1,053,772	1,987,651
Additions	-	6,833	18,118	-	5,000	-	29,951
Disposals/Scrapping	-	-	-	-	(18,531)	-	(18,531)
Foreign currency translation	7	-	9	-	-	-	16
Balance at 30 June 2024	8,483	241,639	337,274	55,699	302,220	1,053,772	1,999,087
Additions	-	414	5,149	-	-	-	5,563
Disposals/Scrapping/Transfer	-	-	(4,138)	-	-	-	(4,138)
Impairment ⁽¹⁾	-	(905)	-	-	-	(332,139)	(333,044)
Foreign currency translation	666	-	402	-	-	-	1,068
Balance at 30 June 2025	9,149	241,148	338,687	55,699	302,220	721,633	1,668,536
Depreciation							
Balance at 1 July 2023	1,911	108,967	227,904	54,515	228,447	273,966	895,710
Depreciation for the period	3,686	42,317	69,345	1,184	37,199	150,544	304,275
Disposals/Scrapping	-	-	-	-	(7,585)	-	(7,585)
Foreign currency translation	165	-	453	-	-	-	618
Balance at 30 June 2024	5,762	151,284	297,702	55,699	258,061	424,510	1,193,018
Depreciation for the period	3,026	40,786	29,402	-	19,694	98,826	191,734
Disposals/Scrapping/Transfer	(2,610)	-	(2,760)	-	2,610	-	(2,760)
Foreign currency translation	771	-	531	-	-	-	1,302
Balance at 30 June 2025	6,949	192,070	324,875	55,699	280,365	523,336	1,383,294

Carrying amounts

Balance at 30 June 2024	2,721	90,355	39,572	-	44,159	629,262	806,069
Balance at 30 June 2025	2,200	49,078	13,812	-	21,855	198,297	285,242

- (1) Impairment charge of \$333,044 has been recognised in the current year. Following the rightsizing exercise resulted in lower utilisation of the Bentley office, the Group decided to impair a portion of the leasehold improvements, fixtures and fittings value aligns with conservative financial reporting practices, considering internal and external factors might affect the timing of profitability and related inherent risk in forecasting future cashflows. The Group conducted a valuation of the cash-generating-unit (CGU), applying the valuation assumption with a 25% discount rate.

4.3 Right-Of-Use Assets

	Plant & Equipment \$	Building ⁽¹⁾ \$	Total \$
Gross carrying amount			
Balance taken up 1 July 2023	9,144	1,718,286	1,727,430
Additions	7,734	-	7,734
Provision for restoration	-	4,630	4,630
Balance at 30 June 2024	16,878	1,722,916	1,739,794
Additions	-	-	-
Impairment ⁽²⁾	-	(548,771)	(548,771)
Derecognition	(9,144)	-	(9,144)
Provision for restoration	-	4,801	4,801
Balance at 30 June 2025	7,734	1,178,946	1,186,680
Amortisation			
Balance at 1 July 2023	7,573	469,490	477,063
Amortisation for the period	1,829	246,188	248,017
Balance at 30 June 2024	9,402	715,678	725,080
Amortisation for the period	1,547	170,786	172,333
Derecognition	(9,144)	-	(9,144)
Balance at 30 June 2025	1,805	886,464	888,269
Carrying amounts			
Balance at 30 June 2024	7,476	1,007,238	1,014,714
Balance at 30 June 2025	5,929	292,482	298,411

(1) Bentley office building lease was entered in 2021 with an initial 7 year term with an option to renew for a further 5 year term. The right of use asset has been calculated over the initial 7 year term.

(2) Impairment charge of \$548,771 has been recognised in the current year. Following the rightsizing exercise resulted in lower utilisation of the Bentley building, the Group decided to impair a portion of the building value aligns with conservative financial reporting practices, considering internal and external factors might affect the timing of profitability and related inherent risk in forecasting future cashflows. The Group conducted a valuation of the cash-generating-unit (CGU), applying the valuation assumption with a 25% discount rate.

4.4 Other Bonds and Deposits

	Note	2025 \$	2024 \$
Current			
Cash deposit to provide security over a bank guarantee	(i)	-	-
		-	-
Non-current			
Cash deposit to provide security over new premises	(ii)	238,939	228,213
		238,939	228,213
		238,939	228,213

- (i) Under the terms of the lease agreement of the VOS Shine, the Group was required to provide an on demand bank guarantee to Vroon Offshore Services B.V. ("Vroon"), the vessel owner, to secure its payment and performance obligations. The Group's bankers issued the guarantee secured by a cash deposit of 292,000 Euro. The cash deposit was due to be refunded on 1 January 2022 on expiry of the guarantee. This guarantee was called by Vroon prior to expiry, the validity of the call being a matter of dispute between the Group and Vroon. The position on the settlement of final contractual obligations is subject to negotiation, the contract having a framework for the resolution of disputes which ultimately includes an arbitration process. The Group will continue to avail itself of all available options to recover the funds drawn under the guarantee. The Group took the prudent decision to impair the deposit in 2024 even though the Group remains confident of full recovery.
- (ii) The Group was required to provide a bank guarantee of in respect of the lease of the premises in Technology Park, Bentley, Western Australia.

Section 5: Working Capital Disclosures

This section focuses on the cash funding available to the Group and working capital position at year end.

5.1 Cash and Cash Equivalents

Accounting Policy

Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value and are used by the Group in the management of its short-term commitments.

a) Reconciliation of cash and cash equivalents

	2025 \$	2024 \$
Cash and cash equivalents in the statement of cash flows	722,496	444,943

(b) Reconciliation of cash flows from operating activities

	2025 \$	2024 \$
Cash flows from operating activities		
Operating loss after tax	(7,057,744)	(13,329,216)
Adjustments for:		
Depreciation and amortisation	364,067	1,378,394
Equity-settled share-based payment transactions	1,297,602	566,331
Net finance expense	887,799	123,738
Net finance income	(10,726)	(9,223)
Intangible assets impairment	-	5,875,887
Allowance for expected credit losses	-	125,674
Impairment of other deposit	-	472,415
R&D recognition as intangible assets	-	(1,389,200)
Impairment of property, plant and equipment and leased assets	881,815	-
Inventories written down	235,600	-
Change in operating assets and liabilities:		
Change in trade and other receivables	(404,015)	(58,948)
Change in prepayments	8,482	15,537
Change in inventories	30,955	46,266
Change in other operating assets	22,900	182,039
Change in current tax assets	-	-
Change in trade and other payables	(269,504)	826,490
Change in contract liabilities	(191,825)	323,095
Change in employee entitlements	(365,821)	47,299
Net cash used in operating activities	(4,570,415)	(4,803,422)

5.2 Trade and Other Receivables

Accounting Policy

Trade receivables are measured on initial recognition at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for impairment. Trade receivables are generally due for settlement within periods ranging from seven to thirty days.

Impairment of trade receivables is continually reviewed and those considered uncollectable are written off by reducing the carrying amount directly. An allowance account is used when there is an expectation that the Group will be unable to collect all amounts due according to the original contractual terms. Factors considered by the Group in making this determination include significant financial difficulties of the debtor, review of financial information and significant delinquency in making contractual payments to the Group. The impairment allowance is set equal to the difference between the carrying amount of the receivable and the present value of estimated future cash flows, discounted at the original effective interest rate. Where receivables are short-term, discounting is not applied in determining the allowance.

The amount of the impairment loss is recognised in the statement of profit or loss and other comprehensive income within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of profit or loss and other comprehensive income.

	2025 \$	2024 \$
Current		
Trade debtors ⁽¹⁾	490,375	546,949
Allowance for expected credit losses	(250,749)	(250,749)
	239,626	296,200
Accrued income	55,869	-
Advance to a sales agent	393,394	-
Other receivables	77,236	65,910
	766,125	362,110

- (1) The average credit period on sales of goods and rendering of services is 30 days. An allowance \$250,749 (2024: \$250,749) has been made for estimated unrecoverable trade receivable amounts arising from the past sale of goods and rendering of services, determined by reference to AASB 9 requirements.

Allowance for expected credit losses

The ageing of the receivables and allowances for expected credit losses provided for above are as follows:

	Trade debtors		Allowance for expected credit losses	
	2025 \$	2024 \$	2025 \$	2024 \$
Current	75,142	218,807	-	-
1 to 30 days overdue	119,773	64,200	-	-
31 to 60 days overdue	7,336	-	-	-
61 to 90 days overdue	19,174	2,685	-	-
Over 90 days overdue	268,950	261,257	250,749	250,749
	490,375	546,949	250,749	250,749

Movements in allowance for expected credit losses

	2025 \$	2024 \$
Balance at 1 July	250,749	125,075
Impairment losses recognised on receivables	-	125,674
Balance at the end of the year	250,749	250,749

The Group have individually assessed the recoverability of each receivable balance based predominantly upon age of outstanding debt and communication with the debtor.

5.3 Inventory

Accounting Policy

Raw materials, work in progress and finished goods are stated at the lower of cost and net realisable value on a 'first in first out' basis. Cost comprises direct materials and delivery costs, direct labour, import duties and other taxes, an appropriate proportion of variable and fixed overhead expenditure based on normal operating capacity, and, where applicable, transfers from cash flow hedging reserves in equity. Costs of purchased inventory are determined after deducting rebates and discounts received or receivable.

Goods in transit is stated at the lower of cost and net realisable value. Cost comprises purchase and delivery costs, net of rebates and discounts received or receivable.

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

	2025 \$	2024 \$
Current		
Raw materials – at cost	105,269	343,803
Finished goods – at cost	86,877	114,898
Total	192,146	458,701

5.4 Trade and Other Payables

Accounting Policy

Trade and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. Trade and other payables are presented as current liabilities unless payment is not due within 12 months

	2025 \$	2024 \$
Current		
Trade payables	471,462	164,756
Authorised government agencies	243,932	216,608
Non-trade payables and accrued expenses	645,214	953,065
	1,360,608	1,334,429

The Group's exposure to currency and liquidity risk related to trade and other payables is disclosed in note 7.2.

5.5 Other Liabilities

Accounting Policy

The Group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position. As a result of the contracts which the Group enters into, a number of different liabilities are recognised on the Group's balance sheet. These include but are not limited to Deferred income.

	2025 \$	2024 \$
Current		
Revenue received in advance	222,931	414,756

Section 6: Equity and Funding

This section focuses on the debt and equity funding available to the Group at year end, most notably covering share capital and loans and borrowings.

6.1 Capital and Reserves

Accounting Policy

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

Share Capital

	Ordinary shares			
	Number of shares		Amount in \$	
	2025	2024	2025	2024
Movement in ordinary shares on issue:				
On issue at 1 July	811,857,938	631,819,516	48,076,797	44,189,044
<i>Shares issued and expensed during the year:</i>				
Issue of fully paid shares for cash	-	166,840,458	-	3,843,418
Issue of fully paid shares on conversion of convertible notes	9,244,086	-	203,370	-
Shares cancelled	-	(500,000)	-	-
Issue of fully paid shares in lieu of interest payments	26,456,176	-	361,200	-
Issue of fully paid shares in lieu of services	31,325,654	-	454,506	-
Issue of fully paid shares in lieu of bonuses	12,728,200	13,697,964	246,608	405,193
Deferred consideration on acquisition of subsidiary	4,334,783	-	1,278,761	-
Capital raising costs incurred (net of tax benefit)	-	-	(6,334)	(360,858)
On issue at 30 June	895,946,837	811,857,938	50,614,908	48,076,797

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

Unissued Capital

	2025 \$	2024 \$
Balance at 1 July	1,278,761	1,278,761
Deferred consideration shares issued ⁽¹⁾	(1,278,761)	-
Shares in lieu of bonus ⁽²⁾	235,288	-
Balance at 30 June	235,288	1,278,761

⁽¹⁾ The shares issued comprises the final tranche of deferred consideration shares for SnapSupport, Inc acquisition.

⁽²⁾ A total of 13,071,574 shares valued at \$0.018 per share were offered to employees in lieu of bonuses that were subsequently issued in July 2025.

Share Options

The Company has a share-based payment option scheme under which options to subscribe for the Company's shares have been granted to certain Directors and employees (see note 7.1).

Nature and Purpose of Reserves

Movement in reserves are shown within the Statement of Changes in Equity.

Share-Based Payments Reserve

This reserve is used to record the value of equity benefits provided to employees and Directors as part of their remuneration. Refer to note 7.1 for further details of these plans.

Foreign Currency Translation Reserve

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

Convertible Note Reserve

The convertible note reserve is used to record the equity component of convertible notes issued. Refer to note 6.2 for further details of the convertible notes' accounting treatment and terms.

6.2 Borrowings

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings. For more information about the Group's exposure to interest rate risk, see note 7.2.

Accounting Policy

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred, including interest on short-term and long-term borrowings.

	2025 \$	2024 \$
Secured		
Convertible notes ⁽¹⁾	4,341,067	3,944,850
Loan notes – FY2024 R&D Incentive ⁽²⁾	-	1,217,000
Convertible loan notes – FY2025 R&D Incentive ⁽³⁾	1,380,451	-
Convertible notes 5 ⁽⁴⁾	120,139	-
	5,841,657	5,161,850
Unsecured		
Premium funding facility	109,876	115,714
Loan from directors	390,000	-
Convertible notes 1	1,453,090	-
Convertible notes 2	829,615	-
Convertible notes 3	1,336,760	-
Convertible notes 4	413,913	-
	4,533,254	115,714
Total Borrowings	10,374,911	5,277,564
Current	2,414,379	5,277,564
Non-current	7,960,532	-
	10,374,911	5,277,564

⁽¹⁾ There is a general security over the assets of the company.

⁽²⁾ There is a general security over the company's Research and Development rebate for FY2024 from the Australian Tax Office.

⁽³⁾ There is a general security over the company's Research and Development rebate for FY2025 from the Australian Tax Office.

⁽⁴⁾ There is a general security over Tru Recognition Holdings Limited's Research and Development rebate for FY2025 from the Australian Tax Office. The Company is an investor via a subscription of convertible notes in Tru Recognition Holdings Limited.

Reconciliation of Movement in Borrowings

	Premium funding	Convertible Notes	Loan Notes	Loan from Directors	Convertible Loan Notes	Short Term Loan
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2023	135,066	3,822,502	-	-	-	-
New facility	165,259	-	1,217,000	-	-	-
Interest costs charged	5,887	483,335	33,009	-	-	-
Less repaid ⁽¹⁾	(190,498)	(271,233)	-	-	-	-
Accrued in other payables	-	(89,754)	(33,009)	-	-	-
Balance at 30 June 2024	115,714	3,944,850	1,217,000	-	-	-
New facility	156,966	5,294,877	183,000	540,000	1,400,000	420,000
Fund raising cost	-	(915,366)	(16,980)	-	(112,000)	(25,200)
Equity component	-	(239,151)	-	-	(10,512)	-
Interest costs charged	5,800	1,228,957	160,194	12,022	277,963	88,200
Less repaid ⁽¹⁾	(168,604)	(288,581)	(673,023)	(160,962)	-	(420,000)
Payment in shares	-	-	(88,200)	-	(210,000)	(63,000)
Converted to ordinary shares	-	(203,370)	-	-	-	-
Converted to other borrowings	-	-	(815,000)	-	-	-
Prepayment interest - paid in advance	-	-	-	-	35,000	-
Accrued Interest - other payables movement	-	(327,632)	33,009	(1,060)	-	-
Balance at 30 June 2025	109,876	8,494,584	-	390,000	1,380,451	-

⁽¹⁾ Amounts repaid include interest and loan establishment costs.

Convertible Notes

The Company raised \$4,000,000 from the issue of 4,000,000 convertible notes on 28 November 2019 for the acquisition of Harvest Infinity Pty Ltd. In February 2025, the Group has reached an agreement to revise the terms with the secured convertible notes holders. Details of the convertible notes are as disclosed below. All convertible notes remain unconverted at period end.

Terms of Convertible Notes on Issue

- Latest amendment deed poll date: 13 February 2025
- Interest rate: 15% per annum
- Maturity date: 1 October 2026
- Conversion price: 2.2 cents per share on or before the maturity date

Accounting Treatment of Convertible Notes

The net proceeds received from the issue of the convertible notes has been split between the financial liability component and an equity component, representing the residual amount attributable to the capacity to convert the financial liability in equity in the Company as follows:

- The equity component of \$499,385 has been credited to equity.

The liability component is measured at amortised cost. The effective interest expense for the year is calculated by applying an effective interest rate of 15.87% to the liability component of the notes. The difference between the carrying amount of the liability component at the date of issue and the amount reported in the statement of financial position at 30 June 2025 represents the effective interest rate less interest paid to date. The value of the equity and liability components were determined at the date the instruments were issued.

Loan Notes FY2024 R&D Incentive

Terms of Loan Notes on Issue

- Deed poll date: 26 April 2024
- Interest rate: 15% per annum
- Maturity date: 25 April 2025 or 20 business days from receiving the R&D

The loan notes were fully repaid in December 2024 with some investors agreed to rollover their investment to the unsecured convertible notes issued in November 2024.

Convertible Loan Notes FY2025 R&D Incentive

Terms of Convertible Loan Notes on Issue

- Deed poll date: 23 August 2024
- Interest rate: 15% per annum
- Maturity date: 27 August 2025 (12 months after the issue date)
- Conversion price: 2.2 cents per share on or before maturity

Accounting Treatment

- The equity component credited: \$10,512
- Effective interest rate: 15.87%

Loan from Directors

Terms of Loan from Directors

Loan 1

- Loan agreement date: 29 July 2024
- Interest rate: 15% per annum
- Maturity date: 31 March 2025

The loans were fully repaid in April 2025.

Loan 2

- Loan agreement date: 14 June 2025
- Interest rate: 15% per annum
- Maturity date: 31 December 2025

Convertible Notes 1

Terms of Convertible Notes

- Deed poll date: 14 October 2024
- Interest rate: 15% per annum
- Maturity date: 13 October 2026 (2 years from the date of deed poll)
- Conversion price: 2.2 cents per share on or before maturity

Accounting Treatment

- The equity component credited: \$96,210
- Effective interest rate: 17.87%

Convertible Notes 2

Terms of Convertible Notes

- Deed poll date: 27 November 2024
- Interest rate: 15% per annum
- Maturity date: 26 November 2026 (2 years from the date of deed poll)
- Conversion price: 2.2 cents per share on or before maturity

Accounting Treatment

- The equity component credited: \$58,485
- Effective interest rate: 17.87%

Convertible Notes 3

Terms of Convertible Notes

- Deed poll date: 25 February 2025
- Interest rate: 15% per annum
- Maturity date: 24 February 2027 (2 years from the date of deed poll)
- Conversion price: 2.2 cents per share on or before maturity

Accounting Treatment

- The equity component credited: \$72,157
- Effective interest rate: 17.62%

Convertible Notes 4

Terms of Convertible Notes

- Deed poll date: 30 June 2025
- Interest rate: 15% per annum
- Maturity date: 6 October 2025 (3 months after the issue date)
- Conversion price: 1.6 cents per share on or before maturity

Accounting Treatment

- The equity component credited: \$9,087
- Effective interest rate: 17.37%

Convertible Notes 5

Terms of Convertible Notes

- Deed poll date: 27 June 2025
- Interest rate: 33% per annum
- Maturity date: 20 December 2025
- Conversion price: 1.6 cents per share on or before maturity

Accounting Treatment

- The equity component credited: \$2,276
- Effective interest rate: 35.37%

6.3 Lease Liabilities

	2025 \$	2024 \$
Balance at 1 July	1,319,177	1,581,838
Lease inception	-	7,735
Principal repayments	(331,964)	(322,641)
Interest expense	42,463	52,245
Balance at 30 June	1,029,676	1,319,177
Classification		
Current	310,367	290,258
Non-current	719,309	1,028,919
	1,029,676	1,319,177

Refer to Note 7.2 for further disclosures on lease liabilities.

6.4 Provisions

	2025 \$	2024 \$
Balance at 1 July	129,704	125,074
Recognition of provision for restoration requirements in regard of right-of-use assets	4,801	4,630
Balance at 30 June	134,505	129,704
Classification		
Current	-	-
Non-current	134,505	129,704
	134,505	129,704

Section 7: Other Disclosures

The disclosure in this section focuses on share schemes in operation and financial risk management of the Group. Other mandatory disclosures, such as details of related party transactions, can also be found here.

Key Estimates and Assumptions in this Section

Share-Based Payments

The fair value of share options is measured using the Black-Scholes options pricing model. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on an evaluation of the company's historic volatility, particularly over the historic period commensurate with the expected term) and weighted average expected life of the instruments (based on historical experience), expected dividends (if any) and the risk-free interest rate (based on government bonds). Service and non-market conditions are not considered in determining fair value.

In addition, the Group has on issue, performance shares and performance rights as detailed in note 7.1. Significant judgement is required in relation to assessing the degree of probability associated with the non-market vesting conditions being met.

7.1 Share-Based Payments

Accounting Policy

The share option programme allows Group employees to receive rights to acquire shares of the Company. The grant date fair value of share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do not meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes. Options may also be issued to parties for services rendered. The amount recognised is determined on similar principles when the value of options issued approximates the fair value of the services provided.

Where the fair value of an employee share option or performance right has been recognised as a share-based payment and the option or right lapses on expiry, the total amount of the share-based payment expense is transferred from the share-based payment reserve to accumulated losses. Where a share option or right has lapsed and the non-market vesting criteria has not been met, any previously recorded share-based payment expense is reversed through the consolidated statement of profit or loss and other comprehensive income.

The share-based payment expense included within the consolidated financial statements can be broken down as follows:

	2025 \$	2024 \$
(a) Expensed in personnel expenses		
Shares issued to employees	481,896	405,193
(b) Expensed in professional fees		
Options issued to consultants of the Company	-	161,139
Shares issued to consultants of the Company	118,506	-
(c) Included in transaction costs under borrowings		
Options issued to consultants	226,066	-
Shares issued to consultants	336,000	-

Shares

The Company operates both Short and Long Term Incentive Plans (Incentive Plans) which give eligible employees (including members of Key Management Personnel) the opportunity to receive share-based incentives as part of their remuneration.

The incentives normally vest based on satisfaction of performance conditions specified in the Incentive Plans, which typically involve both a qualifying period of service and based on achieving performance hurdle conditions specific to their role in the organization. The employee must be actively employed in their full-time position at the time the performance hurdle conditions were met. Any shares proposed to be issued under the Incentive Plans are subject to Board approval. The Company reserves the right to payout the value of the incentive in either cash or shares (at the Company's sole discretion).

During the year the Company issued the following shares to employees at a deemed issue price of nil under the Incentive Plans:

	Number of Shares Issued
Key Management Personnel	-
Other employees	12,728,200
Total	<u>12,728,200</u>

For the purposes of calculating the share-based payment expense, the shares are valued on grant date at the market price of the Company's shares on that date. Shares were issued during the year with a fair value range of \$0.013 to \$0.024 per share.

Equity-Settled Share Option Programme

The Company adopted an Employee Share Options Scheme (ESOS) effective 24 August 2016. Under the ESOS, the Company may grant options and rights to Company eligible participants over a period of 3 years to acquire securities up to a maximum of 15% of the Company's total issued ordinary shares at the date of the grant. The fair value of share options granted is estimated using the Black-Scholes option pricing model.

The options and rights vest on a time scale as specified in the ESOS and are granted for no consideration. Options and rights granted under the plan carry no dividend or voting rights. When exercisable, each option is converted into one ordinary share. The maximum term of an option is 5 years from grant date and the exercise price is settled in cash. Options may not be transferred other than to an associate of the holder.

Options

The following tables illustrate the share-based payment arrangements in place, and the number and weighted average exercise prices of and movements in share options. At 30 June 2025, a summary of the Group options issued and not exercised, excluding those options issued free attaching in share placements, are as follows:

Grant date	Vesting date	Expiry date	Exercise Price (cents)	Balance at start of year	Granted during the year	Exercised/ Expired during the year	Balance at year-end	Vested and exercisable at year-end
03-Mar-23	03-Mar-23	03-Mar-25	25	6,000,000	-	(6,000,000)	-	-
17-Jul-23	17-Jul-23	30-Jun-26	7.5	5,000,000	-	-	5,000,000	5,000,000
16-Apr-24	16-Apr-24	26-Apr-27	3	6,000,000	-	-	6,000,000	6,000,000
23-Jan-25	23-Jan-25	22-Jan-2028	2	-	22,000,000	-	22,000,000	22,000,000
Total				17,000,000	22,000,000	(6,000,000)	33,000,000	33,000,000
Weighted average exercise price (cents)				12.4	2	25	3.0	3.0
Weighted average remaining contractual life (years)				1.82	-	-	2.19	-

Options are settled by the physical delivery of shares.

At 30 June 2024, a summary of the Group options issued and not exercised, excluding those options issued free attaching in share placements, are as follows:

Grant date	Vesting date	Expiry date	Exercise Price (cents)	Balance at start of year	Granted during the year	Exercised/ Expired during the year	Balance at year-end	Vested and exercisable at year-end
03-Mar-23	03-Mar-23	03-Mar-25	25	6,000,000	-	-	6,000,000	6,000,000
17-Jul-23	17-Jul-23	30-Jun-26	7.5	-	5,000,000	-	5,000,000	5,000,000
16-Apr-24	16-Apr-24	26-Apr-27	3	-	6,000,000	-	6,000,000	6,000,000
Total				6,000,000	11,000,000	-	17,000,000	17,000,000
Weighted average exercise price (cents)				25	5.5	-	12.4	12.4
Weighted average remaining contractual life (years)				1.68	-	-	1.82	-

Options are settled by the physical delivery of shares.

Key valuation assumptions made at valuation date for options still on issue at year-end are summarised below:

	Tranche 9	Tranche 10	Tranche 11	Tranche 12
Exercise price (cents)	25	7.5	3.0	2.0
Grant date	3-Mar-23	17-Jul-23	16-Apr-24	23-Jan-25
Expiry date	3-Mar-25	30-Jun-26	26-Apr-27	22-Jan-28
Life of the options (years)	2.00	2.96	3.03	3.27
Volatility	84.00%	93.25%	100.55%	100%
Risk free rate	3.67%	3.863%	3.958%	3.893%

Performance Rights

At 30 June 2025, a summary of the Group performance rights issued are as follows:

Note	Grant date	End of performance period	Expiry date	Tranche	Balance at the start of the year	Granted during the year	Lapsed/ Converted during the year	Balance at year-end	Vested and convertible at year-end	Expensed During the Year (\$)
(i)	23-Nov-20	1-Sep-21	10-Nov-25	B	500,000	-	-	500,000	-	-
(ii)	23-Nov-20	1-Mar-22	10-Nov-25	C	500,000	-	-	500,000	-	-

Each performance right represents a right to be issued one ordinary share, with no exercise price payable on conversion, upon the achievement of the following revenue-based milestones:

- (i) Tranche B performance rights will vest upon the Group achieving a VWAP of at least \$0.50 over any twenty consecutive trading day period before the milestone date, being 1 September 2021.
- (ii) Tranche C performance rights will vest upon the Group achieving a VWAP of at least \$0.75 over any twenty consecutive trading day period before the milestone date, being 1 March 2022.

Tranches B and C were granted after receiving shareholder approval at the Company's AGM on 10 November 2020. Both Tranche B and C have not met the conditions of the relevant milestone and the performance rights will not vest.

7.2 Financial Instruments

Accounting Policy

Recognition and derecognition

Financial assets and liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost;
- fair value through profit or loss (FVTPL);
- equity instruments at fair value through other comprehensive income (FVOCI);
- debt instruments at fair value through other comprehensive income (FVOCI).

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

The classification is determined by both:

- the entity's business model for managing the financial asset; and
- the contractual cash flow characteristics of the financial asset.

Subsequent remeasurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets to collect its contractual cash flows;
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised costs using the effective interest method.

Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments as well as listed bonds that were previously classified as held-to-maturity under AASB 139.

Impairment of financial assets

AASB 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. This replace AASB 139's 'incurred loss model'.

Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under AASB 15 and loan commitments that are not measured at fair value through profit or loss.

Recognition of credit losses is no longer dependent on the Group first identifying a credit loss event. Instead, the Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Level 1'); and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Level 2').
- 'Level 3' would cover financial assets that have objective evidence of impairment at the reporting date.

The '12-month expected credit losses' are recognised for the first category whilst 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

The Group makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

Classification and measurement of financial liabilities

The Group's financial liabilities include borrowings, trade and other payables and derivative financial instruments.

Financial liabilities are initially measured at fair value, and where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are initially measured at amortised cost using the effective interest method except for derivatives and financial liabilities designation at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

Derivative financial instruments

Derivative financial instruments are accounted for at fair value through profit and loss (FVTPL).

Capital Risk Management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

The Group's overall strategy remains consistent since 2024.

The capital structure of the Group consists of cash and cash equivalents, borrowings and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings.

None of the Group's entities are subject to externally imposed capital requirements.

Operating cash flows are used to maintain and expand operations, as well as to make routine expenditures such as tax and general administrative outgoings.

Financial Risk Management Objectives

The Group is exposed to market risk (including foreign currency exchange rate risk and interest rate risk), credit risk and liquidity risk.

The Group seeks to minimise the effect of these risks and the Board is responsible for developing and monitoring the Group's risk management policies.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed on a continuous basis to reflect changes in market conditions and the Group's activities. The Group does not trade financial instruments, including derivative financial instruments, for speculative purposes.

Market Risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

Due to the expansion of the Group into the North American and UK/EMEA markets, there has been an increase to the Group's exposure to market risks.

Foreign currency exchange rate risk management

The Group undertakes certain transactions denominated in foreign currencies, hence exposure to exchange rate fluctuations arise.

The carrying amounts of the Group's foreign currency denominated monetary assets and liabilities at the balance date expressed in Australian dollars are as follows:

	Consolidated			
	Assets		Liabilities	
Currency	2025 \$	2024 \$	2025 \$	2024 \$
United States Dollars	-	55,372	-	14,895
Euro	425,328	-	202,181	-
British Pound Sterling	5,223	45,566	12,392	31,411

Foreign Currency Sensitivity Analysis

The sensitivity analysis below details the Group's sensitivity to an increase/decrease in the Australian dollar against the United States Dollar, Euro, and British Pound Sterling. The sensitivity analysis includes only outstanding foreign currency denominated monetary items, including external loans where the denomination of the loan is in a currency other than the currency of the borrower and adjusts their translation balance date for 500 basis point change in foreign currency rates.

At balance date, if foreign exchange rates had been 500 basis points higher or lower, and all other variables were held constant, the impact on profit or loss would be:

	Impact on profit & loss	
	2025 \$	2024 \$
If AUD strengthens by 5% (2024: 5%)		
United States Dollar	-	(2,024)
Euro	(11,157)	-
British Pound Sterling	358	(708)
If AUD weakens by 5% (2024: 5%)		
United States Dollar	-	2,024
Euro	11,157	-
British Pound Sterling	(358)	708

Interest rate risk management

The Group is exposed to interest rate risk as entities in the Group borrow funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings.

The Group's exposure to interest rate on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

Interest Rate Risk Sensitivity Analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for non-derivative instruments at the balance date.

At balance date, if interest rates had been 50 points higher or lower and all other variables were held constant, the Group's profit or loss would increase / (decrease) by \$3,612 / (\$3,612) (2024: \$2,225 / (\$2,225)).

The Group's sensitivity to interest rates has decreased during the year due to the reduction in variable rate debt instruments.

Credit Risk Management

Credit risk is the risk that a counterparty fails to discharge an obligation to the Group. The Group is exposed to credit risk from financial assets including cash and cash equivalents held at banks and trade and other receivables.

The Group has adopted a policy of only dealing with creditworthy counterparties.

The Group only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Group uses publicly available financial information and its own trading record to rate its customers.

The Group's exposure and the credit ratings of its counterparties are continuously monitored, and the aggregate value of transactions concluded is spread amongst approved counterparties.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The credit risk on liquid funds is limited because the counterparties are banks or government agencies with high credit ratings assigned by international credit rating agencies.

The carrying amount of financial assets recorded in the financial statements, represents the Group's maximum exposure to credit risk.

Liquidity Risk Management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, who have built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements.

The Group manages liquidity risk by maintaining adequate banking and borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Non-derivative financial liabilities

The following table details the Group's expected contractual maturities for its non-derivative financial liabilities.

These have been drawn up based on undiscounted contractual maturities of the financial liabilities based on the earliest date the Group can be required to repay.

The table includes both interest and principal cash flows.

	Weighted Average Interest rate %	Less than 6 months \$	6 months to 1 year \$	1 – 5 years \$
30 June 2025				
Trade and other payables	-	1,360,608	-	-
Borrowings	12.73	518,854	16,392	-
Lease liabilities	3.66	170,522	171,349	746,317
		2,049,984	187,741	746,317
30 June 2024				
Trade and other payables	-	1,334,429	-	-
Borrowings	3.21	102,367	17,061	-
Lease liabilities	3.66	165,582	166,385	1,088,188
		1,602,378	183,446	1,088,188

Derivative financial liabilities

The following table details the Group's expected contractual maturities for its derivative financial liabilities.

These have been drawn up based on undiscounted contractual maturities of the financial liabilities based on the earliest date the Group can be required to repay.

The table includes both interest and principal cash flows.

	Weighted average Interest rate %	Less than 6 months \$	6 months to 1 year \$	1 – 5 years \$
30 June 2025				
Convertible notes – level 2	15.24	822,857	208,221	10,386,318
Loan notes – level 2	15.00	1,400,000	-	-
		2,222,857	208,221	10,386,318
30 June 2024				
Convertible notes – level 2	9.00	4,149,918	-	-
Loan notes – level 2	15.00	-	1,368,800	-
		4,149,918	1,368,800	-

Fair Value Measurement

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy.

The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Directors consider that the carrying amounts of cash and cash equivalents, current receivables, current payables, and current interest-bearing borrowings denominated in Australian Dollars, approximate their fair values.

7.3 Capital Commitments

At year end, there were no material capital commitments.

7.4 Related Parties

Directors and other Key Management Personnel compensation included in 'personnel expenses' (note 2.4) comprises the following:

	Note	2025 \$	2024 \$
Short-term employee benefits		575,000	1,231,366
Post-employment benefits		-	93,500
Share-based payments		-	124,782
	2.4	575,000	1,449,648

In July 2024, Mr. Ilario Faenza and Mr. Marcus Machin have provided \$100,000 and \$50,000 short-term unsecured directors' loans to the Group. The material terms of the loan agreement are as follows:

- Unsecured loan facility;
- Interest rate: 15% per annum; and
- Maturity date: 30 November 2024 (Mr Marcus Machin has agreed to extend the repayment date of the short-term loan to the Group to 31 March 2025)

The Group has repaid the short-term loan to Mr Ilario Faenza and Mr. Marcus Machin in full amounting to \$160,962 including interest of \$10,962.

In June 2025, Mr. Ilario Faenza has entered into an agreement to provide a short-term unsecured director loan to the Group. Ilario Faenza has entered into an agreement to provide a short-term unsecured director's loan to the Group. The material terms of the loan agreement are as follows:

- Loan amount: up to \$500,000
- Unsecured loan facility;
- Interest rate: 15% per annum; and
- Maturity date: 31 December 2025

As at 30 June 2025, Mr Ilario Faenza has provided \$390,000 loan to the Group.

The Board has reviewed the terms with the latest available market information and concluded the short-term unsecured directors' loans terms are equivalent to an arm's length transaction.

7.5 Subsidiaries

Details of the Group's subsidiaries at the end of the reporting period are as follows:

Name of subsidiary	Principal activity	Place of incorporation and operation	Financial year end	Proportion of ownership interest and voting power held by the Group	
				2025 %	2024 %
Harvest Technology Pty Ltd	Data Transfer Technology, Corporate & Administrative Support	Australia	30 June	100	100
Harvest Infinity Pty Ltd	Technology Research & Development	Australia	30 June	100	100
HTE (Harvest Technology) Ltd (Incorporated on 3 October 2024)	Data Transfer Technology	Ireland	30 June	100	-
Harvest Technology (UK) Ltd	Data Transfer Technology,	United Kingdom	30 June	100	100
Harvest Defence Pty Ltd	Data Transfer Technology	Australia	30 June	100	100
Shark Attack Mitigation Systems Pty Ltd	Dormant	Australia	30 June	100	100
Clever Buoy Australia Pty Ltd	Dormant	Australia	30 June	100	100
Opsivity, Inc. (Voluntarily dissolved on 14 August 2024)	Remote Field Mobile SaaS Solutions, Technology Research & Development, Corporate & Administrative Support	United States	30 June	-	100

7.6 Subsequent Events

In July 2025, the Group had received \$580,000 from sophisticated investors via a range of convertible note instruments and \$110,000 of unsecured short-term loan from a Director with the same terms as disclosed in note 7.4.

Other than disclosed above there have been no matters or circumstances that have arisen since the end of the financial year that have significantly affected, or may significantly affect, the operations of the Group, the results of these operations, or the state of affairs of the Group in future financial years.

7.7 Contingent Liabilities

At year end, there were no contingent liabilities.

7.8 Parent Company Disclosures

As at, and throughout the financial year ended 30 June 2025, the parent entity of the Group was Harvest Technology Group Limited.

	2025 \$	2024 \$
Result of the parent entity		
Loss for the year	(7,036,421)	(13,185,261)
Other comprehensive income	-	-
Total comprehensive loss for the year	(7,036,421)	(13,185,261)
Financial position of parent entity at year end		
Current assets	988,350	134,883
Total assets	1,233,218	370,573
Current liabilities	(3,215,456)	(5,913,915)
Total liabilities	(11,848,023)	(5,919,323)
Total equity of the parent entity comprising of:		
Share capital	50,614,908	48,076,797
Unissued capital	235,288	1,278,761
Reserves	6,575,947	6,100,219
Accumulated losses	(68,040,948)	(61,004,527)
Total equity (deficiency)	(10,614,805)	(5,548,750)

7.9 Auditors' Remuneration

	2025 \$	2024 \$
HLB Mann Judd:		
Audit and review of financial reports	90,181	85,862
Non-audit services	-	-
TOTAL AUDITORS' REMUNERATION	90,181	85,862