

**AVA Risk Group Limited
(A.C.N. 064 089 318)
and controlled entities**

**FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025**



Corporate Information



ABN 67 064 089 318

DIRECTORS

David Cronin, Chairman and Non-Executive Director

Mark Stevens, Non-Executive Director

Mike McGeever, Non-Executive Director

Malcolm Maginnis, Group Chief Executive Officer and Executive Director.

COMPANY SECRETARIES

Neville Joyce, Kim Larkin

REGISTERED OFFICE & PRINCIPAL PLACE OF BUSINESS

10 Hartnett Close, Mulgrave, Victoria 3170, Australia

Telephone: +61 3 9590 3100

INVESTOR RELATIONS

Email: investor@theavagroup.com

SHARE REGISTRY

Boardroom Pty Limited Grosvenor Place, Level 12, 225 George Street, Sydney, NSW 2000, Australia

Telephone (within Australia): 1300 737 760

Telephone (outside Australia): +61 2 9290 9600

Facsimile: +61 2 9279 0664

STOCK EXCHANGE

AVA Risk Group Limited shares are quoted on the Australian Securities Exchange (ASX).

ASX Code: AVA

BANKERS

Westpac Banking Corporation 275 Kent Street, Sydney, NSW 2000, Australia

AUDITORS

BDO Audit Pty Ltd, Level 18, Tower 4/ 727 Collins St. Docklands VIC 3008

WEBSITE

www.theavagroup.com

Information correct as at 27 August 2025.

Annual Report 2025 | AVA Group Chairman's Report

DEAR FELLOW SHAREHOLDERS AND ASSOCIATES,

FY2025 has been a year of continued progress for Ava Risk Group Limited (“Ava Group” or “the Company”) as we strengthen our position as a global leader in sensing and risk management technology.

Technology remains at the core of our growth strategy. Our Detect segment performed strongly, underpinned by further investment in Aura Ai-X — our market-leading fibre optic sensing solution. We expanded Aura Ai-X’s applications to serve the telecommunications sector and developed solutions for shorter perimeter deployments in our traditional detection market. A highlight was the successful deployment of Aura Ai-X to a Telstra subsea cable in Q4 FY25, demonstrating the significant opportunities in telecommunications, a key driver of future growth.

Financially, the Company delivered a strong first half, with revenue growth of 20%. The second half was impacted by the deferral of several major Detect segment orders into FY2026. Overall, total revenue grew 5% year-on-year, driven by 15% growth in Detect, which benefited from the fulfilment of a significant backlog order from the prior year.

Revenue in the Access segment declined 26%, reflecting a lack of repeat dormakaba stocking orders. Our focus remains on driving volume through this important partner channel in Europe and the U.S., and we remain confident dormakaba is the right partner to return Access to growth. Revenue in Illuminate was consistent with the prior year.

EBITDA improved materially to \$2.1 million, compared with a \$0.9 million loss in FY2024. This reflects our strong gross margins and a lean, stable cost base following completion of major investments in commercial capability and technology. As revenues grow, we expect EBITDA margins to improve further, leveraging our fixed cost and technology base.

An impairment charge of \$5.6 million was recognised in FY2025, representing the remaining goodwill in the Illuminate segment. While this reflects a more conservative revenue outlook, we remain confident in Illuminate’s complementary role to Detect and its potential in new markets.

Looking ahead, FY2026 will be pivotal in accelerating revenue growth. We have built a market-leading technology platform, strengthened our commercial capabilities, developed a robust sales pipeline, and secured strong partners in key markets and industry verticals. With a stable cost base, our priorities are to:

- Increase sales order intake, particularly in strategic industry sectors;
- Grow sales order backlog, including recurring revenues;
- Maintain gross margins of 60–65%; and
- Continue targeted investment in technology to extend our market leadership.

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On behalf of the Board, I thank our shareholders and associates for your ongoing support and acknowledge the dedication of our management team and staff throughout FY2025. We remain committed to building a world-class technology business and look forward to delivering on our growth ambitions in FY2026.



David Cronin
Chairman

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Chief Executive Officer's Report

Review of Operations

The second half of FY2025 presented challenges as several key Detect segment orders expected for H2 were delayed into H1 FY2026. This impacted sales order intake and revenue; however, we achieved significant strategic progress in building a solid platform for future growth across priority segments and geographies.

Sovereign Border Protection

We have seen a significant increase in client focus on sovereign borders both in protecting physical barriers such as fences and adding covert buried sensing systems. This has been supported by our success in eastern Europe, and we anticipate further growth in the next financial year. Actions to date include:

- Installed additional Aura Ai-X systems on a critical Eastern European border, including replacing competitor technology.
- Geopolitical events continue to elevate demand for advanced border security solutions.
- Pipeline includes further opportunities in Eastern Europe and new markets in the Middle East and Asia.

Airports

Airports as part of national critical infrastructure has attracted significant interest due to multiple international breaches of perimeters. Our focus on sensing to trigger other systems is being well reviewed as part of a holistic approach to Detect and respond. Our action in FY25 included:

- Perimeter detection systems deployed at Dubai International Airport and a major North American airport during FY2025.
- Secured an additional order for a North African airport in Q1 FY2026.
- Following a recent security breach in Australia, we will conduct technology trials with regulators and airports to demonstrate how Aura Ai-X can enhance perimeter security.

Transportation

Transportation has seen the same increase in activity experienced in Airports. We expect further growth in the new financial year, our key activities during FY25:

- Expanded our relationship with UGL Limited through further contract variations and began commissioning Aura Ai-X controllers for the Sydney Metro project.
- Achieved key certifications to detect intrusions and objects in rail corridors, positioning us for future wins.
- Currently bidding for a major Australian transport infrastructure project, delayed to H1 FY2026 pending prime contractor arrangements.

Telecommunications

Our relationship with Telstra has continued to develop and has led to introductions internationally with other key Telcos.

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Chief Executive Officer's Report

- Completed Aura Ai-X installation on a Telstra subsea cable in Q4 FY2025, with strong performance results.
- Expect further deployments across additional subsea infrastructure.
- Collaboration with Telstra has opened new opportunities with international telecom operators.

North America

- Continued pursuit of the world's largest security market.
- H2 slowdown in sales order intake likely linked to tariff uncertainty, with improvement in Q4 including orders in corrections and energy infrastructure.
- Expect more consistent intake from these sectors in FY2026.

Access

- Dormakaba global framework agreement remains central to Access growth strategy.
- Initial U.S. stocking order in FY2024 supported the FY2025 launch of the Cobalt lock series.
- Working closely with dormakaba to drive volumes in the U.S. and Europe to return Access to growth in FY2026.

FY2025 Sales Order Summary

- Total: \$29.9m (FY2024: \$35.3m)
- Detect: \$18.3m, including border protection, aviation, and telecom orders
- Access: \$4.3m, down 25% due to prior-year U.S. stocking order
- Illuminate: consistent with FY2024
- Recurring service contracts grew to \$2.6m, driven by Aura Ai-X deployments
- Sales order backlog: \$6.4m (FY2024: \$8.5m) including \$2.6m in annual recurring revenue

Technology Investment

- Continued development of Aura Ai-X to expand from security applications to broader fibre sensing markets.
- Developed a shorter perimeter coverage variant and tailored telecom-specific applications with Telstra, supporting global opportunities.

Financial Review

A\$m	FY2024	FY2025	Change
Revenue & Other Income	30.2	31.7	+1.5
Underlying EBITDA*	(0.9)	2.1	+3.0
Profit / (Loss) After Tax	(5.2)	(6.5)	(1.3)
<u>Reconciliation of Underlying EBITDA to</u>			
Underlying EBITDA	(0.9)	2.1	
Impairment of Goodwill	(1.5)	(5.6)	
Depreciation & Amortisation	(2.5)	(3.5)	
Finance Expense	(0.2)	(0.2)	
Foreign exchange gain (loss), net	(0.1)	0.1	
Tax (Expense) / Benefit	0.0	0.7	
Profit / (Loss) After Tax	(5.2)	(6.5)	

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Chief Executive Officer's Report

- Revenue growth of 5% to \$31.7m, driven by Detect (+17%).
- Access revenue down 26% due to reduced dormakaba U.S. orders post-launch stocking.
- Illuminate revenue flat year-on-year.
- Gross margin improved to 64% (FY2024: 60%) with minimal pricing pressure, reflecting strong technology value.
- Operating costs reduced by \$0.8m following organisational changes, creating a stable cost base.
- EBITDA improvement to \$2.1m reflects margin gains and cost efficiencies.
- \$5.6m impairment of Illuminate goodwill following conservative revenue forecasts; however, segment performance improved in calendar 2025 with stronger OEM demand, particularly in North America.
- Year-end cash balance: \$5.6m (FY2024: \$5.1m).

Outlook

With a stable cost base and a leading technology platform, Ava Group is focused on accelerating revenue growth in FY2026:

- **Detect:** Increase Aura Ai-X penetration in priority segments; target 20%+ revenue growth; pursue adjacent opportunities via partners.
- **Access:** Drive U.S. and European volumes through dormakaba's distribution network.
- **Illuminate:** Continue sales momentum from key distributors and explore integration with Detect solutions.

Gross margins are expected to remain stable at 60–65%, with targeted investment in sales, project management, and technical support as revenues grow. We anticipate EBITDA margins expanding to double digits in FY2026.

I look forward to updating you on our progress and delivering on the growth opportunities ahead.



Mal Maginnis,

Chief Executive Officer

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Directors' Report

The directors present their report together with the financial report of the Consolidated Entity (referred to hereafter as the "Group" or "Consolidated Entity") consisting of AVA Risk Group Limited (referred to hereafter as the "Company" or "AVA Risk Group" or "AVA Group") and the entities it controlled for the financial year ended 30 June 2025 and auditor's report thereon.

Directors

The names of directors in office at any time during or since the end of the year are detailed in the table below. The directors have been in office since the start of the year to the date of this report unless otherwise stated.

Information on Company Directors and Company Secretary

The qualifications, experience and special responsibilities of each person who has been a director of AVA Group at any time since 1 July 2024 to the date of this report is provided below with details of the company secretaries as at the year end.

Name, qualifications, and independence status	Experience, special responsibilities and other directorships
David Cronin	David has over 25 years professional experience and more than 15 years of international experience at the director/chairman board level. David is presently the Managing Director of the investment & consulting group Pierce Group Asia where he is responsible for its technology focussed corporate development and investment activities.
Chairman of the Board (Appointed 31 August 2018) Non-Executive Director (Appointed 10 April 2018)	Previous to his role at Pierce Group Asia, David was an investment manager for the London listed Guinness Peat Group PLC and Director of M&A for its technology focussed division. Working for several large financial and non-financial institutions, David has been involved in various advisory, executive level and board positions with several early to mid-stage technology companies. David has extensive knowledge of AVA Group and the security markets that it services. He has more than 10 years of board level experience within AVA Risk Group, having previously served as a Director and Chairman of AVA Group prior to its IPO. Mr Cronin is not a director of any other ASX listed entity in the last three years.
Mike McGeever	Mr McGeever has over 35 years' experience in the military, facilities and securities sectors. Prior to his retirement in 2015, Mr McGeever was the Managing Director and founder of Transguard Group LLC, a UAE based security and facilities management company and one of the largest security companies in the world, employing 55,000 staff. Prior to that he held senior positions in a range of security and facilities focussed companies.
Non-Executive Director (Appointed 8 August 2018)	Mr McGeever has a Master of Business Administration from the University of Portsmouth (England). He is not a director of any other ASX listed entity in the last three years.

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Directors' Report

Mark Stevens

Non-Executive Director

(Appointed 11 March 2015)

With more than 30 years of experience in senior management roles with multi-national corporations, Mark is a seasoned executive with broad experience in sales and general management in the telecommunications and Information technology sector.

Mark has held senior positions with Nortel Networks Inc., Aircom International Limited, ECI Telecom Limited, Transmode Systems AB, and more recently Infinera Corporation. He has lived and worked in Europe, the United States, Singapore and Australia. Mark holds a Master of Business Administration from the University of Melbourne, a Bachelor of Engineering degree from Monash University and is a Graduate Member of the Australian Institute of Company Directors. He is not a director of any other ASX listed entity in the last three years.

Malcolm Maginnis

Group Chief Executive Officer

(Appointed 9 January 2023)

Mal has more than 35 years of experience in the defence, security, safety and technology industries. Most recently, Mal served as President of Rapiscan Systems from July 2017 until September 2022 – a US-headquartered global manufacturer of security equipment and systems.

Prior to joining Rapiscan, Mal was head of Iveagh Technology a technology development company based in Singapore and part owner of SX Technologies, a Sydney-based detection company. He was also President of Smiths Detection from 2011 to 2014. Mal is based in Singapore. He is not a director of any other ASX listed entity in the last three years.

Joint Company Secretaries

Neville Joyce

Appointed 3 November 2021

Neville is a highly experienced financial and commercial executive with proven expertise across multiple sectors including energy, mining, technology and manufacturing. With extensive experience in leadership, management and strategic financial analysis, Neville has held senior finance positions at Origin and Energy Australia including roles as Chief Financial Officer and Divisional Head of Finance. Prior to joining AVA Group, Neville was Group Chief Financial Officer at Redflex Holdings Limited from 2017 to 2021. Neville is a CPA and holds a Bachelor of Business.

Kim Larkin

Appointed 20 January 2017

Kim is an experienced business professional with 24 years' experience in the banking and finance industries and 7 years as a Company Secretary (in-house) of an ASX300 company. Her experience includes debt and capital raising, risk management, mergers and acquisitions, compliance and governance. Kim currently acts as Company Secretary to various ASX listed and unlisted companies in Australia and is the Head of Corporate Services for Boardroom Pty Limited's Queensland office.

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Directors' Report

Directors' Meetings

The number of meetings of the board of directors and of each board committee held during the financial year and the number of meetings attended by each director are:

	D Cronin	M Stevens	M McGeever	M Maginnis
Board of Directors'				
Eligible to attend	12	12	12	12
Attended	12	12	12	12
Meetings of Audit & Risk				
Eligible to attend	4	4	4	4
Attended	4	4	4	4
Meetings of Remuneration				
Eligible to attend	3	3	3	3
Attended	3	3	3	3

Committee Membership

As at the date of this report, the Company had an Audit & Risk Committee, and a Remuneration & Nomination Committee of the Board of Directors. Members acting on the committees of the Board during the year were:

Audit Committee	Remuneration and Nomination Committee
M Stevens (Chairman)	M McGeever (Chairman)
D Cronin	D Cronin
M McGeever	M Stevens

Gender Diversity Policy

The Remuneration & Nomination Committee is responsible for setting the diversity policy of the Company.

The Committee has established a diversity policy for the Company, which is disclosed on the Company website. Measurable objectives for achieving gender diversity have been set with the Company assessing annually both the objectives and the entity's progress in achieving them. The Company has set an objective to ensure that the representation of women across the business is 25%.

During the year ended 30 June 2025, women represented 27% of the business. Whilst AVA Group particularly focuses on narrowing the gap in gender representation across all levels, it strives for equal development opportunities for all employees, irrespective of gender, cultural, physical capabilities, or other differences.

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Directors' Interests in shares or options

As at 30 June 2025, the interests of the directors in the shares and performance rights of AVA Group are as detailed below:

	Number of ordinary shares	Number of performance rights
D Cronin	33,750,706	200,000
M Stevens	1,721,181	200,000
M Mc Geever	6,005,000	200,000
M Maginnis	666,666	2,833,333

Principal activities

The principal activities of the Consolidated Entity during the financial year were:

- › the provision of security technology products for perimeter intrusion detection solutions;
- › the development, manufacture and supply of high quality, high security card and biometric readers, electromechanical locks and related electronic security products; and
- › manufacture and supply of professional external security and intruder detection equipment including ANPR cameras, lighting controllers and infrared and white-light LED Illuminators.

Review of Operations

The second half of FY2025 presented challenges as several key Detect segment orders expected for H2 were delayed into H1 FY2026. This impacted sales order intake and revenue; however, we achieved significant strategic progress in building a solid platform for future growth across priority segments and geographies.

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Telecommunications

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- Continued pursuit of the world's largest security market.
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Access

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Finance Expense	(0.2)	(0.2)	
Foreign exchange gain (loss), net	(0.1)	0.1	
Tax (Expense) / Benefit	0.0	0.7	
Profit / (Loss) After Tax	(5.2)	(6.5)	

- Revenue growth of 5% to \$31.7m, driven by Detect (+17%).
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- Illuminate revenue flat year-on-year.
- Gross margin improved to 64% (FY2024: 60%) with minimal pricing pressure, reflecting strong technology value.
- Operating costs reduced by \$0.8m following organisational changes, creating a stable cost base.
- EBITDA improvement to \$2.1m reflects margin gains and cost efficiencies.
- \$5.6m impairment of Illuminate goodwill following conservative revenue forecasts; however, segment performance improved in calendar 2025 with stronger OEM demand, particularly in North America.
- Year-end cash balance: \$5.6m (FY2024: \$5.1m).

Significant changes in the state of affairs

An impairment charge of \$5,624,000 was recorded for the Illuminate CGU. When performing the impairment test for Goodwill management considered the lower than expected revenue for the Illuminate segment during FY2025 and impacts on expected growth in subsequent periods. Refer Note 14 to the financial statements for key assumptions.

Following the impairment adjustment there is no longer any Goodwill attributable to the Illuminate CGU.

After balance date events

No matters of circumstances have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in future years.

Risks Specific to the business

Intellectual Property Theft and Cyber Security threats

The Company has patents and trademarks protecting some of its intellectual property. Know-how contained in confidential documentation and software source code attributable to the intellectual property may be appropriated by a third party to the detriment of the Company.

Supply Chain disruption risk

AVA Risk Group sources a number of key technology components such as laser and optical devices, and some complete products that make up its total solution provided by third parties. The global supply of these components may experience disruption.

To mitigate this risk the Company has identified its critical components and expected lead times. Where possible the Company has identified multiple suppliers of critical components. Coupled with detailed forecasts of expected demand, the Company uses this information to ensure its inventory levels are adequate to fulfil expected demand.

Cancellation or delay of infrastructure projects

The Company's growth is dependent in part on specifications by System Integrators as part of a tender for large construction and infrastructure projects. The cancellation or delay of an infrastructure project where AVA Risk Group has been specified as the system provider could have adverse implications on future revenue.

To mitigate this risk the Company continues to develop a sales opportunity pipeline which contains both geographic and opportunity diversification.

Competition

There are some companies that sell security intrusion and access technologies. There are other large organisations that provide complex security solutions that have developed in house technologies that support security applications.

AVA Risk Group expects to face competition from such organisations, some of which may have greater financial, technical and marketing resources. Increased competition could result in margin reductions, reduced operating margins and loss of market share.

To mitigate this risk AVA Risk Group continues to invest in its core technologies to ensure that it is market leading.

Attract and retain skilled staff

AVA Risk Group's success will in part depend on its ability to hire and retain key staff.

This risk is mitigated by the Company having appropriate incentive schemes and ensuring that the Company's remuneration policy remains consistent with market demands.

Likely developments

Likely development of the operations of the Group are encompassed in the Operating and Financial Review section of this report.

Environmental regulation and performance

The Consolidated Entity's operations are not subject to any significant environmental Commonwealth or State regulations or laws. The Group has complied with all environmental regulations to which it is subject.

Dividends recommended or declared

	2025 \$000	2024 \$000
During the financial year ended 30 June 2025; no dividends were declared.		
Special dividend at the rate of 0.17cents per share, paid on 15 December 2023	-	436

Share options granted to directors and executives

There were no options over unissued ordinary shares granted by AVA Risk Group during or since the financial year end to directors and executives in office.

Shares under option

There are no unissued ordinary shares of AVA Risk Group under option at the date of this report.

Performance Rights Shares (PSRs)

During the year ended 30 June 2025, the following performance rights were issued to Executive KMP:

	Number of PSRs issued
Malcolm Maginnis	2,000,000
Neville Joyce	1,500,000
Total	3,500,000

The performance rights were granted to Malcolm Maginnis as part of remuneration in three different value tranches, vesting on 31 August 2026 and 31 August 2027 with vesting conditions relating to financial performance, share price hurdle and continuity of employment.

The performance rights were granted to Neville Joyce as part of remuneration in three different value tranches, vesting on 31 August 2026 and 31 August 2027 with vesting conditions relating to financial performance, share price hurdle and continuity of employment.

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Directors' Report

During the year ended 30 June 2025, the following performance rights were issued to Non-Executive KMP. Their performance criteria was however not met, and as a result they were not delivered.

	Grant date	Number of PSRs issues
David Cronin	31 Oct 2024	200,000
Mark Stevens	31 Oct 2024	200,000
Mike McGeever	31 Oct 2024	200,000

Unissued ordinary shares of AVA Risk Group under performance rights at 30 June 2025 are as follows:

Date the Performance rights were granted	Number of unissued ordinary shares under rights	Expiry date of the performance rights
1/07/2022	323,440	31/08/2025
9/01/2023	500,000	9/01/2026
26/10/2023	333,330	9/01/2026
9/09/2024	1,875,000	31/08/2026
9/09/2024	1,875,000	31/08/2027
31/10/2024	600,000	31/07/2025
31/10/2024	1,000,000	31/08/2026
31/10/2024	1,000,000	31/08/2027
Total	7,506,770	

No performance rights holder has any right under the performance rights to participate in any other share issue of the company.

Proceedings on behalf of the Consolidated Entity

No person has been granted leave of Court to bring proceedings against the Consolidated Entity.

Indemnification and Insurance of Directors and Officers

The Company has indemnified the Directors and Officers of the Company for costs incurred, in their capacity as a director or officer, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the Directors and Officers of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liabilities insured and the amount of the premium.

Indemnification of auditors

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

The Company has not otherwise during or since the financial year, indemnified or agreed to indemnify a director or auditor of the Company or any related body corporate against a liability incurred as a director or auditor.

Rounding of amounts

In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, the amounts in the directors' report and in the financial report have been rounded to the nearest one thousand dollars, or in certain cases, to the nearest dollar (where indicated).

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Remuneration Report (Audited)

The Directors present the Remuneration Report (the Report) for the Company and its controlled entities for the year ended 30 June 2025. This Report forms part of the Directors' Report and has been audited in accordance with section 300A of the *Corporations Act 2001*.

The table below lists the Executives of the Company whose remuneration details are outlined in this Remuneration Report. These Executives, together with the Directors, are defined as Key Management Personnel (KMP) under Australian Accounting Standards. In this report Executive KMP (Executives) refers to the KMP other than the Non Executive Directors. Non Executive Directors have oversight of the strategic direction of the Company but have no direct involvement in the day to day management of the business.

1. Details of key management personnel (KMP)

The table below lists the KMP of the Company whose remuneration details are outlined in this Remuneration Report.

(i) Non-Executive Directors

David Cronin	Chairman (Non-Executive) – appointed 31 August 2018 (Appointed as Non-Executive Director on 10 April 2018)
Mark Stevens	Non-Executive Director – appointed 11 March 2015
Mike McGeever	Non-Executive Director – appointed 8 August 2018

(ii) Executive Directors

Malcolm Maginnis	Group Chief Executive Officer (CEO) and Executive Director – appointed on 9 January 2023.
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(iii) Other KMPs

Neville Joyce	Group Chief Financial Officer (CFO) and Company Secretary – appointed on 3 November 2021.
James Viscardi	Executive Vice President, Global Security - appointed 1 July 2022, resigned and ceased to be a KMP on 30 November 2024.

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Directors' Report

2. Remuneration policies

The board policy for determining the nature and amount of remuneration of key management personnel is based on the recommendations from the Remuneration and Nomination Committee. The Remuneration and Nomination Committee comprises three members of the Board of Directors. All members are Non-Executive Directors. The CEO participates in Board decisions relating to all KMPs, except for the CEO's which is also approved at the AGM.

The Board or the Remuneration and Nomination Committee may engage external consultants to provide independent advice where it considers it appropriate to ensure that the Company attracts and retains talented and motivated directors and employees who can enhance Company performance through their contributions and leadership. During the year ended 30 June 2025 neither the Board nor the Remuneration and Nomination Committee engaged any external consultants.

2.1 Non- Executive Director remuneration arrangements

The remuneration of Non-Executive Directors (NEDs) consists of directors' fees, which includes attendance at Committee meetings. NEDs do not receive retirement benefits other than compulsory superannuation scheme contributions.

Each NED, including the Chairman receives a base fee for being a director of the Company.

As part of their remuneration NEDs may receive share options or performance rights in the Company and are encouraged to hold shares in the Company. This is in line with the Company's overall remuneration philosophy and aligns NEDs with shareholder interests.

The remuneration of NEDs for the year ended 30 June 2025 and 30 June 2024 is detailed on page 24-25 respectively of this report.

The Company's constitution and the ASX listing rules specify that the NED fee pool shall be determined from time to time by a general meeting. The Company's current aggregate fee pool is \$250,000 per year.

2.2 Executive remuneration arrangements

For executives the Company provides a remuneration package that incorporates both cash-based remuneration and share-based remuneration. The contracts for service between the Company and executives are on a continuing basis the terms of which are not expected to change in the immediate future. Share-based remuneration is conditional upon continuing employment and achievement of certain KPIs, thereby aligning executive and shareholder interests.

The table below represents the target remuneration mix for group executives in the current year. The incentives are provided at target levels.

	Fixed remuneration	At Risk (Short-Term and Long-Term Incentives)
CEO	63%	37%
CFO	67%	33%

(a) Fixed remuneration

The level of fixed remuneration is set so as to provide a base level of remuneration, and is reviewed annually by the Remuneration Committee to ensure that it is both appropriate to the position and is competitive in the market. Salary packages are subject to local regulatory labour laws.

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(b) Short-Term Incentive (STI)

The objective of the STI program is to link the achievement of the Group's annual operational targets with the remuneration received by the executives charged with meeting those targets. The total potential STI available is set at a level that provides sufficient reward to the Executive KMP for exceeding the operational targets and at such a level that the cost to the Group is reasonable in the circumstances.

Actual STI payments granted to each Executive KMP depend on the extent to which specific annual operational targets set at the beginning of the financial year are met or exceeded. The CEO's targets are set by the Remuneration and Nomination Committee. The targets for all other executives are set by the CEO.

STI rewards are assessed annually by the Remuneration and Nomination Committee and are usually paid in cash and performance rights. Achievement against individual targets are assessed on an individual basis. Vesting conditions are decided upon on a case-by-case basis.

FY 2025 STI Incentives and targets

A summary of the measures and weightings for FY25 are set out in the table below:

Measure	FY 25 Target	95% of target	100% of target	Delivery method
Group revenue and EBITDA Targets	\$43M	10% delivered	100% delivered	Paid in cash - representing 50% of the total incentive plan
EBITDA	\$7.7M			

Based on actual performance no payment will be made to FY2025 KMP under the short term incentive plan.

Long-Term Incentive (LTI)

Long-term incentives are provided to KMPs through the issuance of performance rights. The performance rights are designed to provide long-term incentives for employees to deliver long-term shareholder returns.

The performance rights are usually issued for nil or nominal consideration and are granted in accordance with the Company's Employee Equity Incentive Plan (EIP).

Performance rights are issued for a specified period and are convertible into ordinary shares. The Performance rights typically have zero exercise price. The performance rights expire on the earlier of their expiry date or three months after termination of the employee's employment subject to Board's discretion. Performance rights do not vest until any vesting or performance criteria set at granting have been met in accordance with the terms and conditions of the EIP.

There are no voting or dividend rights attached to performance rights. Voting rights will attach to the ordinary shares when the performance rights have been exercised. Unvested performance rights cannot be transferred and will not be quoted on the ASX.

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FY 2025 LTI Incentives and targets

A summary of the measures and weightings for FY 25 are set out in the table below:

Measure / Target	Delivery
Tranche 1 - EBITDA not less than \$4M	Performance shares 50% deferred for one year and 50% deferred for two years
Tranche 2 - EBITDA not less than \$6M and share price not less than \$0.24	Performance shares 50% deferred for one year and 50% deferred for two years
Tranche 3 - EBITDA not less than \$7M and share price not less than \$0.24	Performance shares 50% deferred for one year and 50% deferred for two years
Based on actual performance no performance rights will vest for FY2025 KMP under the long term incentive plan.	

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3. Executive contractual arrangements

The Company has entered into service agreements with the following key management personnel:

Malcolm Maginnis Group Chief Executive Officer (Appointed 9 January 2023)	<p>Contract of Employment</p> <p>Malcolm Maginnis is employed by BQT SEA (based in Singapore) as a permanent, full-time employee. His current base salary is SGD \$360,000 (approximately AUD \$431,603) to be reviewed annually by the Remuneration Committee. He has a notice period of 3 months.</p> <p>Time Vested Performance Shares (PSRs)</p> <p>The contract awards 1,000,000 PSRs that vest in three equal amounts being 12, 24 and 36 months after commencement.</p> <p>Performance Incentives</p> <p>The contract provides for Incentive plans which are payable in half in cash and half in performance rights upon meeting pre-defined KPI's (as disclosed in Section 4) by the executive.</p>
Neville Joyce Group Chief Financial Officer & Company Secretary Appointed 3 November 2021	<p>Contract of Employment</p> <p>Neville Joyce is employed by AVA Risk Group as a permanent, full-time employee.</p> <p>Mr Joyce commenced his position with Ava Risk Group in November 2021 and is employed on a current base salary of AUD \$335,000 to be reviewed annually by the Remuneration Committee.</p> <p>Performance Conditions</p> <p>The contract provides for Incentive plans which are payable in half in cash and half in performance rights upon meeting pre-defined KPI's (as disclosed in Section 4) by the executive.</p>
James Viscardi Executive Vice President Global Security Resigned 30 November 2024	<p>Contract of Employment</p> <p>James Viscardi was employed by AVA Risk Group as a permanent, full-time employee his based salary was USD \$252,000 (approximately AUD \$388,000)</p>

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Remuneration of Key Management Personnel

The table below shows the realised remuneration the Group's KMPs have received during FY 2025

	Note	Salary and Fees	Short-term Cash Bonuses	Other benefits ¹	Post-Employment Benefits ²	Long Service Leave	Share-based Payment expense	Total	Performance related
Non-Executive Directors									
David Cronin		65,000	-	-	7,475	-	7,347	79,822	9%
Mark Stevens		65,000	-	-	7,475	-	7,347	79,822	9%
Mike McGeever		66,150	-	-	-	-	7,347	73,497	9%
Sub-total Non-Executive Directors		196,150	-	-	14,950	-	22,041	233,141	
Executive Directors and other KMPs									
Malcolm Maginnis		423,410	-	-	9,601	-	97,478	530,489	18%
Neville Joyce		327,167	-	-	37,624	-	23,909	388,700	-
James Viscardi		160,741	-	66,824	6,160	-	-	233,725	0%
Sub-total executive KMP		911,318	-	66,824	53,385	-	121,387	1,152,914	
Totals		1,107,468	-	66,824	68,335	-	143,428	1,386,055	

1 Other benefits include Health Insurance.

2 Post-employment benefits include Pension and superannuation benefits.

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Remuneration of Key Management Personnel

The table below shows the realised remuneration the Group's KMPs have received during FY 2024

	Note	Salary and Fees	Short-term Cash Bonuses	Other benefits ¹	Post-Employment Benefits ²	Long Service Leave	Share-based Payment expense	Total	Performance related
Non-Executive Directors									
David Cronin		65,000	-	-	7,150	-	7,147	79,297	9%
Mark Stevens		65,000	-	-	7,150	-	7,147	79,297	9%
Mike McGeever		65,000	-	-	-	-	7,147	72,147	10%
Sub-total Non-Executive Directors		195,000	-	-	14,300	-	21,441	230,741	
Executive Directors and other KMPs									
Malcolm Maginnis		371,843	-	26,287	9,689	-	148,655	556,474	27%
Neville Joyce		308,625		25,870	33,949	5,492	15,673	389,609	-
James Viscardi		373,326	15,437	66,245	11,110	-	7,417	473,535	5%
Sub-total executive KMP		1,053,794	15,437	118,402	54,748	5,492	171,745	1,419,618	
Totals		1,248,794	15,437	118,402	69,048	5,492	193,186	1,650,359	

1 Other benefits include Health Insurance.

2 Post-employment benefits include Pension and superannuation benefits.

4. Relationship between remuneration and Company

4.1 Principles of compensation

The board seeks to align the remuneration to align with the interest of the shareholders and drive performances against short and long-term business objectives.

4.2 Remuneration dependent on satisfaction of performance condition

A portion of the Executive Remuneration is based on attainment of performance conditions. Performance-based remuneration includes short-term cash bonuses (STIs) and Performance Share Rights (PSRs). Short-term Performance-based remuneration granted to key management personnel has regard to Company performance over a 12-month period.

The following table sets out the performance conditions used for performance-linked

Performance Metrics		FY 25 outcome	
Financial			
Group CEO		EBITDA Target	not met
Group CFO		EBITDA Target	not met
Non- Financial			
Group CEO		Share price target	not met
Group CFO		Share price target	not met

These performance conditions are selected to align the goals and incentives of the KMP with the creation of shareholder wealth during the relevant period.

Quantitative financial performance conditions are assessed against the Consolidated Entity's financial report for the year. Other performance conditions are assessed by the CEO, or in the case of the CEO's performance conditions, the Board giving consideration to outcomes achieved, external influences and a range of other qualitative factors. These assessments ensure clearly defined and objective assessment of financial and quantitative targets and promote fair and reasonable judgements in respect of qualitative performance conditions.

4.3 Impact of Company's performance on shareholder wealth

The following table summarises Company performance and key performance indicators

Financial Performance	2025	2024	2023	2022	2021
Earnings					
Revenue (\$'000)	31,669	30,218	28,637	18,961	65,714
% increase/(decrease) in revenue	5%	6%	51%	-71%	41%
Profit/(loss) before tax (\$'000)	(7,155)	(5,203)	(1,054)	33,132	13,749
% increase/(decrease) in profit before tax	38%	394%	-103%	141%	178%
Shareholder value					
Share price \$	0.10	0.11	0.20	0.18	0.38
Change in share price (%)	-18%	-45%	11%	-53%	145%
Dividends to shareholders (\$'000)	-	(436)	-	31,586	7,224
Return of capital (\$'000)	-	-	-	7,566	-
KMP remuneration					
Total remuneration of KMP	\$ 1,386,055	\$ 1,650,359	\$ 1,492,933	\$ 14,882,343	\$ 3,598,456
Total performance-based remuneration	\$ 143,428	\$ 208,623	\$ 187,064	\$ 13,687,206	\$ 1,629,373

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5. Performance based rewards

Directors

5.1 Cash bonus provided to Executive Directors

The following table sets out the terms and conditions of each grant of the performance-linked bonuses affecting compensation in current and future years.

2025	Maximum cash bonus	Amount \$ awarded \$	% Achieved
Malcolm Maginnis	127,023	-	0%

None of the cash bonuses associated with these awards will be paid for FY25.

5.2 Performance rights awarded to Executive Directors

The following table summarises the results of the performance rights awarded and allocated to Executive Directors during the year ended 30 June 2025.

	Number of performance rights awarded	Grant date	Fair value at Grant date \$	Vesting dates	Vesting conditions ²	Number allocated based on vesting criteria
Malcolm Maginnis ¹	200,000	31-Oct-24	0.1211	31-Aug-26	EBITDA hurdle	-
	200,000	31-Oct-24	0.1166	31-Aug-27	EBITDA hurdle	-
	300,000	31-Oct-24	0.0257	31-Aug-26	EBITDA and share price hurdle	-
	300,000	31-Oct-24	0.0251	31-Aug-27	EBITDA and share price hurdle	-

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500,000	31-Oct-24	0.0257	31-Aug-26	EBITDA and share price hurdle	-
500,000	31-Oct-24	0.0251	31-Aug-27	EBITDA and share price hurdle	-

¹ The performance rights for Mal Maginnis were approved at the AGM on 31 October 2024.

² The vesting conditions are set out in the earlier table "FY 2025 LTI & Incentives".

5.2 Performance rights awarded to Non-executive Directors

The following table summarises the performance rights awarded to Non-Executive Directors during the year ended 30 June 2025.

	Number of performance rights awarded	Grant date	Fair value at Grant date \$	Vesting dates	Vesting conditions ¹
David Cronin	200,000	31 Oct 2024	0.026	31 Aug 2025	Share price hurdle
Mark Stevens	200,000	31 Oct 2024	0.026	31 Aug 2025	Share price hurdle
Mike McGeever	200,000	31 Oct 2024	0.026	31 Aug 2025	Share price hurdle

¹ Share price not less than \$0.24 per share

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6. Key management personnel's equity holdings

6.1 Number of Shares held by key management personnel:

2025	Balance at beginning of period 1 July 2024	Granted	Balance at End of Period 30 June 2025
Executives			
David Cronin	33,750,706	-	33,750,706
Mark Stevens	1,721,181	-	1,721,181
Mike McGeever	6,005,000	-	6,005,000
Sub-total	41,476,887	-	41,476,887

Executives			
Malcolm Maginnis	333,333	333,333	666,666
Neville Joyce	239,929	36,136	276,065
James Viscardi	-	-	-
Sub-total	573,262	369,469	942,731
Total	42,050,149	369,469	42,419,618

2024	Balance at beginning of period 1 July 2023	On exercise of rights	Net change, other	Balance at End of Period 30 June 2024
Non-Executive Directors				
David Cronin	33,519,937	-	230,769	33,750,706
Mark Stevens	1,218,396	-	502,785	1,721,181
Mike McGeever	6,005,000	-	-	6,005,000
Sub-total	40,743,333	-	733,554	41,476,887
Executives				
Malcolm Maginnis	10,000	333,333	(10,000)	333,333
Neville Joyce	-	9,160	230,769	239,929
James Viscardi	-	-	-	-
Sub-total	10,000	342,493	220,769	573,262
Total	40,753,333	342,493	954,323	42,050,149

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6.2 Number of performance rights held by key management personnel

2025	Balance at beginning of the period 1 July 2024	Granted as remuneration ¹	Exercised	Forfeited/ lapsed	Balance at end of year 30 June 2025	Fair value of rights granted during the year \$
Non-Executive Directors						
David Cronin	200,000	200,000	-	(200,000)	200,000	7,347
Mark Stevens	200,000	200,000	-	(200,000)	200,000	7,347
Mike McGeever	200,000	200,000	-	(200,000)	200,000	7,347
Sub-total NEDs	600,000	600,000	-	(600,000)	600,000	22,041
Executive Directors						
Malcolm Maginnis	2,102,482	2,000,000	(333,333)	(935,816)	2,833,333	88,180
Neville Joyce	440,565	1,500,000	(36,136)	(377,453)	1,526,976	33,825
James Viscardi	389,640	-	-	(389,640)	-	-
Sub-total executive KMP	2,932,687	3,500,000	(369,469)	(1,702,909)	4,360,309	122,005
Totals	3,532,687	4,100,000	(369,469)	(2,302,909)	4,960,309	144,046

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2024	Balance at beginning of the period 1 July 2023	Granted as remuneration ¹	Exercised	Forfeited/ lapsed	Balance at end of year 30 June 2024	Fair value of rights granted during the year \$
Note						
Non-Executive Directors						
David Cronin	-	200,000	-	-	200,000	10,000
Mark Stevens	-	200,000	-	-	200,000	10,000
Mike McGeever	-	200,000	-	-	200,000	10,000
Sub-total NEDs	-	600,000	-	-	600,000	30,000
Executive Directors						
Malcolm Maginnis	-	2,935,815	(333,333)	(500,000)	2,102,482	275,548
Neville Joyce	89,888	377,454	(9,160)	(17,617)	440,565	20,382
James Viscardi	64,762	357,260	-	(32,382)	389,640	19,292
Sub-total executive KMP	154,650	3,670,529	(342,493)	(549,999)	2,932,687	315,222
Totals	154,650	4,270,529	(342,493)	(549,999)	3,532,687	345,222

¹ The performance rights were granted in two tranches, vesting on 31 August 2025 and 31 August 2026 with vesting conditions relating to continuity of employment.

7. Other transactions with key management personnel

During the current and previous financial year, the Group transacted with related entities of directors, other than in their capacity as director as follows:

The Consolidated Entity purchased consulting services from Pierce Asia Pty Ltd and Pierce Group Asia Pte Ltd, related entities through Chairman and Non-Executive Director, David Cronin, for an amount of \$259,482 (2024: \$259,228). Accounts Payable balance at 30 June 2025 totals \$17,251 (2024: \$nil). These arrangements were in the normal course of business and included amounts related to the provision of consultancy and administration services, and general office expenses provided by the related entities for the benefit of the Consolidated Entity.

During the year, there were no other transactions with directors or management personnel.

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DECLARATION OF INDEPENDENCE BY WAI AW TO THE DIRECTORS OF AVA RISK GROUP LIMITED

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

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of AVA Risk Group Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'Wai Aw', is written over a horizontal line.

Wai Aw
Director

BDO Audit Pty Ltd

Melbourne, 27 August 2025

AVA Risk Group Limited
Consolidated Statement of Profit or Loss and Other Comprehensive Income
30 June 2025

		Consolidated	
		June 2025	June 2024
	Note	\$'000	\$'000
Revenue from contracts with customers	4a	31,603	30,145
Other income	4b	66	73
Total Revenue and other income		31,669	30,218
Cost of raw materials and consumables used		(11,320)	(12,096)
Employee benefit expenses		(10,431)	(11,837)
Research and development		(1,771)	(2,001)
Advertising and marketing		(525)	(611)
Travel and entertainment		(1,298)	(1,231)
Facilities and office costs		(1,012)	(743)
Compliance, legal, and administration		(1,737)	(1,375)
Impairment of goodwill	13,14	(5,624)	(1,545)
Impairment of receivables	9	(349)	(53)
Depreciation and amortisation expenses	12,13,15	(3,527)	(2,451)
Finance expense		(248)	(240)
Foreign exchange gain (loss), net		82	(111)
Other expenses		(1,064)	(1,133)
Total expenses		(38,824)	(35,427)
Loss before income tax		(7,155)	(5,209)
Tax benefit	5	697	6
Loss for the year		(6,458)	(5,203)
<i>Items that may be reclassified subsequently to profit and loss</i>			
Exchange differences on translation of foreign operations		445	(98)
Total other comprehensive income (loss) for the year		445	(98)
Total comprehensive loss for the year		(6,013)	(5,301)
Loss for the year attributable to:			
Equity holders of the parent company		(6,458)	(5,203)
Loss for the year to the equity holders of the Company relates to:			
Loss for the year, net of tax		(6,458)	(5,203)
Total comprehensive loss for the year attributable to:			
Equity holders of the parent company		(6,013)	(5,301)
Earnings per share attributable to ordinary shareholders of AVA Risk Group			
Basic (loss) per share	20	(2.23)	(1.98)
Diluted (loss) per share	20	(2.23)	(1.98)

The above Consolidated Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

AVA Risk Group Limited

Consolidated Statement of Financial Position

30 June 2025

	Note	2025 \$'000	2024 \$'000
ASSETS			
Current Assets			
Cash and cash equivalents	6,8	5,591	5,084
Trade and other receivables	9	6,169	7,360
Contract assets	9	669	1,651
Prepayments	11	798	738
Inventories	10	6,596	6,584
Total Current Assets		19,823	21,417
Non-Current Assets			
Plant and equipment	12	963	942
Intangible assets	13	7,313	12,798
Right of use assets	15	1,069	854
Deferred tax assets	5	436	46
Total Non-Current Assets		9,781	14,640
TOTAL ASSETS		29,604	36,057
LIABILITIES			
Current Liabilities			
Trade and other payables	16	2,490	2,930
Contract liabilities	17	232	394
Borrowings	23	1,742	1,952
Lease liabilities	15	447	326
Provisions	18	1,373	1,267
Total Current Liabilities		6,284	6,869
Non-Current Liabilities			
Provisions	18	119	91
Borrowings	23	-	203
Lease liabilities	15	612	540
Contract liabilities	17	415	405
Total Non-Current Liabilities		1,146	1,239
TOTAL LIABILITIES		7,430	8,108
NET ASSETS		22,174	27,949
EQUITY			
Contributed Equity	7	57,931	57,932
Accumulated losses		(35,679)	(29,257)
Reserves		(78)	(726)
TOTAL EQUITY		22,174	27,949

The above Consolidated statement of Financial Position should be read in conjunction with the accompanying notes.

AVA Risk Group Limited

Consolidated Statement of Cash Flows

	Note	Consolidated 2025 \$'000	2024 \$'000
Cash flow from operating activities			
Receipts from customers (inclusive of GST)		33,842	29,838
Payments to suppliers and employees (inclusive of GST)		(29,642)	(30,319)
Interest received		37	26
Tax refund (paid)		226	159
Finance costs		(248)	(201)
Lease interest paid		(48)	(38)
Net cash flows (used in) from operating activities	8	4,167	(535)
Cash flow from investing activities			
Payment for intangible assets		(2,491)	(2,373)
Payment for plant and equipment		(470)	(355)
Net cash flows (used in) from investing activities		(2,961)	(2,728)
Cash flow from financing activities			
Proceeds from share issue		-	4,342
Share issue costs		-	(241)
Repayment of borrowings		(307)	(292)
Dividends paid		-	(436)
Payment of lease liabilities	15	(412)	(455)
Net cash flows (used in) financing activities		(719)	2,918
Net (decrease) in cash and cash equivalents		487	(345)
Net foreign exchange differences on cash		126	(74)
Cash and cash equivalents at beginning of period		3,468	3,887
Cash and cash equivalents at end of the year	8	4,081	3,468

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

AVA Risk Group Limited
Consolidated Statement of Changes in Equity

	Reserves					Total Equity
	Share Capital	Share-based payment Reserve	Foreign Exchange Translation Reserve	Other Equity Reserves	Accumulated Losses	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 July 2024	57,932	2,381	(60)	(3,047)	(29,257)	27,949
Loss for the year	-	-	-	-	(6,458)	(6,458)
Other comprehensive income/(loss)	-	-	445	-	36	481
Total comprehensive income for the year	-	-	445	-	(6,422)	(5,977)
Transactions with owners in their capacity as owners						
Dividends/distributions	-	-	-	-	-	-
Shares issued	-	-	-	-	-	-
Share issue costs	(1)	-	-	-	-	(1)
Share-based payments	-	203	-	-	-	203
Total transactions with owners in their capacity as owners	(1)	203	-	-	-	202
Balance at 30 June 2025	57,931	2,584	385	(3,047)	(35,679)	22,174
At 1 July 2023	53,831	2,050	38	(3,047)	(23,618)	29,254
Loss for the year	-	-	-	-	(5,203)	(5,203)
Other comprehensive income/(loss)	-	-	(98)	-	-	(98)
Total comprehensive income for the year	-	-	(98)	-	(5,203)	(5,301)
Transactions with owners in their capacity as owners						
Dividends/distributions	-	-	-	-	(436)	(436)
Shares issued	4,342	-	-	-	-	4,342
Share issue costs	(241)	-	-	-	-	(241)
Share-based payments	-	331	-	-	-	331
Total transactions with owners in their capacity as owners	4,101	331	-	-	(436)	3,996
Balance at 30 June 2024	57,932	2,381	(60)	(3,047)	(29,257)	27,949

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

1.1 Basis of preparation of the financial report

This is a general purpose financial report which has been prepared by a for-profit entity in accordance with the requirements of applicable Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*.

It covers AVA Risk Group Limited and controlled entities as a Consolidated Entity. AVA Risk Group Limited is a Company limited by shares, incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange.

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

The consolidated financial statements of AVA Risk Group Limited for the year ended 30 June 2025 were authorised for issue in accordance with a resolution of the directors on 27 August 2025.

Compliance with IFRS Accounting Standards

The consolidated financial statements of Ava Risk Group Limited also comply with the International Financial Reporting Standards (IFRS) Accounting Standards, issued by the International Accounting Standards Board (IASB).

Historical Cost Convention

The financial report has been prepared under the historical cost convention.

Significant Accounting Estimates

The preparation of financial report requires the use of certain estimates and judgements in applying the Group's accounting policies. Those estimates and judgements significant to the financial report are disclosed in Note 1.5.

1.2 Going Concern

The financial report has been prepared on a going concern basis which assumes the Group will continue its operations and have sufficient cash to pay its debts as and when they become payable for a period of at least 12 months from the date the financial report was authorised for issue.

1.3 Principles of consolidation

The consolidated financial statements are those of the Consolidated Entity, comprising the financial statements of the parent entity and of all entities which the parent entity controls. The Group controls an entity when it is exposed, 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.

Subsidiaries

The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies, which may exist.

Parent entity information

In accordance with the *Corporations Act 2001*, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 27.

1.4 Summary of material accounting policies

The following is a summary of material accounting policies adopted by the Consolidated Entity in the preparation and presentation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

a) Revenue

The Group has three segments with the following main revenue streams:

Detect	Design and manufacture of fibre optic intrusion detection systems.
Access	Design and manufacture of electro-mechanical locks, biometrics and access control cards, card readers and biometric terminals.
Illuminate	Design and manufacture of camera illuminators, ANPR cameras and laser perimeter detectors.

Sale of Goods

Access and Illuminate

The Group's contracts with customers for the sale of equipment is one performance obligation. Revenue from sale of equipment is recognised at the point in time when control of the equipment is transferred to the customer, which is on dispatch or on delivery, dependent on the delivery terms.

Detect

Some contracts have multiple elements, such as hardware, software and rendered services.

When there is more than one performance obligation in the contract, revenue is allocated to each performance obligation on the basis of relative standalone selling prices. Revenue for each performance obligation is recognised when the obligation is fulfilled.

Warranty provisions

The Group generally provides warranties for general repairs of defects that existed at the time of sale, as required by law. As such, most warranties are assurance-type warranties, which the Group accounts for under *AASB 137 Provisions, Contingent Liabilities and Contingent Assets*.

However, in some contracts, the Group provides extended warranties. These warranties are service-type warranties and, therefore, are accounted for as a separate performance obligation to which the Group allocates a portion of the revenue based on the relative standalone selling price. Revenue is subsequently recognised over time based on the time elapsed.

Rendering of services

Detect Division

The Group's Detect division provides installation services. These services are sold either separately or bundled together with the sale of equipment to a customer. The installation services can be obtained from other providers and do not significantly customise or modify the Perimeter security product. There are two performance obligations in a contract for bundled sales of equipment and installation services, because the Group promises to transfer equipment and provide installation services are capable of being distinct and separately identifiable. Revenue from the provision of services is recognised over the period of time the work is performed.

Contract balances

The timing of revenue recognition may differ from the contract payment schedule, resulting in revenue that has been earned but not billed. These amounts are included in contract assets. Amounts billed in accordance with contracts with customers, but not yet earned, are recorded as contract liabilities. Contract liabilities are recognised as revenue when the Group performs under the contract.

b) Impairment of non-financial assets

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

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In assessing value in use, the estimated future cash flows are 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. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in the profit or loss in expense categories consistent with the function of the impaired asset.

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

Goodwill and intangible assets with indefinite useful lives are tested for impairment annually as at 3.

Impairment is determined for goodwill and intangible assets with indefinite useful lives by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually as at 30 June at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

c) Inventories

Inventories are valued at the lower of average cost and net realisable value. The cost of manufactured products includes direct material, direct labour and a proportion of manufacturing overheads based on normal operating capacities. 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.

d) Plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on a straight line or diminishing balance basis over the estimated useful life of the specific assets as follows:

Plant and Equipment	Years
Office furniture and equipment	2-10
Motor vehicles	5
Computer equipment	2-5
Production plant and equipment	2-10
Demonstration equipment	2-5

e) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use-assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Right-of-use-assets	Years
Office space and IT equipment	3-5
Motor vehicles	3-5

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section Impairment of non-financial assets.

Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in- substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the lessee's incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in Lease liabilities in the Statement of financial position (see Note 15).

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low- value assets are recognised as expense on a straight-line basis over the lease term.

f) Intangibles

Trademarks and Licences

Trademarks and Licences are recognised at cost of acquisition. Trademarks and Licences have a finite life and are amortised on a systematic basis, matched to the future economic benefits over the life of the asset, less any impairment losses.

Research and Development

Expenditure on research activities is recognised as an expense when incurred;

Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Capitalised development expenditure is stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated using a straight-line method to allocate the cost of the intangible assets over their estimated useful lives. Amortisation commences when the intangible asset is available for use between 5 and 10 years depending on the product type. During the period of development, the asset is tested for impairment annually.

Customer base and customer contracts acquired through a business combination are recorded at their fair value at the date of acquisition. Customer lists are amortised on a straight-line basis over the period of expected benefit (5 years). Contracts are amortised on a straight-line basis over the period of expected benefit (3 years).

Patents

Patents are initially recognised at the cost on acquisition. Patents have a finite life and are amortised on a systematic basis matched to the future economic benefits over the life of the asset, less any impairment losses. Amortisation of the patents commences on approval of the patent and is matched to the timing of economic benefits flowing to the Company from the application of the technology. Patents are reviewed for impairment at the end of the financial year and more frequently when an indication of impairment exists. Any impairment charge is recorded separately. Patents are amortised over a period of 3-10 years.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of other comprehensive income when the asset is derecognised.

g) Provisions and employee benefits

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

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

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability.

Warranty Provisions

Provision is made for the estimated liability on all products and services still under warranty at balance date. This provision is estimated having regard to prior service warranty experience. In calculating the liability at balance date, amounts were not discounted to their present value as the effect of discounting was not material. In determining the level of provision required for warranties, the Group has made judgments in respect of the expected performance and the costs of fulfilling the warranty. Historical experience and current knowledge have been used in determining this provision. The initial estimate of warranty-related costs is revised annually.

Employee Entitlements

i. Wages, salaries, annual leave, long service leave and personal leave expected to be settled within 12 months

Liabilities for wages and salaries, including non-monetary benefits, annual leave and any other employee benefits expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Expenses for non-accumulating personal leave are recognised when the leave is taken and are measured at the rates paid or payable.

ii. Long service leave and annual leave expected to be settled after 12 months

The liability for long service leave and annual leave expected to be settled after 12 months is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

h) Share-based payment transactions

Equity settled transactions

The Group provides benefits to its employees (including senior executives) in the form of share-based payments, whereby employees render services in exchange for share options or performance rights (equity-settled transactions).

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using a Black-Scholes or Binomial valuation model.

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In valuing equity-settled transactions, no account is taken of any vesting conditions, other than conditions linked to the price of the shares of Ava Risk Group (market conditions) if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled (the vesting period), ending on the date on which the relevant employees become fully entitled to the award (the vesting date).

At each subsequent reporting date until vesting, the cumulative charge to the statement of comprehensive income is the product of:

- (i) the grant date fair value of the award;
- (ii) the current best estimate of the number of awards that will vest, taking into account such factors as the likelihood of employee turnover during the vesting period and the likelihood of non-market performance conditions being met; and
- (iii) the expired portion of the vesting period.

The charge to the statement of comprehensive income for the period is the cumulative amount as calculated above less the amounts already charged in previous periods. There is a corresponding entry to equity.

Until an award has vested, any amounts recorded are contingent and will be adjusted if more or fewer awards vest than were originally anticipated to do so. Any award subject to a market condition is considered to vest irrespective of whether or not that market condition is fulfilled, provided that all other conditions are satisfied. No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. An additional expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

i) Parent entity financial information

The financial information for the parent entity, AVA Risk Group Limited, has been prepared on the same basis as the consolidated financial statements, except Investments in subsidiaries. They are accounted for at cost less impairment charge in the financial statements of AVA Risk Group Limited. Dividends received are recognised in the parent entity's profit or loss.

j) Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

1.5. Significant accounting judgements, estimates and assumptions

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a material impact on the entity and that are believed to be reasonable under the circumstances.

a) Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

i) Impairment of tangible and intangible assets

The Group determines whether tangible and intangible assets are impaired at least on an annual basis by evaluating whether indicators of impairment exist in relation to the continued use of the asset by the Consolidated Entity. Goodwill is tested for impairment on at least an annual basis. Impairment triggers include declining product or manufacturing performance, technology changes, adverse changes in the economic or political environment or future product expectations.

If an indicator of impairment exists, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use ("VIU"). The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Refer to note 13 for further details.

ii) Allowance for expected credit losses

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

iii) Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using a Black-Scholes or binomial valuation model, with the assumptions detailed in Note 19.

iv) Capitalisation of Development Costs

Judgement is required using the criteria outlined in note 1.4(j), where expenditure meets the definition of development.

The Group capitalises costs for development projects. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed when the development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project and the expected period of benefits.

Capitalised development costs have a finite life and are amortised on a systematic basis over the expected life of the asset and cease at the earlier of the date that the asset is classified as held for sale and the date that the asset is derecognised. Costs capitalised include direct payroll and payroll related costs of employees' time spent on the development projects.

v) Leased assets and liabilities

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has some lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination.

After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g. construction of significant leasehold improvements or significant customisation to the leased asset).

The Group included the renewal period as part of the lease term for some office leases with shorter non-cancellable period (i.e., three to five years). Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

Refer to Note 15 for information on potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term.

vi) Leases - Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the lessee 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

vii) Inventory - estimating impairment of inventory

The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account recent sales, the age of inventories, obsolete, slow moving inventories and other factors that affect inventory obsolescence.

viii) Deferred Tax Assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

2. New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2025. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

AASB 18 Presentation and Disclosure in Financial Statements

This standard is applicable to annual reporting periods beginning on or after 1 January 2027 and early adoption is permitted. The standard replaces IAS 1 'Presentation of Financial Statements', with many of the original disclosure requirements retained and there will be no impact on the recognition and measurement of items in the financial statements. But the standard will affect presentation and disclosure in the financial statements, including introducing five categories in the statement of profit or loss and other comprehensive income: operating, investing, financing, income taxes and discontinued operations. The standard introduces two mandatory sub-totals in the statement: 'Operating profit' and 'Profit before financing and income taxes'. There are also new disclosure requirements for 'management-defined performance measures', such as earnings before interest, taxes, depreciation and amortisation ('EBITDA') or 'adjusted profit'. The standard provides enhanced guidance on grouping of information (aggregation and disaggregation), including whether to present this information in the primary financial statements or in the notes. The consolidated entity will adopt this standard from 1 July 2027 and it is expected that there will be a significant change to the layout of the statement of profit or loss and other comprehensive income.

AVA Risk Group Limited

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3. Segment information

Description of segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments has been identified as the Board of Directors of AVA Risk Group Limited. The Group's segments were based on three separately identifiable services.

The Group operates in Detect, Access, and Illuminate, which are its reportable segments. Revenue from these divisions is recognised at the point in time that the obligations are fulfilled.

The following summary describes the operations of each reportable segment:

Detect	Manufactures and markets 'smart' fibre optic sensing systems for security and condition monitoring for a range of applications including perimeters, pipelines, conveyors, power cables and data networks.
Access	Specialises in the development, manufacture and supply of high security biometric readers, security access control and electronic locking products.
Illuminate	Specialises in the development and manufacture of illuminators, ANPR cameras and perimeter detectors.

Reportable segments

30 June 2025	Detect \$'000	Access \$'000	Illuminate \$'000	Eliminations \$'000	Consolidated \$'000
Revenue and other income					
External customers - sale of goods	16,819	4,014	6,379	-	27,212
External customers - provision of services	4,391	-	-	-	4,391
Intersegment revenue	1,078	52	8	(1,138)	-
Other income	24	5	-	-	29
Interest Income	20	17	-	-	37
Segment revenue and other income	22,332	4,088	6,387	(1,138)	31,669
EBITDA	4,926	(1,015)	(6,226)	(1,102)	(3,417)

Reconciliation to Segment operating loss

Depreciation and amortisation	(2,607)	(504)	(416)	-	(3,527)
Finance costs	(67)	(8)	(173)	-	(248)
Interest Income	20	17	-	-	37
Income tax	217	38	442	-	697
Segment operating loss	2,489	(1,472)	(6,373)	(1,102)	(6,458)

Total assets	22,964	1,765	4,875	-	29,604
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Total liabilities	3,994	482	2,954	-	7,430
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Capital expenditure	2,515	208	238	-	2,961
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30 June 2025

(b) Reportable segments (continued)

30 June 2024	Detect \$'000	Access \$'000	Illuminate \$'000	Elimination s \$'000	Consolidated \$'000
Revenue and other income					
External customers - sale of goods	15,666	5,507	6,492	-	27,665
External customers - provision of services	2,480	-	-	-	2,480
Intersegment revenue	146	-	56	(202)	-
Other income	13	4	30	-	47
Interest Income	14	12	-	-	26
Segment revenue and other income	18,319	5,523	6,578	(202)	30,218
EBITDA	(60)	(217)	(2,349)	82	(2,544)
Reconciliation to Segment operating profit (loss)					
Depreciation and amortisation	(1,337)	(727)	(387)	-	(2,451)
Finance costs	(16)	(7)	(217)	-	(240)
Interest Income	14	12	-	-	26
Income tax	(70)	(55)	131	-	6
Segment operating profit (loss)	(1,469)	(994)	(2,822)	82	(5,203)
Total assets	34,182	12,068	4,738	(14,690)	36,057
Total liabilities	4,253	623	3,473	-	8,108
Capital expenditure	1,872	610	246	-	2,728

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(c) Geographic information

	Consolidated	
	2025	2024
	\$'000	\$'000
Australia	5,785	6,333
APAC (excl Australia)	1,494	2,805
Europe	10,533	9,304
India	1,056	1,190
Middle East and North Africa	3,175	880
United States of America	9,543	7,742
Rest of world	17	1,891
Total external revenue by region	31,603	30,145

(d) Non-current operating assets

	30 June 2025	30 June 2024
	\$'000	\$'000
Australia	7,231	7,040
United Kingdom	1,394	6,667
Rest of world	720	887
Total non-current assets by region	9,345	14,594

Non-current assets for this purpose consist of property, plant and equipment, right-of-use assets, and intangible assets.

(e) Reconciliation of non-current assets

	30 June 2025	30 June 2024
	\$'000	\$'000
Non-current operating assets by region	9,345	14,594
Deferred tax assets	436	46
Total non-current assets	9,781	14,640

AVA Risk Group Limited

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4. Revenue and other income

	Consolidated	
	2025	2024
	\$'000	\$'000
(a) Revenue from contracts with customers		
Revenue from sales of goods	27,212	27,665
Revenue from provision of services	4,391	2,480
Total revenue from contracts with customers	31,603	30,145
(b) Other income		
Interest	37	26
Other income	29	47
Total other income	66	73
Total Revenues and other income	31,669	30,218
(c) Disaggregation of revenue		
Timing of revenue recognition		
Goods transferred at a point in time	27,212	27,665
Services transferred over time	4,391	2,480
Total revenue from contracts with customers	31,603	30,145

(d) Performance obligations

The Group holds contract liabilities in relation to services including extended warranty, support, commissioning and training which have been invoiced in advance with the services yet to be provided. Refer to note 17.

AVA Risk Group Limited
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	Consolidated	
	2025 \$'000	2024 \$'000
5. Income tax and deferred tax		
(a) Components of tax expense/(benefit):		
Current tax	-	(55)
Deferred tax	(697)	29
Under provision in prior year	-	20
	(697)	(6)

(b) Prima facie tax payable
The prima facie tax payable on profit/(loss) before income tax is reconciled to the income tax expense/(benefit) as follows:

Accounting loss before tax	(7,155)	(5,209)
At the Group's statutory income tax rate of 25.0%	(1,789)	(1,302)
Difference in tax rates in foreign subsidiaries	(16)	24
Tax effect of amounts which are not deductible in calculating taxable income	126	479
Adjustments in respect of current income tax of previous years	-	(20)
Utilisation of carried forward tax losses / unbooked tax losses	(433)	759
Other	1,415	54
Income tax	(697)	(6)

(c) Deferred tax	Consolidated	
	2025 \$'000	2024 \$'000
Deferred tax relates to the following:		
Losses available for offsetting against future taxable income	258	-
Temporary differences	178	46
Net Deferred tax Assets (liabilities)	436	46

Management assessed deferred tax assets and liabilities for the reporting period 30 June 2025 and their recoverability based on the forecasted taxable profits. Tax losses in Australia can be carried forward indefinitely subject to the satisfaction of either the continuity of ownership test or the alternative business continuity test. Management deemed it appropriate not to recognise any additional deferred tax assets due to uncertainty on whether those assets would be utilised against future profits generated in Australia and in foreign jurisdictions. Management will continue to assess this position each reporting period.

The Group has unutilised tax losses that arose in Australia of \$9,411,663 (2024: \$10,815,000). In addition, the Group has tax losses totalling \$7,273,174 (2024: \$12,386,000) in respect of foreign subsidiaries. The Group is currently assessing the status of carried forward losses with respect of its foreign subsidiaries.

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6. Cash and short-term deposits

	Consolidated	
	2025	2024
	\$'000	\$'000
Cash at bank and on hand	5,480	4,203
Short-term deposits	111	881
Total Cash and short-term deposits	5,591	5,084

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

Cash at banks and on hand	5,480	4,203
Short-term deposits	111	881
	5,591	5,084
Bank overdrafts	(1,510)	(1,616)
Cash and cash equivalents	4,081	3,468

Bank overdrafts

Bank overdrafts relate to existing banking facilities that GJD Manufacturing Limited uses for working capital. At 30 June 2025, the Group had available \$1,514,000 of undrawn committed facilities (2024: \$1,114,000).

7. Contributed equity

	Consolidated	
	2025	2024
(a) Ordinary shares		
Ordinary share capital, issued and fully paid	57,931	57,932
	57,931	57,932
(b) Movement in ordinary shares on issue	Number of shares	\$'000
At 1 July 2024	289,520,722	57,932
Share issue:		
On exercise of Performance Share Rights (note 19)	951,305	-
On share capital increase	-	-
Share issue costs	-	(1)
At 30 June 2025	290,472,027	57,931
At 1 July 2023	255,414,634	53,831
Share issue:		
On exercise of Performance Share Rights (note 19)	721,482	-
On share capital increase	33,384,606	4,342
Share issue costs	-	(241)
At 30 June 2024	289,520,722	57,932

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7. Contributed equity (continued)

Terms and conditions of contributed equity

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

8. Reconciliation of profit after income tax to net cash from operating activities

		Consolidated	
		2025	2024
		\$'000	\$'000
Cash at bank and on hand (net of overdrafts)	6	4,081	3,468
(a) Reconciliation to Net Cash Flow from Operations			
(Loss) Profit for the year after tax		(6,458)	(5,203)
Adjustment for non-cash income and expense items:			
Depreciation and amortisation		3,099	2,088
Impairment of goodwill		5,624	1,545
Lease amortisation		429	363
Share-Based payments (equity settled)		203	331
Unrealised foreign exchange		66	(190)
Bad debts written off and provision for impairment of receivable		349	53
Impairment on inventory		47	135
Loss on disposal of fixed asset		3	13
Contract assets		982	(1,651)
Income tax accrued			36
Other		218	(12)
<i>Changes in assets and liabilities</i>			
(Increase)/decrease in assets:			
Trade and other receivables		1,195	1,442
Other assets		(801)	84
Inventories		(59)	880
Increase/(decrease) in liabilities:			
Trade and other payables		(857)	(504)
Provisions		127	55
Net cash from operating activities		4,167	(535)
(b) Non-cash financing and investing activities			
Share-based payments		203	331
Lease additions		570	953

The Group's exposure to interest rate risk is discussed in Note 23. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of cash and cash equivalents and receivables mentioned above.

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9. Trade and other receivables

	Consolidated	
	2025	2024
	\$'000	\$'000
Trade receivables - current (gross)	6,587	7,433
Provision for expected credit loss on trade receivables (a)	(448)	(99)
Trade receivables (net)	6,139	7,334
Contract assets (d)	669	1,651
Security deposits and bonds	1	1
Other receivables (c)	29	25
Carrying amount of trade and other receivables	6,838	9,011
Movements in the expected credit loss provision were as follows:		
At 1 July	99	159
(Reversal) Charge for the year	349	53
Amounts written off	-	(113)
At 30 June	448	99

(a) Provision for impairment

In line with *AASB 9 Financial Instruments*, an expected credit loss assessment was performed as at 30 June 2025. The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

(b) Past due but not considered impaired

As at 30 June 2025, trade receivables past due but not considered impaired are: \$3,102,000 (2024:\$3,154,000). Contract assets are unbilled receivables for services that have been delivered and are not past due.

	Gross	Impairment	Gross	Impairment
	2025	2025	2024	2024
	\$'000	\$'000	\$'000	\$'000
Not past due	3,037	-	4,180	-
Past due 1 – 30 days	1,239	-	1,997	-
Past due 31-60 days	148	-	269	-
Past due 61-90 days	297	-	136	-
Past due more than 91 days	1,866	(448)	851	(99)
	6,587	(448)	7,433	(99)

(c) Other receivables

These amounts related primarily to other indirect tax refunds due from various international tax jurisdictions and other sundry debtors.

(d) Contract assets

Contract assets relate to goods and services which had been provided by the Company to the customer (and satisfied the performance obligations in line with AASB 15) but had not been billed due to the terms agreed with the customer. Hence, contract assets arise because of the timing difference between revenue recognition and the contractual payment schedule.

As at 30 June 2025, the following amounts were recognised as contract assets:

	2025	2024
	\$'000	\$'000
Balance at 1 July	1,651	-
Amount recognised	-	1.651
Transfer to trade receivables	(982)	-
Balance at 30 June	669	1,651

AVA Risk Group Limited

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10. Inventories

	Consolidated	
	2025	2024
	\$'000	\$'000
Raw materials and stores (at cost)	3,825	3,978
Work in progress (at cost)	1,520	882
Finished goods held for sale (at lower of cost and net realisable value)	1,251	1,724
Total Inventories	6,596	6,584

During financial year ended 30 June 2024 \$135,000 (2023: \$69,000) was recognised as an impairment for inventories . This is recognised in cost of raw materials and consumables used.

11. Prepayments

	Consolidated	
	2025	2024
	\$'000	\$'000
Current		
Prepayments	798	738
Total Prepayments	798	738

Prepayments are not interest bearing.

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12. Plant and equipment

Consolidated	Computer equipment \$'000	Motor vehicles \$'000	Plant and equipment \$'000	Office furniture and equipment \$'000	Demonstra- tion equipment \$'000	Total \$'000
Year Ended 30 June 2025						
Carrying amount at beginning of year	546	-	301	83	12	942
Additions	337	-	43	102	-	482
Disposals	-	-	(10)	-	-	(10)
Depreciation expense	(325)	-	(115)	(38)	(10)	(488)
Exchange adjustment	16	-	18	3	-	37
Carrying amount at end of year	574	-	237	150	2	963
At 30 June 2025						
Cost	2,167		1,737	775	2,050	6,729
Accumulated depreciation and impairment	(1,593)		(1,500)	(625)	(2,048)	(5,766)
Net carrying amount	574	-	237	150	2	963
Year Ended 30 June 2024						
Carrying amount at beginning of year	593	42	356	81	42	1,114
Additions	223	-	95	37	-	355
Disposals	(3)	(40)	(3)	(1)	(10)	(57)
Depreciation expense	(267)	(2)	(146)	(34)	(21)	(470)
Exchange adjustment	-	-	(1)	-	1	-
Carrying amount at end of year	546	-	301	83	12	942
At 30 June 2024						
Cost	1,830	50	1,704	673	2,050	6,307
Accumulated depreciation and impairment	(1,284)	(50)	(1,403)	(590)	(2,038)	(5,365)
Net carrying amount	546	-	301	83	12	942

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13 Intangible assets

(a) Reconciliation of carrying amounts

Consolidated	Goodwill \$'000	Trademarks \$'000	Development Costs \$'000	Patents \$'000	Total \$'000
Year ended 30 June 2025					
Carrying amount at beginning of year	6,057	199	6,376	166	12,798
Additions	-	-	2,541	3	2,544
Disposals	-	-	-	-	-
Amortisation	-	(58)	(2,499)	(53)	(2,610)
Impairment of assets	(5,624)	-	-	-	(5,624)
Exchange adjustment	269	-	(64)	-	205
Carrying amount at end of year	702	141	6,354	116	7,313
At 30 June 2025					
Cost (gross carrying amount)	7,871	861	15,479	2,514	26,725
Accumulated amortisation	-	(720)	(9,125)	(2,251)	(12,096)
Accumulated impairment charge	(7,169)	-	-	(147)	(7,316)
Net carrying amount	702	141	6,354	116	7,313
Year ended 30 June 2024					
Carrying amount at beginning of year	7,617	262	5,484	221	13,584
Additions	-	-	2,368	5	2,373
Disposals	-	-	-	-	-
Amortisation	-	(63)	(1,494)	(60)	(1,617)
Impairment of assets	(1,545)	-	-	-	(1,545)
Exchange adjustment	(15)	-	18	-	3
Carrying amount at end of year	6,057	199	6,376	166	12,798
At 30 June 2024					
Cost (gross carrying amount)	7,602	861	13,002	2,511	23,976
Accumulated amortisation	-	(662)	(6,626)	(2,198)	(9,486)
Accumulated impairment charge	(1,545)	-	-	(147)	(1,692)
Net carrying amount	6,057	199	6,376	166	12,798

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14. Carrying value of non-financial assets

For assets excluding goodwill, an assessment is made each reporting period to determine whether there is an indicator of impairment.

Goodwill Allocation	Illuminate	Access	Total
At 1 July 2024	5,355	702	6,057
Impairment of assets	(5,624)	-	(5,624)
Impact of foreign currency	269	-	269
At 30 June 2025	-	702	702

Key assumptions and estimates

The recoverable amount of the cash-generating unit is determined based on value-in-use calculations, unless there is evidence to support a higher fair value less cost of disposal.

The Group has three identifiable CGUs, Detect, Access and Illuminate

Each CGU was tested for impairment in accordance with the Group's accounting policies, using a value in use methodology.

Key Assumptions	Description			
Future cash flows	VIU calculations, inclusive of working capital movements and forecast capital expenditure based on financial projections approved by the Board for the three years, with detailed management forecasts used in years 4 – 5, then reverting to a terminal value of 2%.			
Discount rate	A discount rate was applied to cash flow projection assessed to reflect the time value of money and the perceived risk profile of the stage of the business.			
		Detect	Access	Illuminate
	Pre-tax discount rates:	18.5%	20.14%	21.2%
	Post-tax discount rates:	13.91%	15.11%	15.90%
Revenue growth	Forecast growth in year 1 is based on Board approved projections, and detailed assessed conversion of known revenue opportunities for the business. Years 2 – 5 assume growth is achieved within existing business markets and geographies, along with expansion of the business into new markets and geographies.			
Gross margins	Forecasting consistent gross margins over the life of the model relative to historic gross margins achieved.			

An impairment charge of \$5,624,000 was recorded for the Illuminate CGU. When performing impairment test for Goodwill management considered its revenue was lower than forecast for FY2025 and consequently lowered the revenue forecast for subsequent years. After this impairment adjustment there is no longer any Goodwill attributable to the CGU.

The directors have made judgements and estimates in respect of impairment testing of the Access CGU. Should these judgements and estimates not occur the resulting goodwill carrying amount may decrease.

The Access CGU is sensitive to assumptions around future revenue growth. A reduction in expected revenue growth of more than 5% across all years including the terminal value would trigger an impairment charge, with all other assumptions remaining constant.

Management believes that other reasonable changes in the key assumptions on which the recoverable amount of the Access CGU is based on would not cause the CGU's carrying amount to exceed its recoverable amount.

15 Leases

Group as a lessee

The Group has lease contracts for office space, IT equipment and vehicles used in its operations. Leases of office space and IT equipment generally have lease terms between 3 and 5 years, while motor vehicles generally have lease terms between 3 and 4 years. The Group’s obligations under its leases are secured by the lessor’s title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets. The Group also has certain leases of office space and IT equipment with lease terms of 12 months or less and leases with low value. The Group applies the ‘short-term lease’ and ‘lease of low-value assets’ recognition exemptions for these leases.

Amounts recognised in the statement of financial position and profit or loss

Consolidated	Right-of-use assets			Lease liabilities
	Office Space & Equipment	Motor Vehicles	Total	
	\$000	\$000	\$000	\$000
As at 1 July 2024	828	26	854	(866)
Additions	570	-	570	(570)
Depreciation expense	(414)	(15)	(429)	-
Exchange adjustments	71	3	74	13
Interest expense	-	-	-	(48)
Payments	-	-	-	412
As at 30 June 2025	1,055	14	1,069	(1,059)
As at 1 July 2023	223	40	263	(289)
Additions	953	-	953	(953)
Depreciation expense	(350)	(14)	(364)	-
Exchange adjustments	2	-	2	(41)
Interest expense	-	-	-	(38)
Payments	-	-	-	455
As at 30 June 2024	828	26	854	(866)

The classification of lease liabilities is set out below:

	2025 \$'000	2024 \$'000
Current	447	326
Non-Current	612	540
As at 30 June	1,059	866

15 Leases (continued)

The following are the amounts recognised in profit or loss:

	Consolidated	
	2025	2024
	\$'000	\$'000
Depreciation expense of right-of-use assets	429	364
Interest expense on lease liabilities	48	38
Expense relating to short term leases	91	74
Total amount recognised in profit and loss	568	476

Short term leases include rental of temporary storage and office space which have a lease term of 12 months or less.

16 Trade and Other Payables

	Consolidated	
	2025	2024
	\$'000	\$'000
Current		
Trade payables	1,360	1,608
Accruals and other payables	1,130	1,322
Total Trade and Other Payables	2,490	2,930

Trade, accruals and other payables are non-interest bearing and normally settled on 14 – 60 day terms.

17 Contract liabilities

	Consolidated	
	2025	2024
	\$'000	\$'000
Contract liabilities		
Balance at 1 July	799	707
Deferred during year	1,766	875
Recognised as revenue in the year	(1,918)	(783)
Balance at 30 June	647	799
Due within 1 year	232	394
Due after more than 1 year	415	405
Balance at 30 June	647	799

Contract liabilities relate to deferred revenue for customers that have been billed in advance but the service has yet to be provided. The contract liability balance represents performance obligations which have yet to be met and therefore have not been recognised as revenue during the year.

Revenue recognised of \$1,918,000 (2024: \$783,000) in the year represents performance obligations which have been met during the financial year in relation to contract liabilities held at year-end.

18 Provisions

	2025	2024
	\$'000	\$'000
Current		
Employee entitlements – annual leave	860	770
Employee entitlements – long service leave	297	267
Provision for warranty claims	216	230
Total Current Provisions	1,373	1,267
Non-current		
Employee entitlements – long service leave	119	91
Total Non-Current Provisions	119	91

(a) Movements in Warranty provisions

	2025	2024
	\$'000	\$'000
Consolidated		
At 1 July	230	175
Arising during the year	2	116
Provision used during the year	(19)	(63)
Exchange adjustments	3	2
At 30 June	216	230
Current	216	230
Non-current	-	-
At 30 June	216	230

(b) Nature and timing of provisions

i. Warranty provision

Warranties include predominantly provision booked for probable claims by customers for product faults as well as provision for claimable warranty for other goods and services sold by the Group.

ii. Employee Entitlements

Refer to Note 1.4(g) for the relevant accounting policy and a discussion of the significant estimations and assumptions applied in the measurement of long-service leave, which is part of this provision. This provision also includes provision booked for employees who earn but are yet to use their vacation entitlements. This amount includes on-costs for pension and superannuation, worker's compensation insurance and payroll tax.

19. Share-based payments

The Group continued to offer Employee participation in share-based incentive schemes as part of the remuneration packages for the employees (EP) and Key Management (KMPs) and the CEO of the Group.

No Share based payments have been issued between balance date and the date of this report.

(a) Expense arising from equity-settled share-based payment transactions

	Consolidated	
	2025	2024
	\$'000	\$'000
Performance Shares	203	331

(b) Performance rights held

The movements in Performance Share Rights are noted below:

	2025 Number	2025 WAEP	2024 Number	2024 WAEP
Outstanding 1 July	4,922,691	\$nil	2,812,876	\$nil
Granted during the year	6,350,000	\$nil	3,304,603	\$nil
Forfeited/Other movements during the year	(2,814,616)	\$nil	(473,306)	\$nil
Exercised during the year	(951,305)	\$nil	(721,482)	\$nil
Outstanding 30 June	7,506,770	\$nil	4,922,691	\$nil

PSRs Granted

During the year ended 30 June 2025, the Company granted performance rights as part of remuneration to senior executives and key employees. The fair value of the performance rights was based on the Monte Carlo pricing model.

Senior Executives and key employees were issued a total of 6,350,000 performance rights (2024: 3,304,603). The performance rights have a nil exercise price and are split into tranches with multiple vesting dates. The vesting conditions of the performance rights are based on the achievement of financial targets and a share price hurdle and the executive has to be present on the vesting dates.

Non-Executive Directors were issued a total 600,000 performance rights (2024: 600,000). The performance rights have a nil exercise price and vesting conditions are based on share price

19. Share-based payments (continued)

The table below provides a description of each of the plans:

Plan	KMP Plan	CEO Plan	Non-Executive Plan
Type	Long-Term incentive	Long-Term incentive	Long-Term incentive
Overview of market vesting condition	Financial result and share price	Financial result and share price	Share price
Service vesting condition	Employed at date of vesting	Employed at date of vesting	None.
Valuation method	Monte Carlo	Monte Carlo	Monte Carlo

The table below provides a description of the Fair value and assumptions for the plans issued in FY 25.

Plan	KMP Plan	CEO Plan	Non-Executive Plan
Grant date	9-Sep-24	31-Oct-24	31-Oct-24
Total fair value	\$33,825	\$88,180	\$15,780
Vesting dates	31 August 2026, 31 August 2027	31 August 2026, 31 August 2027	31 August 2026, 31 August 2027
Share price at Grant date	\$0.093	\$0.130	\$0.130
AVA Share Price Hurdles	\$0.24	\$0.24	\$0.24
Expected volatility	63%	64%	64%
Expected Dividend yield	5.32%	3.85%	3.85%
Risk free Rate	3.59%	4.04%	4.05%

Time based PSRs granted to the CEO

The Company granted 1,000,000 performance rights as part of remuneration to the CEO. The PSRs are time-based and they vest in three equal tranches on the condition that the CEO is employed on 9 January 2024, 2025, 2026 respectively. The Binomial model was used to value the PSRs and the total fair value is \$187,000. Below are the assumptions:

Grant date	26 October 2023
Vesting dates	9 January 2024, 2025, 2026
Share price at Grant date	\$0.1875
Expected volatility	60%
Risk free Rate	4.40%

20. Earnings per Share

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

(a) Profit used in calculating earnings per share	2025	2024
For basic and diluted loss per share:	\$'000	\$'000
Net loss after tax from continuing operations	(6,458)	(5,203)
Profit after tax from discontinued operations	-	-
Net loss after tax from continuing operations	<u>(6,458)</u>	<u>(5,203)</u>
(b) Weighted average number of shares	2025	2024
	Number	Number
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	290,155,103	263,388,380
<i>Adjustments for calculation of diluted earnings per share</i>		
Dilutive share options / performance rights	-	-
Weighted average number of ordinary shares adjusted for the effect of dilution used as the denominator in calculating diluted earnings per share	<u>290,155,103</u>	<u>263,388,380</u>
(c) i. Earnings per share from continuing operations	2025	2024
	\$'000	\$'000
Basic loss earnings per share	(2.23)	(1.98)
Diluted loss earnings per share	<u>(2.23)</u>	<u>(1.98)</u>
ii. Earnings per share attributable to the shareholders of AVA Risk Group Limited		
Basic (loss) per share	(2.23)	(1.98)
Diluted (loss) per share	<u>(2.23)</u>	<u>(1.98)</u>

Basic profit per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

21. Dividends

	Consolidated	
	2025	2024
	\$'000	\$'000
Special dividend at the rate of 0.17 cents per share, paid on 15 December 2023	-	(436)
	-	(436)

22. Reserves

Share based payment Reserve

The share based payment reserve is used to record the value of share-based payments provided to employees and directors as part of their remuneration and options or performance rights granted as part of other agreements.

Foreign exchange translation reserve

This reserve is used to record the unrealised exchange differences arising on translation of a foreign entity and is not distributable.

Other equity reserve

Other equity represents the difference between the fair value of ordinary shares issued to acquire non-controlling interest and the initial value of non-controlling interests.

23. Financial Risk Management

(a) Capital Management

When managing capital, management’s objective is to ensure the Consolidated Entity continues to maintain optimal returns to shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity.

The Group’s debt and capital includes ordinary share capital and financial liabilities, supported by financial assets.

Management adjusts the capital structure to take advantage of favourable costs of capital or high returns on assets. As the market is constantly changing, management may change the amount of dividends to be paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Management monitor capital through the gearing ratio (net debt / total capital). Net debt is calculated as total borrowings (including trade and other payables) as shown in the balance sheet less cash and cash equivalents. The gearing ratios based on continuing operations at 30 June 2025 and 2024 were as follows:

23. Financial Risk Management (continued)

(a) Capital Management (continued)

		Consolidated	
		2025	2024
		\$'000	\$'000
Payables		2,490	2,930
Borrowings		1,742	2,155
Lease liabilities		1,059	866
Total borrowings		5,291	5,951
Less cash and cash equivalents	6	5,591	5,084
Net borrowings / (cash)		(300)	867
Total equity		22,174	27,949
Total capital		21,874	28,816
Gearing ratio		-1%	3%

(b) Risk exposure and responses

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

The main risks arising from the Group's financial instruments are interest rate risk, currency risk, credit risk, and liquidity risk. The Group uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rate risk and assessments of market forecasts for interest rate. Monitoring levels of exposure to various foreign currencies and assessments of market forecasts for foreign currency exchange rates. Ageing analyses and monitoring of specific credit allowances are undertaken to manage credit risk; liquidity risk is monitored through the development of future rolling cash flow forecasts. The Board reviews and agrees policies for managing each of the risks as summarised below.

Primary responsibility for identification and control of financial risks rests with the Audit & Risk Committee under the authority of the Board. The board reviews and agrees policies for managing each of the risks identified below, including hedging of foreign currency and interest rate risk, credit allowances, and future cash flow forecast projections.

(i) Interest rate risk on interest-bearing loans and borrowings

The Group's main interest rate risk relates primarily to the Group's cash and cash equivalents held in interest bearing accounts. At reporting date, the Group had the following mix of financial assets and liabilities exposed to Australian and United Kingdom interest rate risk.

	Interest rate	Maturity	2025	2024
Current interest-bearing loans and bori	%		\$'000	\$'000
Lease Liabilities	3.5%-8.6%	2023	447	326
Bank overdrafts	8.50%	2024	1,510	1,616
GBP 250,000 loan - White Oak	7.95%	2025	-	125
GBP 350,000 loan - HSBC	3.99%	2025	147	133

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GBP 150,000 loan - Funding Circle	5.00%	2026	85	78
Total			2,189	2,278
Non-current interest-bearing loans and borrowings				
Lease Liabilities	3.5%-8.6%	2023-2029	612	540
GBP 250,000 loan - White Oak	7.95%	2025	-	-
GBP 350,000 loan - HSBC	3.99%	2025	-	133
GBP 150,000 loan - Funding Circle	5.00%	2026	-	70
Total			612	743

The Group's policy is to manage its finance costs using a mix of fixed and variable rate debt where possible.

Sensitivity analysis

The Group constantly analyses its interest rate exposure. Within this analysis consideration is given to potential renewals of existing positions, alternative financing, and the mix of fixed and variable interest rates.

The following sensitivity analysis is based on the interest rate risk exposures in existence at the reporting

At 30 June 2025, and at 30 June 2024, if interest rates had moved, as illustrated in the table below, with all other variables held constant, post tax profit / (losses) and equity would have been affected as follows:

Judgments of reasonably possible movements*:	Post Tax Profit Higher/(Lower)		Equity Higher/(Lower)	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Consolidated				
+ 1% increase in interest rates	(20)	(21)	(20)	(21)
- 0.5% decrease in interest rate	10	11	10	11

* A 1% increase and a 0.5% decrease is used and represents management's assessment of the reasonably possible change in interest rates.

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in United States Dollar and British Pound exchange rates.

The Group's exposure to foreign currency risk at the end of the reporting period, expressed in Australian dollars was as follows:

	USD \$'000	GBP \$'000	Total \$'000
30 June 2025			
Cash and cash equivalents	4,490	49	4,539
Trade receivables	2,896	421	3,317
Trade payables	(283)	(923)	(1,206)
Borrowings	(902)	(2,187)	(3,089)
Total exposure	6,201	(2,640)	3,561
30 June 2024			
Cash and cash equivalents	790	124	914
Trade receivables	3,878	655	4,533

AVA Risk Group Limited

Notes to the Consolidated Financial Statements

30 June 2025

Trade payables	(227)	(748)	(975)
Borrowings	(1,005)	(1,657)	(2,662)
Total exposure	3,436	(1,626)	1,810

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in the USD and GBP exchange rate with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Group's exposure to foreign currency changes for all other currencies is not material.

USD and GBP	% Change in rate	Effect on profit/(loss) before tax		Effect on equity	
		USD	GBP	USD	GBP
		\$'000	\$'000	\$'000	\$'000
30 June 2025	10%	434	(185)	434	(185)
	-10%	(434)	185	(434)	185
30 June 2024	10%	241	(114)	241	(114)
	-10%	(241)	114	(241)	114

(iii) Credit risk

Credit risk arises from the financial assets of the Group, which comprise cash and cash equivalents, trade and other receivables (including contract assets). The Group's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of these instruments, net of any provisions for expected credit losses of those assets. Exposure at balance date is addressed in each applicable note.

The Group does not hold any credit derivatives to offset its credit exposure.

The Group trades only with recognised, creditworthy third parties, and as such collateral is not requested nor is it the Group's policy to securitise its trade and other receivables.

It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures including an assessment of their financial position, past experience and industry reputation.

In addition, receivable balances are monitored on an ongoing basis.

(iv) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Group monitors its risk of a shortage of funds using cash flow forecasting and liquidity planning.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of variety of equity and debt instruments.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivatives financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. The remaining contractual maturities of the Group's financial liabilities are:

AVA Risk Group Limited
Notes to the Consolidated Financial Statements
30 June 2025

Financial liabilities	2025	2024
	\$'000	\$'000
12 months or less, include		
Cash and cash equivalents	5,591	5,084
Trade and other receivables	6,169	7,360
	11,760	12,444
12 months or less ¹ , include:		
Trade and other payables	(2,490)	(2,930)
Borrowings	(1,742)	(1,952)
Lease liabilities	(447)	(326)
	(4,679)	(5,208)
1-5 years, include		
Borrowings	-	(203)
Lease liabilities	(612)	(540)
	(612)	(743)
Total contractual cash flows	6,469	6,493

¹Includes lease liabilities, trade and other payables and borrowings.

Fair value

The fair value of financial assets and financial liabilities approximate their carrying amounts as disclosed in the consolidated statement of financial position and notes to the consolidated financial statements.

24. Related party disclosure

(a) Subsidiaries

Name	Country of Incorporation	Principal Activity	% Equity Interest	
			2025	2024
Parent Entity				
Ava Risk Group Limited	Australia	Manufacture and sale	100	100
Subsidiaries of AVA Risk Group Limited				
FFT MENA Pty Limited	Australia	Holding company	100	100
Future Fibre Technologies (US) Inc.	USA	Sales Support and maintenance	100	100
MaxSec Group Pty Limited	Australia	Holding company	100	100
Subsidiaries of FFT MENA Pty Limited				
Future Fibre Technologies MENA FZ-LLC (in Liquidation)	U.A.E	-	100	100
Future Fibre Technologies Europe Limited	United Kingdom	Sales Support and maintenance	100	100
FFT India Pvt Limited	India	Sales Support and maintenance	100	100
Subsidiaries of MaxSec Group Pty Limited				
BQT Intelligent Security Systems Pty Limited	Australia	Dormant	60	60
4C Satellites Limited	Australia	Dormant	60	60
BQT Solutions (Australia) Pty Limited	Australia	Sales Support and maintenance	100	100
BQT Solutions (SEA) Pte Limited	Singapore	Sales Support and maintenance	100	100
BQT Solutions (UK) Limited (in Liquidation)	United Kingdom	Access Control	100	100
Subsidiaries of BQT Solutions (SEA) Pte Limited				
BQT Solutions (NZ) Limited	New Zealand	Manufacture and sale	100	100
MTD Holdings Limited (in Liquidation)	United Kingdom	Holding company	100	100
GJD Manufacturing Limited	United Kingdom	Manufacture and sale	100	100
Subsidiaries of BQT Solutions (UK) Limited				
BQT Solutions America Inc (in Liquidation)	USA	Sales Support and maintenance	100	100

Transactions between the Company and its subsidiaries principally arise from the granting of loans and the provision of sales support and other services. All transactions undertaken during the financial year with subsidiaries are eliminated in the consolidated financial statements.

(b) Ultimate parent

AVA Risk Group Limited is the ultimate Australian parent entity and the ultimate parent of the Group.

(c) Terms and conditions of transactions with related parties

Sales to and purchases from related parties are made in arm’s length transactions both at normal market prices and on normal commercial terms unless otherwise stated.

25 Key Management Personnel

(a) Compensation for Key Management Personnel

	Consolidated	
	2025	2024
	\$	\$
Short-term employee benefits	1,174,292	1,382,633
Post-employment and other long-term benefits	68,335	74,540
Share-based payments	133,769	193,186
Total compensation	1,386,055	1,650,359

(b) Loans to/from Key Management Personnel

There were no loans to directors or key management personnel during the year ending 30 June 2025 (2024: nil).

(c) Other transactions and balances with Key Management Personnel and their related parties

Directors

During the current and previous financial year, the Group transacted with related entities of directors, other than in their capacity as director as follows:

The Consolidated Entity purchased consulting services from Pierce Asia Pty Ltd and Pierce Group Asia Pte Ltd, related entities through Chairman and Non-Executive Director, David Cronin, for an amount of \$259,482 (2024: \$259,228). Accounts Payable balance at 30 June 2025 totals \$17,251 (2024: \$nil). These arrangements were in the normal course of business and included amounts related to the provision of consultancy and administration services, and general office expenses provided by the related entities for the benefit of the Consolidated Entity.

There were no other transactions with other KMP during the year ended 30 June 2025 (FY2024: none).

(a) Recognised share-based payment expense

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

	Consolidated	
	2025	2024
	\$000	\$000
Expenses arising from equity-settled share-based payment transactions:		
As compensation for KMPs	134,869	193,186
As compensation to employees	68,172	137,202
Total share-based payments	203,041	330,388

25 Key Management Personnel (Continued)

(b) Types of share-based payments

FY 25 Grants

Senior Executive Grants

During the financial year ended 30 June 2025, the Company granted performance rights as part of remuneration to two senior executives, Malcolm Maginnis and Neville Joyce.

	Number of performance rights awarded	Grant date	Fair value at Grant date \$	Vesting dates	Vesting conditions
Malcolm Maginnis	200,000	31-Oct-24	0.121	31-Aug-26	EBITDA hurdle
	200,000	31-Oct-24	0.117	31-Aug-27	EBITDA hurdle
	300,000	31-Oct-24	0.026	31-Aug-26	EBITDA and share price hurdle
	300,000	31-Oct-24	0.025	31-Aug-27	EBITDA and share price hurdle
	500,000	31-Oct-24	0.026	31-Aug-26	EBITDA and share price hurdle
	500,000	31-Oct-24	0.025	31-Aug-27	EBITDA and share price hurdle
Neville Joyce	150,000	9-Sep-24	0.084	31-Aug-26	EBITDA hurdle
	150,000	9-Sep-24	0.079	31-Aug-27	EBITDA hurdle
	225,000	9-Sep-24	0.008	31-Aug-26	EBITDA and share price hurdle
	225,000	9-Sep-24	0.008	31-Aug-27	EBITDA and share price hurdle
	375,000	9-Sep-24	0.008	31-Aug-26	EBITDA and share price hurdle
	375,000	9-Sep-24	0.007	31-Aug-27	EBITDA and share price hurdle

The fair value of each performance right was calculated using an option pricing model as discussed in note 19.

Non-Executive Directors Grants

FY 25 Grants

During the financial year ended 30 June 2025, the Company 200,000 granted performance rights each as part of remuneration to three Non-Executive directors David Cronin, Mark Stevens, and Michael McGeever.

The performance rights issued to the Non-Executive directors vest on 31 August subject to the Company's market traded share price hurdle and continuity of service with the Company.

25 Key Management Personnel (Continued)

(c) Summaries of performance rights and share options granted to KMPs

	2025 Number	2024 Number
ii. Performance Share Rights		
Outstanding at the beginning of the year	3,532,687	154,650
Granted during the year	4,100,000	4,270,529
Exercised during the year	(385,659)	(342,493)
Forfeited, lapsed and other movements during the year	(2,286,719)	(549,999)
Total share-based payments	4,960,309	3,532,687

26 Commitments, Contingent Assets and Liabilities

There are no commitments, contingent assets or liabilities at the date of this report.

AVA Risk Group Limited

Notes to the Consolidated Financial Statements

30 June 2025

27 Parent Entity Information

(a) Summary financial information

The individual financial statements for the parent entity show the following aggregate amounts:

Ava Risk Group Limited	2025	2024
Summarised statement of financial position	\$'000	\$'000
ASSETS		
Current Assets	11,451	5,889
Non-Current Assets	17,628	26,394
Total Assets	29,079	32,283
LIABILITIES		
Total Current Liabilities	5,986	3,285
Total Non-Current Liabilities	985	433
TOTAL LIABILITIES	6,971	3,718
NET ASSETS	22,108	28,565
EQUITY		
Contributed Equity	57,931	57,932
Accumulated losses	(38,324)	(31,742)
Reserves	2,501	2,375
TOTAL EQUITY	22,108	28,565

Ava Risk Group Limited	2025	2024
Summarised statement of comprehensive income	\$'000	\$'000
(Loss) Profit for the year	(2,453)	(1,999)
Other comprehensive income for the year	-	-
Total comprehensive (loss) income of the parent entity	(2,453)	(1,999)

(b) Guarantees entered into by the parent entity

The parent entity has not provided any financial guarantees in respect of subsidiaries entities.

(c) Contingent liabilities of the parent entity

There are no commitments, contingent assets or liabilities at the date of this report.

(d) Material accounting policy information

The accounting policies og the parent entity are consistent with those of the consolidated entity, as disclosed in Note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

AVA Risk Group Limited

Notes to the Consolidated Financial Statements

30 June 2025

28	Auditors Remuneration	Consolidated	
		2025	2024
		\$	\$
	Amounts received or due and receivable by the company’s auditor for:		
	Audit Services - BDO Audit Pty Ltd		
	Audit or review of the financial statements	327,150	291,500
	Other services		
	Fees for other services - BDO Services Pty Ltd		
	Tax compliance	21,930	23,500
		349,080	315,000

29 Events after the Balance Date

No matters of circumstances have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in future financial years.

AVA Risk Group Limited
Consolidated entity disclosure statement as at 30 June 2025

Name	Entity type	Country of Incorporation	% share capital held 2025	Australian resident for tax purposes	Foreign jurisdiction
Parent Entity					
Ava Risk Group Limited	Body corporate	Australia	N/A	Yes	N/A
Subsidiaries of Ava Risk Group Limited					
FFT MENA Pty Limited ⁽¹⁾	Body corporate	Australia	100	Yes	N/A
Future Fibre Technologies (US) Inc.	Body corporate	USA	100	No	USA
MaxSec Group Pty Limited ⁽¹⁾	Body corporate	Australia	100	Yes	N/A
Subsidiaries of FFT MENA Pty Limited					
Future Fibre Technologies MENA FZ-LLC (in Liquidation)	Body corporate	U.A.E	100	No	U.A.E
Future Fibre Technologies Europe Limited	Body corporate	United Kingdom	100	No	United Kingdom
FFT India Pvt Limited	Body corporate	India	100	No	India
Subsidiaries of MaxSec Group Pty Limited					
BQT Intelligent Security Systems Pty Limited ⁽¹⁾	Body corporate	Australia	60	Yes	N/A
4C Satellites Limited ⁽¹⁾	Body corporate	Australia	60	Yes	N/A
BQT Solutions (Australia) Pty Limited ⁽¹⁾	Body corporate	Australia	100	Yes	N/A
BQT Solutions (SEA) Pte Limited	Body corporate	Singapore	100	No	Singapore
BQT Solutions (UK) Limited	Body corporate	United Kingdom	100	No	United Kingdom
Subsidiaries of BQT Solutions (SEA) Pte Limited					
BQT Solutions (NZ) Limited	Body corporate	New Zealand	100	No	New Zealand
MTD Holdings Limited (in Liquidation)	Body corporate	United Kingdom	100	No	United Kingdom
GJD Manufacturing Limited	Body corporate	United Kingdom	100	No	United Kingdom
Subsidiaries of BQT Solutions (UK) Limited					
BQT Solutions America Inc	Body corporate	USA	100	No	USA

(1) This entity is part of a tax-consolidated group under Australian taxation law, for which Ava Risk Group Limited is the head entity.

None of the entities disclosed was a trustee of a trust within the consolidated entity, a partner in a partnership within the consolidated entity, or a participant in a joint venture within the consolidated entity.

This Consolidated Entity Disclosure Statement (CEDS) has been prepared in accordance with the Corporations Act 2001. It includes certain information for each entity that was part of the consolidated entity at the end of the financial year.

In determining tax residency, the consolidated entity has applied the following interpretations:

- (a) The consolidated entity has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5 to determine the Australian tax residency or foreign tax residency.
- (b) Tax advisors are used to ensure compliance with applicable foreign tax legislation.

Directors' Declaration

In accordance with a resolution of the directors of AVA Risk Group Limited, I state that:

1. In the opinion of the directors
 - (a) the financial statements, notes and the additional disclosures included in the directors' report designated as audited, of the Consolidated Entity are in accordance with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements including:
 - (i) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2025 and of its performance for the year ended on that date; and
 - (ii) complying with International Financial Reporting Standards Accounting Standards as stated in Note 1.1 of the consolidated financial statements; and
 - (b) the Consolidated entity disclosure statement as at 30 June 2025 set out on pages 80 is true and correct; and
 - (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. This declaration has been made after receiving the declarations required to be made by the chief executive officer and chief financial officer to the directors in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2025.

On behalf of the Board



David Cronin
Chairman
27-Aug-25

For personal use only

INDEPENDENT AUDITOR'S REPORT

To the members of AVA Risk Group Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of AVA Risk Group Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2025 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Capitalisation of development costs

Key audit matter	How the matter was addressed in our audit
<p>As disclosed in Note 13, the Group capitalised development costs in relation to their respective product development projects.</p> <p>The Australian Accounting Standards require development costs to be capitalised only under specific circumstances, including:</p> <ul style="list-style-type: none"> • It is technically feasible to complete the intangible asset; • There is clear intention to complete; • There are adequate technical, financial and other resources to complete the asset; • Future economic benefits are probable; and • Expenditure can be measured reliably. <p>This is a key audit matter as significant judgment is required to establish the point at which capitalisation should commence, the nature of costs to be capitalised, the point at which capitalisation should cease and amortisation should commence.</p>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> • Performing walkthrough procedures to understand the process of capitalisation and the nature of costs incurred. • For a sample of projects, testing of whether the capitalised costs relate to a technologically feasible product, assessing the future economic benefits to be generated by the product and the useful economic life assigned. • For labour costs capitalised, agreeing a sample of costs back to underlying payroll records and obtaining a sample of timesheet confirmations from employees to verify that the time charged to projects is accurate. • Evaluating the reasonableness of the useful life of development costs classified as intangible assets and recalculating the amortisation charges on a sample basis to verify whether they are in accordance with the useful economic life assigned by management. • Assessing the appropriateness of disclosures included in the financial report with reference to the requirements of Australian Accounting Standards.

Impairment of goodwill and other intangible assets

Key audit matter	How the matter was addressed in our audit
<p>As disclosed in Notes 13 and 14, at 30 June 2025 the Group has intangible assets related to trademarks, patents, development costs and goodwill.</p> <p>Goodwill and other intangible assets are assessed for impairment annually and when there are indicators of impairment.</p> <p>This is a key audit matter because the impairment assessment process is complex and is required to be carried out at the level of the lowest identifiable cash generating units ('CGUs'). The assessment requires significant judgements and includes assumptions that are based on future operating results, discount rates and the broader market conditions in which the Group operates.</p>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> Obtaining an understanding of the process that management undertook to perform its impairment assessment. Evaluating the level at which goodwill is monitored for impairment, including the identification of CGUs. <p>In conjunction with our internal valuation specialists, we:</p> <ul style="list-style-type: none"> Evaluated the value-in-use models prepared by management and assessed the reasonableness of the assumptions used to calculate the discount rates, growth rates, terminal values and allocation of corporate costs. Agreed the forecasted cashflows for FY26 to the latest Board approved budget. Assessed historical forecasting accuracy. Compared the market capitalisation of the Group to the consolidated net assets at balance date. Confirmed the integrity and mathematical accuracy of the value-in-use discounted cashflows models. Subjected the growth and discount rates assumptions to sensitivity analysis. Verified the accuracy of any impairment charges recorded for the year ended 30 June 2025. Assessed the appropriateness of the disclosures in the financial report with reference to the requirements of Australian Accounting Standards.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2025, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of:

- a) the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and
- b) the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001, and

for such internal control as the directors determine is necessary to enable the preparation of:

- i) the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

https://www.auasb.gov.au/media/bwvjcgre/ar1_2024.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report


We have audited the Remuneration Report included in page 20 to 34 of the directors' report for the year ended 30 June 2025.

In our opinion, the Remuneration Report of AVA Risk Group Limited, for the year ended 30 June 2025, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit Pty Ltd

The block contains a handwritten signature in black ink. Above the signature, the letters 'BDO' are written in a simple, hand-drawn style.

Wai Aw
Director

Melbourne, 27 August 2025

Shareholder Information

Distribution of equity securities (as at 6 August 2025)

Ordinary Share Capital

290,472,026 fully paid ordinary shares are held by 2,861 shareholders. All issued ordinary shares carry one voter per share and carry the rights to dividends.

The number of shareholders, by size of holding, in each class are:

Size of Shareholding	Number of holders	Ordinary Shares held	% of issued share capital
1-1,000	315	141,997	0.050
1,001-5,000	825	2,387,459	0.820
5,001-10,000	476	3,798,964	1.310
10,001-100,000	950	33,566,969	11.560
100,001-9,999,999,999	295	250,576,637	86.270
Totals	2,861	290,472,026	100.000

The number of shareholders holding less than a marketable parcel of 5,000 (based on a the share price of \$0.08 on 6 August 2025) is 1,140 and they hold 2,529,456 shares.

Substantial shareholders (as at 6 August 2025)

Fully paid ordinary shares		
Name of Shareholders	Number of shares	% of issues share capital
BELL POTTER NOMINEES LTD <BB NOMINEES A/C>	31,950,717	11.00%
BNP PARIBAS NOMS PTY LTD	15,979,254	5.50%
MR STEPHEN ROSS CAREW <BMS A/C>	15,000,000	5.16%
	62,929,971	21.66%

Twenty largest shareholders (as at 6 August 2025)

	Name of Shareholders	Number of	% of issues
1	BELL POTTER NOMINEES LTD <BB NOMINEES A/C>	31,950,717	11.00%
2	BNP PARIBAS NOMS PTY LTD	15,979,254	5.50%
3	MR STEPHEN ROSS CAREW <BMS A/C>	15,000,000	5.16%
4	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	13,459,338	4.63%
5	BANNABY INVESTMENTS PTY LIMITED <BANNABY SUPER FUND A/C>	9,948,859	3.43%
6	DIXSON TRUST PTY LIMITED	9,032,306	3.11%
7	VALWREN PTY LIMITED <WFIT A/C>	6,000,000	2.07%
8	VALWREN PTY LIMITED <SANDY FAMILY INVESTMENT A/C>	6,000,000	2.07%
9	CHAG PTY LTD	5,930,769	2.04%
10	BFA SUPER PTY LTD <GDN SUPERANNUATION FUND A/C>	4,612,850	1.59%
11	MR DAVID MALCOLM SOUTH	4,250,000	1.46%
12	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	4,160,978	1.43%
13	MARK IAN TIBBENHAM	3,600,000	1.24%
14	GOVINDARAJALOO NARASIMOOLOO	3,180,027	1.09%
15	BFA SUPER PTY LTD <GDN SUPER FUND A/C>	3,000,000	1.03%
16	GOLDRUSH FUND PTY LTD <GOLDRUSH A/C>	3,000,000	1.03%
17	MR ATHAR JAMEEL BHUTTO	2,677,777	0.92%
18	CHERYL LEE TAPANES	2,600,000	0.90%
19	BANNABY INVESTMENTS PTY LTD <BANNABY SUPER FUND A/C>	2,560,244	0.88%
20	MR RUOBING ZHANG <ZHANG FAMILY A/C>	2,158,723	0.74%
		149,101,842	51.33%

Voting rights

All ordinary shares (whether fully paid or not) carry one vote per share without restriction.