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

ANNUAL REPORT
FOR THE YEAR ENDED 30 JUNE 2026

DETECT • ACCESS • ILLUMINATE

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
Rear Admiral Terence McKnight (USN, Ret.), Non-Executive Director
Bryant Henson, Chief Executive Officer (formal appointment pending receipt of Australian Directors ID)

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, Collins Place, Level 25, 35 Collins Street, Melbourne, VIC 3000

WEBSITE

www.theavagroup.com

Information correct as at 28 August 2026

DEAR FELLOW SHAREHOLDERS AND ASSOCIATES,

FY2026 did not deliver the financial outcome we expected. Several significant project orders moved into FY2027, constraining reported revenue and earnings. Importantly, the underlying strategic position of AVA Risk Group Limited (“AVA”, “AVA Group”, “the Company”) strengthened materially during the year. The Board’s focus has been to ensure that the Company has the leadership, capital, commercial capability and market access required to convert its differentiated technology into sustainable growth.

A major step was the appointment of Bryant Henson as Group Chief Executive Officer following an extensive global search. Bryant commenced on 24 August 2026 and brings deep experience in defence, aerospace, government, secure communications and critical infrastructure. His career includes senior leadership roles at Lockheed Martin and L3Harris Technologies, where he led multi-billion-dollar mission-critical technology businesses, and most recently Otis Worldwide, where he served as Executive Vice President and Global Head of Strategy and Business Development. His appointment is deliberately aligned with the Company’s ambition to accelerate growth in the United States and other international markets.

We also strengthened the commercial organisation. During FY2026, three senior sales leaders in the United States, Asia-Pacific and Europe each generated annual sales order intake of between $3.9 million and $5.0 million. Additional experienced sales executives were recruited in the United States, South-East Asia and India, expanding our coverage in markets where AVA has established technology credentials and a growing opportunity pipeline.

The strategic investment from Hale Capital was another important milestone. AVA secured up to $7.0 million through a Convertible Loan Note, together with associated warrants of up to $5.6 million. Hale brings more than capital: it provides experience, networks and market access across US federal, state, enterprise and critical-infrastructure markets. The subsequent appointment of Rear Admiral Terence “Terry” McKnight (USN, Ret.) to the Board further strengthens this alignment. Terry brings more than 40 years of US Navy and defence-industry leadership, including experience supporting major US Department of Defense programs and relationships with government stakeholders and prime contractors.

AVA’s technology platform remains the foundation of the investment case. Detect, led by Aura Ai-X, is increasingly being applied beyond conventional perimeter security into high-consequence infrastructure including sovereign borders, aviation, rail, energy, telecommunications and subsea networks. In Access, the five-year UniKey agreement and refreshed reader range create a platform for mobile, NFC and wallet-enabled credentials, while Dormakaba and other channel relationships provide routes to market. Illuminate remains focused on disciplined channel growth, OEM relationships and cross-selling into Detect customers.

The financial result should be viewed with appropriate candour. Revenue and other income was $28.8 million and underlying EBITDA was positive at $0.1 million. Approximately $6.0 million of expected orders were delayed into FY2027; no material contracts were lost or cancelled. Consolidated gross margin remained strong at 63% and operating costs were slightly lower than the prior year. This matters because much of the technology and operating platform is already established, providing meaningful operating leverage as revenue grows.

The Board therefore enters FY2027 with a sharper strategy and a clear execution agenda. The priority is not to reinvent the business; it is to convert the platform that has now been built. In particular, we are focused on:

- Accelerating the United States, with particular emphasis on federal, defence, government and critical-infrastructure markets;
- Converting proven Detect applications in aviation, rail, telecommunications and subsea, energy

and sovereign border protection into repeat and multi-site deployments;
- Growing higher-quality revenue through recurring services, OEM and channel relationships, and the commercialisation of the refreshed Access portfolio.

FY2027 is an execution year. The Company enters it with $6.8 million of sales order backlog, including $2.6 million of contracted annual recurring revenue, a stronger global commercial team and a clearer concentration of resources on markets where our technology has demonstrated differentiation. The Board sees a credible pathway to improved revenue, EBITDA and cash generation if we execute with greater consistency and discipline.

Finally, on behalf of the Board, I thank our shareholders and associates for their continued support, and I acknowledge the commitment of our management and staff during a year of significant change. FY2026 was financially disappointing, but the Company exits the year strategically stronger. We now have the responsibility to translate that progress into measurable financial performance and long-term shareholder value.

David Cronin
Chairman

Review of Operations

I joined AVA on 24 August 2026, after the end of the financial year under review. I therefore did not lead the business during FY2026. My initial assessment, however, is clear: AVA has differentiated technology that has already been validated in demanding security and critical-infrastructure environments, a high gross-margin business model, and substantially greater addressable-market potential than is reflected in its current revenue base. The opportunity in FY2027 is to convert those strengths into more consistent order intake, revenue growth and cash generation.

FY2026 was affected by the timing of several significant projects. Sales order intake was $29.4 million, broadly in line with FY2025 ($29.9 million), while approximately $6.0 million of anticipated orders moved into FY2027. No material contracts were lost or cancelled. At the same time, the Company made meaningful progress in the markets that now form the core of our growth strategy.

- **United States, Federal & Defence:** The United States is a central strategic priority. FY2026 order intake in the Americas was $6.2 million, supported by corrections and government-security activity, while $1.9 million of energy and government opportunities remained open at year end and were carried into FY2027. The Hale partnership, strengthened US commercial capability, the appointment of Rear Admiral McKnight and my own appointment are deliberately aligned to building a more substantial position across federal, defence and critical-infrastructure markets.
- **Aviation:** AVA completed paid PIDS trials at Canberra and Cairns airports and commenced comprehensive trials at Melbourne and Perth during H2 FY2026. The identified FY2027 Australian aviation pipeline exceeds $2.0 million. Successful conversion would provide important reference sites and a pathway to repeat deployments as Australian airports modernise perimeter security.
- **Rail & Transportation:** The Sydney Metro deployment with UGL is a strategically important reference installation for Aura Ai-X corridor intrusion and obstacle detection. During FY2026 the Company successfully tested object-detection capability on the live rail corridor, a critical milestone towards project completion. The application has expanded beyond the original scope into additional transport infrastructure, demonstrating the potential for technology adoption to grow within a customer once performance is proven. Completion of Sydney Metro is expected to make a broader set of Australian rail opportunities addressable and provides a reference for international opportunities.
- **Telecommunications & Subsea:** AVA continued its collaboration with Telstra, including data collection from Aura Ai-X deployed on a subsea cable in northern Sydney and participation in Telstra marketing initiatives demonstrating protection of critical telecommunications infrastructure. The strategic importance of subsea and terrestrial communications networks is increasing, creating a significant long-term application for fibre sensing across cable landing infrastructure, terrestrial routes and network facilities.
- **Energy & India:** The Company successfully fulfilled a $2.7 million contract to deploy fibre sensing technology to a critical pipeline in the Indian energy sector. This builds on AVA’s prior success in Indian defence and provides a significant reference for further opportunities across pipelines, storage, processing and other critical-energy infrastructure. India remains an important FY2027 growth market across both energy and defence.
- **Sovereign Borders & Government:** AVA supplied detection systems for border protection in Latvia, building on prior success in Eastern Europe. A $2.8 million Middle East sovereign-border opportunity was delayed by regional conflict and moved into FY2027. The Company was also appointed as a prequalified supplier to the Australian Department of Home Affairs Border Protection Technologies Panel for an initial five-year term from 1 July 2026, providing a structured procurement pathway for Commonwealth border-security and critical-infrastructure opportunities.

- **Access:** BQT entered into a five-year Master Supply and Services Agreement with UniKey to co-develop five next-generation NFC/BLE reader form factors. The agreement includes minimum purchase commitments and is anticipated to generate $4.6 million of revenue over five years, subject to successful completion of the co-developed products. Alongside the refreshed reader range and dormakaba distribution network, this provides a clearer platform for growth in North America, Europe and other markets.
- **Illuminate:** The strategy is deliberately focused: grow through distributor and OEM relationships, expand in the United States and use the installed Detect customer base to create cross-sell opportunities. This approach is intended to increase revenue while maintaining discipline around fixed-cost investment.

Financial Review

A$m	FY26	FY25	Change
Revenue & Other Income	28.8	31.7	(2.9)
Underlying EBITDA*	0.1	2.1	(2.1)
Loss After Tax	(3.2)	(6.5)	3.3
Reconciliation of Underlying EBITDA*	**FY26**	**FY25**	**Change**
Underlying EBITDA	0.1	2.1	(2.1)
Impairment of Goodwill	(0.7)	(5.6)	4.9
Impairment of Intangibles	(0.4)	-	(0.4)
Depreciation & Amortisation	(3.8)	(3.5)	(0.3)
Finance Expense	(0.7)	(0.2)	(0.5)
Foreign Exchange Gain / (Loss)	0.7	0.1	0.6
Fair value gain on financial liabilities	1.8	0.0	1.8
Tax (Expense) / Benefit	0	0.7	(0.7)
Loss After Tax	(3.2)	(6.5)	3.3
**EBITDA is unaudited*			

Revenue and other income for FY2026 was $28.8 million, $2.9 million below the prior year, principally reflecting project timing in Detect. Consolidated gross margin remained strong at 63% and operating costs were slightly lower than FY2025. Underlying EBITDA remained positive at $0.1 million despite the lower revenue outcome. At 30 June 2026, the Company had a cash balance of $5.3 million and sales order backlog of $6.8 million, including $2.6 million of contracted annual recurring revenue.

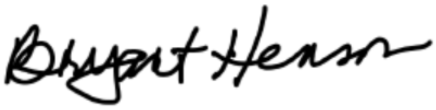
The statutory net loss of $3.2 million included impairment charges against intangible assets and goodwill of $1.1 million. The statutory net loss was $3.3 million less than the prior year, which included a $5.6 million impairment charge against goodwill. The combination of sustainable gross margins, an established technology platform and a scalable operating cost base creates meaningful earnings leverage if the Company improves revenue conversion.

Outlook

FY2027 is focused on execution. The Company expects performance to be significantly stronger than FY2026, with management concentrating on converting existing opportunities and demonstrating the operating leverage inherent in the business model. The key priorities are:

- Convert the $6.8 million opening backlog and delayed FY2026 opportunities into revenue and cash, while improving forecasting discipline and pipeline conversion;
- Accelerate the United States under new leadership, with particular focus on federal, defence, corrections, energy and other critical-infrastructure customers;

- Scale Detect across six priority markets: US Federal & Defence, telecommunications & subsea, aviation, rail & transportation, energy & critical infrastructure, and sovereign border protection;
- Commercialise the refreshed Access portfolio, execute the UniKey program and expand dormakaba and other distribution channels;
- Grow Illuminate through targeted distributor, OEM and US cross-sell opportunities while maintaining cost discipline;
- Maintain consolidated gross margins in the 60% - 64% range and a stable, scalable operating cost base so that incremental revenue can translate into stronger EBITDA and cash generation;
- Increase the quality and predictability of revenue through recurring services, repeat deployments, multi-site programs and strategic channel relationships;
- Leverage established technology platforms in each operating segment, which require minimal incremental development effort to scale as revenue grows.



Bryant Henson,
Chief Executive Officer

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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 2026 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 Secretaries

The qualifications, experience and special responsibilities of each person who has been a director of AVA Group at any time since 1 July 2025 to the date of this report is provided below, together 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 Non-Executive Director (Appointed 8 August 2018)	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. Mr McGeever has a Master of Business Administration from the University of Portsmouth (England). Mr McGeever is not a director of any other ASX listed entity in the last three years.

Mark Stevens Non-Executive Director (Appointed 11 March 2015)	Mark is an accomplished executive and company director with more than 40 years of leadership experience across the telecommunications, defence and information technology sectors. He has held senior executive roles with multinational corporations headquartered in the United States, Singapore, Sweden and Australia, leading regional sales, technology, operations and general management functions. Mark holds a Master of Business Administration from the University of Melbourne, a Bachelor of Engineering 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.
Rear Admiral Terence "Terry" McKnight (USN, Ret.) Non-Executive Director (Appointed 21 July 2026)	Terry brings more than forty years of distinguished leadership across the U.S. Navy and defence industry. He most recently served as Senior Vice President, Customer and Government Relations at CAES by Honeywell, where he played a key role in driving growth across major U.S. Department of Defense programs and strengthening relationships with government stakeholders and prime contractors. During his military career, Terry held a number of senior command roles, including Commander of Expeditionary Strike Group Two, and the inaugural Commander of Combined Task Force 151, leading multinational counter-piracy operations in the Gulf of Aden. Terry is not a director of any other ASX listed entity in the last three years.
Bryant Henson Group Chief Executive Officer (Appointment pending)	Bryant Henson was appointed Group Chief Executive Officer effective 24 August 2026. Bryant will also be appointed as an Executive Director subject to receipt of an Australian Directors ID. Bryant is an internationally experienced technology, defence and critical infrastructure executive with more than two decades of leadership experience building and scaling global businesses serving defence, aerospace, government, critical infrastructure and commercial security markets. Throughout his career, Bryant has developed extensive experience leading complex international technology businesses, building high performing commercial organisations, executing strategic growth initiatives and developing long-term relationships with government, defence and critical infrastructure customers across the United States and internationally. Bryant is not a director of any other ASX listed entity in the last three years.

Malcolm Maginnis	Previous Group Chief Executive Officer (CEO) and Executive Director – appointed on 9 January 2023. Mr. Maginnis ceased to be a Director on 20 November 2025. Malcolm has more than 35 years of experience in the defence, security, safety and technology industries. 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, Malcolm 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.

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.

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' Meetings				
Eligible to attend	12	12	12	4
Attended	12	12	12	4
Meetings of Audit & Risk Committee				
Eligible to attend	5	5	5	-
Attended	5	5	5	-
Meetings of Remuneration & Nomination Committee				
Eligible to attend	3	3	3	-
Attended	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 & Risk 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 2026, women represented 28% 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.

Directors’ Interests in shares or performance rights

As at 30 June 2026, 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	Number of performance rights forfeited / exercised during the year
D Cronin	33,750,706	-	200,000
M Stevens	1,821,780	-	200,000
M McGeever	6,005,000	-	200,000
M Maginnis	1,000,000	-	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

I joined AVA on 24 August 2026, after the end of the financial year under review. I therefore did not lead the business during FY2026. My initial assessment, however, is clear: AVA has differentiated technology that has already been validated in demanding security and critical-infrastructure environments, a high gross-margin business model, and substantially greater addressable-market potential than is reflected in its current revenue base. The opportunity in FY2027 is to convert those strengths into more consistent order intake, revenue growth and cash generation.

FY2026 was affected by the timing of several significant projects. Sales order intake was $29,400,000, broadly in line with FY2025 ($29,900,000), while approximately $6,000,000 of anticipated orders moved into FY2027. No material contracts were lost or cancelled. At the same time, the Company made meaningful progress in the markets that now form the core of our growth strategy.

- **United States, Federal & Defence:** The United States is a central strategic priority. FY2026 order intake in the Americas was $6,200,000, supported by corrections and government-security activity, while $1,900,000 of energy and government opportunities remained open at year end and were carried into FY2027. The Hale partnership, strengthened US commercial capability, the appointment of Rear Admiral McKnight and my own appointment are deliberately aligned to building a more substantial position across federal, defence and critical-infrastructure markets.

- **Aviation:** AVA completed paid PIDS trials at Canberra and Cairns airports and commenced comprehensive trials at Melbourne and Perth during H2 FY2026. The identified FY2027 Australian aviation pipeline exceeds $2,000,000. Successful conversion would provide important reference sites and a pathway to repeat deployments as Australian airports modernise perimeter security.
- **Rail & Transportation:** The Sydney Metro deployment with UGL is a strategically important reference installation for Aura Ai-X corridor intrusion and obstacle detection. During FY2026 the Company successfully tested object-detection capability on the live rail corridor, a critical milestone towards project completion. The application has expanded beyond the original scope into additional transport infrastructure, demonstrating the potential for technology adoption to grow within a customer once performance is proven. Completion of Sydney Metro is expected to make a broader set of Australian rail opportunities addressable and provides a reference for international opportunities.
- **Telecommunications & Subsea:** AVA continued its collaboration with Telstra, including data collection from Aura Ai-X deployed on a subsea cable in northern Sydney and participation in Telstra marketing initiatives demonstrating protection of critical telecommunications infrastructure. The strategic importance of subsea and terrestrial communications networks is increasing, creating a significant long-term application for fibre sensing across cable landing infrastructure, terrestrial routes and network facilities.
- **Energy & India:** The Company successfully fulfilled a $2,700,000 contract to deploy fibre sensing technology to a critical pipeline in the Indian energy sector. This builds on AVA’s prior success in Indian defence and provides a significant reference for further opportunities across pipelines, storage, processing and other critical-energy infrastructure. India remains an important FY2027 growth market across both energy and defence.
- **Sovereign Borders & Government:** AVA supplied detection systems for border protection in Latvia, building on prior success in Eastern Europe. A $2,800,000 Middle East sovereign-border opportunity was delayed by regional conflict and moved into FY2027. The Company was also appointed as a prequalified supplier to the Australian Department of Home Affairs Border Protection Technologies Panel for an initial five-year term from 1 July 2026, providing a structured procurement pathway for Commonwealth border-security and critical-infrastructure opportunities.
- **Access:** BQT entered into a five-year Master Supply and Services Agreement with UniKey to co-develop five next-generation NFC/BLE reader form factors. The agreement includes minimum purchase commitments and is anticipated to generate $4,600,000 of revenue over five years, subject to successful completion of the co-developed products. Alongside the refreshed reader range and Dormakaba distribution network, this provides a clearer platform for growth in North America, Europe and other markets.
- **Illuminate:** The strategy is deliberately focused: grow through distributor and OEM relationships, expand in the United States and use the installed Detect customer base to create cross-sell opportunities. This approach is intended to increase revenue while maintaining discipline around fixed-cost investment.

Financial Review

A$'000	FY2026	FY2025	Change
Revenue & Other Income	28,768	31,669	(2,901)
Underlying EBITDA*	52	2,136	(2,110)
Profit / (Loss) After Tax	(3,229)	(6,458)	3,229
*Reconciliation of Underlying EBITDA**			
Underlying EBITDA	52	2,136	(2,084)
Impairment of Goodwill	(702)	(5,624)	4,922
Impairment of Intangibles	(424)	0	(424)
Depreciation & Amortisation	(3,833)	(3,527)	(306)
Finance Expense	(723)	(222)	(501)
Foreign Exchange gain / (loss), net	656	82	574
Fair value (gain) loss on financial liabilities	1,754	-	1,754
Tax (Expense) / Benefit	(9)	697	(706)
Profit / (Loss) After Tax	(3,229)	(6,458)	3,229

**EBITDA is unaudited*

Revenue and other income for FY2026 was $28,768,000, $2,901,000 below the prior year, principally reflecting project timing in Detect. Consolidated gross margin remained strong at 63% and operating costs were slightly lower than FY2025. Underlying EBITDA remained positive at $100,000 despite the lower revenue outcome. At 30 June 2026, the Company had a cash balance of $5,269,000 and sales order backlog of $6,800,000, including $2,600,000 of contracted annual recurring revenue.

The statutory net loss of $3,229,000 included impairment on intangibles and goodwill of $1,100,000. The statutory net loss was $3,229,000 less than the prior year, which included a $5,600,000 impairment charge against goodwill. The combination of sustainable gross margins, an established technology platform and a scalable operating cost base creates meaningful earnings leverage if the Company improves revenue conversion.

Outlook

FY2027 is focused on execution. The Company expects performance to be significantly stronger than FY2026, with management concentrating on converting existing opportunities and demonstrating the operating leverage inherent in the business model. The key priorities are:

- Convert the $6,800,000 opening backlog and delayed FY2026 opportunities into revenue and cash, while improving forecasting discipline and pipeline conversion;
- Accelerate the United States under new leadership, with particular focus on federal, defence, corrections, energy and other critical-infrastructure customers;
- Scale Detect across six priority markets: US Federal & Defence, telecommunications & subsea, aviation, rail & transportation, energy & critical infrastructure, and sovereign border protection;
- Commercialise the refreshed Access portfolio, execute the UniKey program and expand Dormakaba and other distribution channels;
- Grow Illuminate through targeted distributor, OEM and US cross-sell opportunities while maintaining cost discipline;

- Maintain consolidated gross margins in the 60% - 64% range and a stable, scalable operating cost base so that incremental revenue can translate into stronger EBITDA and cash generation;
- Increase the quality and predictability of revenue through recurring services, repeat deployments, multi-site programs and strategic channel relationships;
- Leverage established technology platforms in each operating segment, which require minimal incremental development effort to scale as revenue grows.

Significant changes in the state of affairs

There have been no significant changes in the state of affairs other than the appointment of Bryant Henson as the new Group Chief Executive Officer effective 24 August 2026.

After balance date events

Rear Admiral Terence “Terry” McKnight (USN, Ret.) was appointed as a Non-executive Director on 21 July 2026. Bryant Henson was appointed Group Chief Executive Officer effective 24 August 2026. Bryant will also be appointed as an Executive Director subject to receipt of an Australian Directors ID.

No matters or 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 Commonwealth or State environmental regulations or laws. The Group has complied with all environmental regulations to which it is subject.

Dividends recommended or declared

There were no dividends declared during the financial year ended 30 June 2026 (FY2025: Nil).

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 Share Rights (PSRs)

During the year ended 30 June 2026 the following performance rights were issued to Executive KMP:

	Number of PSRs issued
Neville Joyce	942,070
Total	**942,070**

The performance rights were granted to Neville Joyce as part of remuneration in two different value tranches, vesting on 15 September 2027 and 15 September 2028 with vesting conditions relating to financial performance, share price hurdle and continuity of employment. The fair value of the performance rights granted was $16,439.

Malcolm Maginnis forfeited 2,499,999 performance rights as targets were not met. Malcolm exercised 333,334 performance rights during the financial year. Mal resigned from the Company effective of 20 November 2025.

During the year ended 30 June 2026, there were no performance rights issued to Non-Executive KMP. David Cronin, Michael McGeever and Mark Stevens each forfeited 200,000 performance rights that had been granted in October 2024, as the targets had not been met.

Unissued ordinary shares of AVA Risk Group under performance rights at 30 June 2026 are as follows:

Date the Performance rights were granted	Number of unissued ordinary shares under rights	Expiry date of the performance rights
10/10/2025	471,035	15/09/2027
10/10/2025	471,035	15/09/2028
Total	**942,070**	

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 2026/183, 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).

Remuneration Report (Audited)

The Directors present the Remuneration Report (the Report) for the Company and its controlled entities for the year ended 30 June 2026. 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
Rear Admiral Terence McKnight (USN, Ret.)	Non-Executive Director – appointed 21 July 2026

(ii) Executive Directors	
Malcolm Maginnis	Group Chief Executive Officer (CEO) and Executive Director – appointed on 9 January 2023. Resigned 20 November 2025.

(iii) Other KMPs	
Neville Joyce	Group Chief Financial Officer (CFO) and Company Secretary – appointed on 3 November 2021. Interim Chief Executive Officer (CEO) from 20 November 2025 to 24 August 2026.
Bryant Henson	Group Chief Executive Officer (CEO) – appointed 24 August 2026.

2. Remuneration policies

The Board's 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.

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 2026 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 2026 and 30 June 2025 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.

(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 2026 STI Incentives and targets

A summary of the measures and weightings for FY26 are set out in the table below:

Measure	FY 26 Target A$'000	90% of target	100% of target	Delivery method
Group revenue and EBITDA Targets	$43,000	10% delivered	100% delivered	Paid in cash-representing 50% of the total incentive plan
EBITDA	$7,700			

Based on actual performance no payment will be made to FY2026 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 the Board's discretion. Performance rights do not vest until any vesting or performance criteria set at grant 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.

FY 2026 LTI Incentives and targets

A summary of the measures and weightings for FY 26 are set out in the table below:

Measure / Target	Delivery
Tranche 1 - Share Price achieving a Volume Weighted Average Price (VWAP) of at least $0.15 over the five trading days immediately following the release of the Annual Financial Report for the financial year ended 30 June 2026.	PSRs 50% deferred for one year and 50% deferred for two years
Tranche 2 - Share Price achieving a Volume Weighted Average Price (VWAP) of at least $0.15 over the five trading days immediately following the release of the Annual Financial Report for the financial year ended 30 June 2026.	PSRs 50% deferred for one year and 50% deferred for two years

Based on actual performance no performance rights will vest for FY2026 KMP under the long-term incentive plan.

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) (Resigned 20 November 2025)	**Contract of Employment** Malcolm Maginnis was employed by BQT SEA (based in Singapore) as a permanent, full-time employee. His base salary was SGD $369,000 (approximately AUD $437,774), which was pro-rata paid up to his termination date. He had a notice period of 3 months. **Time Vested Performance Share Rights (PSRs)** The contract awarded 1,000,000 PSRs that vest in three equal amounts being 12, 24 and 36 months after commencement. **Performance Incentives** The contract provided for Incentive plans which were payable in half in cash and half in performance rights upon meeting pre-defined KPI's (as disclosed in Section 4) by the executive.

Neville Joyce Group Chief Financial Officer (Appointed 3 November 2021)	**Contract of Employment** Neville Joyce is employed by AVA Risk Group as a permanent, full-time employee. Mr Joyce commenced his position with AVA Risk Group in November 2021 and is employed on a current base salary of AUD $343,375 to be reviewed annually by the Remuneration Committee. Mr Joyce was Interim Group Chief Executive Officer from 20 November 2025 to 24 August 2026. He has a notice period of 3 months. **Performance Conditions** 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.

Remuneration of Key Management Personnel

The table below shows the realised remuneration the Group's KMPs have received during FY2026

	Salary and Fees	Short-term Cash Bonuses	Other benefits[1]	Post-Employment Benefits [2]	Termination benefits[3]	Long Service Leave	Share-based Payment expense[4]	Total	Performance related
Non-Executive Directors									
David Cronin	65,000	-	-	7,800	-	-	766	73,566	1%
Mark Stevens	65,000	-	-	7,800	-	-	766	73,566	1%
Mike McGeever	66,150	-	-	-	-	-	766	66,916	1%
Sub-total Non-Executive Directors	**196,150**	**-**	**-**	**15,600**	**-**	**-**	**2,298**	**214,048**	
Executive Directors and other KMPs									
Malcolm Maginnis	236,045	-	-	15,195	131,513	-	23,801	406,554	6%
Neville Joyce	341,281	-	18,544	40,954	-	7,541	1,761	410,081	0%
Sub-total executive KMP	**577,326**	**-**	**18,544**	**56,149**	**131,513**	**7,541**	**25,562**	**816,635**	
Totals	**773,476**	**-**	**18,544**	**71,749**	**131,513**	**7,541**	**27,860**	**1,030,683**	

1 Other benefits is accrued annual leave expense.

2 Post-employment benefits include Pension and superannuation benefits.

3 Termination benefits include ex-gratia payments and annual leave.

4 Non-Executive share-based payment expenses relate to PSRs issued in FY2025 that failed to vest during the financial year ended 30 June 2026. Neville Joyce share-based payment expenses include $5,190 in relation to PSRs issued in October 2025, $1,434 for PSRs issued in prior years, with $5,441 relating to acceleration on market based PSRs forfeited and the balance of ($10,304) being a reversal of expense booked in prior years for financial performance based PSRs. Malcolm Maginnis share-based payment expenses include $20,297 for PSRs issued in prior years, $23,537 relating to acceleration on market based PSRs forfeited and the balance of ($20,033) being a reversal of expense booked in prior years for financial performance based PSRs.

Remuneration of Key Management Personnel

The table below shows the realised remuneration the Group's KMPs have received during FY2025

	Salary and Fees	Short-term Cash Bonuses	Other benefits[1]	Post-Employment Benefits [2]	Termination benefits	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	10%
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[3]	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.

3 Resigned in November 2024

4. Relationship between remuneration and Company performance

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 remuneration

Financial Performance Metrics		**FY 26 outcome**
Group CEO	EBITDA Target	not met
Group CFO	EBITDA Target	not met
Non-Financial Performance Metrics		
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 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	2026	2025	2024	2023	2022
Earnings					
Revenue ($'000)	28,768	31,669	30,218	28,637	18,961
% increase/(decrease) in revenue	-9%	5%	6%	51%	-71%
Profit/(loss) before tax ($'000)	(3,220)	(7,155)	(5,203)	(1,054)	33,132
% increase/(decrease) in profit before tax	-55%	38%	394%	-103%	141%
Shareholder value					
Share price $	0.03	0.10	0.11	0.20	0.18
Change in share price (%)	-70%	-9%	-45%	11%	-53%
Dividends to shareholders ($'000)	-	-	(436)	-	31,586
Return of capital ($'000)	-	-	-	-	7,566
KMP remuneration					
Total remuneration of KMP	$ 1,030,683	$ 1,386,055	$ 1,650,359	$ 1,492,933	$ 14,882,343
Total performance-based remuneration	$ 27,860	$ 143,428	$ 208,623	$ 187,064	$ 13,687,206

5. Performance based rewards for 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.

2026	Maximum cash bonus $	Amount awarded $	% Achieved
Malcolm Maginnis	125,280	-	0%
Neville Joyce	83,750	-	0%

None of the cash bonuses associated with these awards will be paid for FY26.

5.2 Performance rights provided 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 2026.

	Number of performance rights awarded	Grant date	Fair value at Grant date $	Vesting dates	Vesting conditions[2]	Number allocated based on vesting criteria
Neville Joyce[1]	471,035	10-Oct-25	0.0192	15-Sep-27	Share price hurdle	Not vested
	471,035	10-Oct-25	0.0157	15-Sep-28	Share price hurdle	Not vested

[1] The performance rights for Neville Joyce were approved at the AGM on 30 October 2025.

[2] The vesting conditions are set out in the earlier table "FY 2026 LTI & Incentives".

5.3 Cash bonus provided to Non-executive Directors

There were no cash bonuses issued to Non-executive Directors during the financial year 30 June 2026.

6. Key management personnel's equity holdings

6.1 Number of Shares held by key management personnel:

2026	Balance at beginning of period 1 July 2025	On exercise of rights	Net change, other	Balance at End of Period 30 June 2026
Non-Executive Directors				
David Cronin	33,750,706	-	-	33,750,706
Mark Stevens[1]	1,721,181	-	100,599	1,821,780
Mike McGeever	6,005,000	-	-	6,005,000
Sub-total	**41,476,887**	**-**	**100,599**	**41,577,486**
Executives				
Malcolm Maginnis[2]	666,666	333,334	-	1,000,000
Neville Joyce	276,065	26,976	-	303,041
Sub-total	942,731	360,310	-	1,303,041
Total	**42,419,618**	**360,310**	**100,599**	**42,880,527**

[1] Mark Stevens made an on-market purchase of 100,599 shares for consideration of $7,200.61 between 28 November 2025 and 1 December 2025.

[2] Malcolm Maginnis resigned on 20 November 2025. He converted 333,334 performance rights on 9 January 2026.

2025	Balance at beginning of period 1 July 2024	On exercise of rights	Net change, other	Balance at End of Period 30 June 2025
Non-Executive Directors				
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
Sub-total	**573,262**	**369,469**	**-**	**942,731**
Total	**42,050,149**	**369,469**	**-**	**42,419,618**

6.2 Number of performance rights held by key management personnel

Non-Executive Directors

2026	Balance at beginning of the period 1 July 2025	Granted as remuneration [1]	Exercised	Forfeited/ lapsed	Balance at end of year 30 June 2026	Fair value of rights granted during the year $
Non-Executive Directors						
David Cronin	200,000	-	-	(200,000)	-	-
Mark Stevens	200,000	-	-	(200,000)	-	-
Mike McGeever	200,000	-	-	(200,000)	-	-
Sub-total NEDs	**600,000**	**-**	**-**	**(600,000)**	**-**	**-**
Executive Directors						
Malcolm Maginnis[2]	2,833,333	-	(333,334)	(2,499,999)	-	-
Neville Joyce	1,526,976	942,070	(26,976)	(1,500,000)	942,070	16,439
Sub-total executive KMP	**4,360,309**	**942,070**	**(360,310)**	**(3,999,999)**	**942,070**	**16,439**
Totals	**4,960,309**	**942,070**	**(360,310)**	**(4,599,999)**	**942,070**	**16,439**

[1] The performance rights were granted in two tranches, vesting on 15 September 2027 and 15 September 2028 with vesting conditions subject to the Company's shares achieving a Volume Weighted Average Price (VWAP) of at least $0.15 over the five trading days immediately following the release of the Annual Financial Report for the financial year ended 30 June 2026 (FY26)
[2] Malcolm Maginnis resigned on 20 November 2025. He converted 333,334 performance rights on 9 January 2026.

2025	Balance at beginning of the period 1 July 2024	Granted as remuneration	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**

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 $256,766 (2025 $259,482). Accounts Payable balance at 30 June 2026 totals $21,045 (2025: $17,251). 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.

David Cronin
Chairman
28 August 2026
Sydney

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Auditor's Independence Declaration

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 2026, 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.

Wai Aw
Director

BDO Audit Pty Ltd

Melbourne, 28 August 2026

AVA Risk Group Limited

Consolidated Statement of Profit or Loss and Other Comprehensive Income

30 June 2026

	Note	Consolidated June 2026 $'000	June 2025 $'000
Revenue from contracts with customers	**4a**	**28,723**	31,603
Other income	**4b**	**45**	66
Total Revenue and other income		**28,768**	31,669
Cost of raw materials and consumables used		**(10,566)**	(11,320)
Employee benefit expenses		**(10,670)**	(10,431)
Research and development		**(1,717)**	(1,771)
Advertising and marketing		**(661)**	(525)
Travel and entertainment		**(1,340)**	(1,298)
Facilities and office costs		**(1,014)**	(1,012)
Compliance, legal, and administration		**(1,689)**	(1,737)
Impairment of goodwill	**13,14**	**(702)**	(5,624)
Impairment of Intangibles	**13**	**(424)**	-
Impairment / (reversal) of impairment of receivables	**9**	**16**	(349)
Depreciation and amortisation expenses	**12,13,15**	**(3,833)**	(3,527)
Finance expense		**(723)**	(248)
Foreign exchange gain (loss), net		**656**	82
Fair value gain on financial liabilities	**31**	**1,754**	-
Other expenses		**(1,075)**	(1,064)
Total expenses		**(31,988)**	(38,824)
Loss before income tax		**(3,220)**	(7,155)
Tax (expense) / benefit	**5**	**(9)**	697
Loss for the year after income tax		**(3,229)**	(6,458)
Items that may be reclassified subsequently to profit and loss			
Exchange differences on translation of foreign operations		**(1,497)**	**481**
Total other comprehensive income (loss) for the year		**(1,497)**	**481**
Total comprehensive loss for the year		**(4,726)**	**(5,977)**
Loss for the year attributable to:			
Equity holders of the parent company		**(3,229)**	**(6,458)**
Earnings per share attributable to ordinary shareholders of AVA Risk Group			
		$	**$**
Basic losses per share	**20**	(0.01)	(2.23)
Diluted losses per share	**20**	(0.01)	(2.23)

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 2026

	Note	Consolidated 2026 $'000	2025 $'000
ASSETS			
Current Assets			
Cash and cash equivalents	**6,8**	**5,269**	5,591
Trade and other receivables	**9**	**9,934**	6,169
Contract assets	**9**	**802**	669
Prepayments	**11**	**1,081**	798
Inventories	**10**	**6,390**	6,596
Total Current Assets		**23,476**	**19,823**
Non-Current Assets			
Plant and equipment	**12**	**727**	963
Intangible assets	**13**	**5,850**	7,313
Right of use assets	**15**	**712**	1,069
Deferred tax assets	**5**	**289**	436
Total Non-Current Assets		**7,578**	**9,781**
TOTAL ASSETS		**31,054**	**29,604**
LIABILITIES			
Current Liabilities			
Trade and other payables	**16**	**4,376**	2,490
Contract liabilities	**17**	**400**	232
Borrowings	**23,30**	**4,470**	1,742
Derivative liabilities	**31**	**1,837**	-
Lease liabilities	**15**	**459**	447
Provisions	**18**	**1,472**	1,373
Total Current Liabilities		**13,014**	**6,284**
Non-Current Liabilities			
Provisions non-current	**18**	**125**	119
Lease liabilities non-current	**15**	**244**	612
Contract liabilities non-current	**17**	**205**	415
Total Non-Current Liabilities		**574**	**1,146**
TOTAL LIABILITIES		**13,588**	**7,430**
NET ASSETS		**17,466**	**22,174**
EQUITY			
Contributed Equity	**7**	**57,930**	57,931
Accumulated losses		**(38,908)**	(35,679)
Reserves		**(1,556)**	(78)
TOTAL EQUITY		**17,466**	**22,174**

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

	Note	Consolidated 2026 $'000	2025 $'000
Cash flow from operating activities			
Receipts from customers (inclusive of GST)		**25,522**	33,842
Payments to suppliers and employees (inclusive of GST)		**(28,080)**	(29,642)
Interest received		**20**	37
Tax refund		**101**	226
Finance costs		**(142)**	(248)
Lease interest paid		**(55)**	(48)
Net cash flows (used in) / from operating activities	8	**(2,634)**	**4,167**
Cash flow from investing activities			
Payment for intangible assets		**(2,758)**	(2,491)
Payment for plant and equipment		**(210)**	(470)
Net cash flows used in investing activities		**(2,968)**	**(2,961)**
Cash flow from financing activities			
Share issue costs		**(1)**	-
Repayment of borrowings		**(232)**	(307)
Net proceeds from convertible note		**6,389**	-
Payment of lease liabilities	15	**(429)**	(412)
Net cash flows from / (used in) financing activities		**5,727**	**(719)**
Net increase in cash and cash equivalents		125	487
Net foreign exchange differences on cash		(83)	126
Cash and cash equivalents at beginning of year		4,081	3,468
Cash and cash equivalents at end of the year	8	**4,123**	**4,081**

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

Consolidated Statement of Changes in Equity

	Share Capital	Reserves: Share-based payment Reserve	Reserves: Foreign Exchange Translation Reserve	Reserves: Other Equity Reserves	Accumulated Losses	Total Equity
	$'000	$'000	$'000	$'000	$'000	$'000
At 1 July 2025	**57,931**	**2,584**	**385**	**(3,047)**	**(35,679)**	**22,174**
Loss for the year	-	-	-	-	(3,229)	**(3,229)**
Other comprehensive loss	-	-	(1,497)	-	-	**(1,497)**
Total comprehensive loss for the year	**-**	**-**	**(1,497)**	**-**	**(3,229)**	**(4,726)**
Transactions with owners in their capacity as owners						
Share issue costs	(1)	-	-	-	-	**(1)**
Share-based payments	-	19	-	-	-	**19**
Total transactions with owners in their capacity as owners	**(1)**	**19**	**-**	**-**	**-**	**18**
Balance at 30 June 2026	**57,930**	**2,603**	**(1,112)**	**(3,047)**	**(38,908)**	**17,466**
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 loss	-	-	445	-	36	**481**
Total comprehensive loss for the year	**-**	**-**	**445**	**-**	**(6,422)**	**(5,977)**
Transactions with owners in their capacity as owners						
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**

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 2026/183. 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 2026 were authorised for issue in accordance with a resolution of the directors on 28 August 2026.

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 except for certain financial instruments and derivative liabilities that are measured at fair value at the end of each reporting period, as explained in the accounting policies below.

Significant Accounting Estimates

The preparation of the 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 in the normal course of business 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.

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 30 June 2026.

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 basis over the estimated useful life of the specific assets as follows:

Plant and Equipment	Years
Office furniture and equipment	2-10
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 asset.

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). 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, over 5 years. During the period of development, the asset is tested for impairment annually.

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 profit and loss and 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 profit or loss and other 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.

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 profit or loss and other 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) Convertible Notes

Convertible notes are assessed on initial recognition to determine whether they contain both a liability component (host contract) and an embedded derivative component, in accordance with AASB 132 *Financial Instruments: Presentation and AASB 9 Financial Instruments*.

Where the conversion feature does not meet the “fixed-for-fixed” criterion, it is classified as a derivative financial liability, with the remaining component recognised as a financial liability. The conversion terms of the convertible notes failed the “fixed-for-fixed” test as a variable number of shares may be issued on conversion based on the ‘outstanding amount’ to be converted at a conversion price of $0.1234. Accordingly, the conversion option was accounted for as a derivative financial liability.

On initial recognition, the fair value of the derivative component is determined first and recognised separately.

The residual amount is allocated to the host debt liability component. Transaction costs are allocated between components based on their relative fair values.

The host liability is subsequently measured at amortised cost using the effective interest method, with interest expense recognised in profit or loss over the term of the instrument.

The embedded derivative is measured at fair value through profit or loss (FVTPL), with changes in fair value recognised in profit or loss at each reporting date.

Upon conversion, derecognition of the carrying amounts of the liability and derivative components is recognised against equity. Any difference between the carrying amounts derecognised and equity recognised is recorded in profit or loss.

j) Derivative financial instruments

Derivative financial instruments are initially recognised at fair value on the trade date on which the entity becomes a party to the contractual provisions of the instrument.

Subsequently, derivatives are remeasured at fair value at each reporting date. Changes in fair value are recognised in profit or loss unless the derivative is designated as a hedging instrument in a qualifying hedge relationship under AASB 9.

Derivatives embedded in non-derivative host contracts are separated and accounted for as standalone derivatives where:

a) the economic characteristics and risks are not closely related to the host contract; and
b) the instrument does not meet the definition of equity under AASB 132.

Derivative financial instruments are classified as current or non-current based on the expected timing of settlement.

k) Warrants

Warrants are assessed on initial recognition to determine whether they meet the definition of an equity instrument under AASB 132. Where the warrants include features such as variable settlement outcomes, cashless exercise, price adjustments, or other terms that fail the “fixed-for-fixed” criterion, they are classified as derivative financial liabilities. Derivative warrants are initially recognised at fair value, with transaction costs expensed as incurred.

Subsequently, warrants classified as financial liabilities are measured at fair value through profit or loss (FVTPL), with changes in fair value recognised in profit or loss at each reporting date.

Upon exercise of the warrants, the carrying amount of the derivative liability is derecognised and equity is recognised for the issued shares. Upon expiry or lapse, the derivative liability is derecognised to profit or loss.

l) 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.

m) 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.

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 at least on 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(f), 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.

ix) Valuation of convertible notes and warrants

The Company has issued convertible notes and warrants that include embedded derivatives and contractual features which require significant judgement in classification and measurement under AASB 132 and AASB 9. Judgement is required in determining whether the terms of the conversion features and warrants meet the definition of equity or financial liability, including assessment of the “fixed-for-fixed” criterion. Where this criterion is not met, the instruments are classified as derivative financial liabilities and measured at fair value through profit or loss.

The fair value of the embedded derivatives and warrants is determined using appropriate valuation techniques, including Monte Carlo simulation models and option pricing models. These models incorporate significant assumptions, including the Company’s share price, expected volatility, risk-free interest rates, expected term to maturity or exercise, and probability of conversion or exercise.

The debt component of convertible notes is measured at amortised cost using an effective interest rate determined with reference to comparable market-based borrowing rates, which requires judgement in identifying appropriate benchmark debt instruments.

Changes in key assumptions, particularly share price volatility, discount rates and expected term, can have a material impact on the valuation of the derivative components and the resulting gains or losses recognised in profit or loss.

Fair value measurement hierarchy

The Company is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

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 2026. 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.

3. Segment information

(a) 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.

(b) Reportable segments

30 June 2026	Detect $'000	Access $'000	Illuminate $'000	Eliminations $'000	Consolidated $'000
Revenue and other income					
External customers - sale of goods	15,766	3,796	6,078	-	25,640
External customers - provision of services	3,083	-	-	-	3,083
Intersegment revenue	409	-	9	(418)	-
Other income	25	2	-	-	27
Interest Income	8	10	-	-	18
Segment revenue and other income	**19,291**	**3,808**	**6,087**	**(418)**	**28,768**
Raw materials and consumables	(5,280)	(2,042)	(3,394)	150	(10,566)
Other operating expenses	(11,581)	(3,051)	(4,256)	250	(18,638)
EBITDA	**2,430**	**(1,285)**	**(1,563)**	**(18)**	**(436)**
Reconciliation to Segment operating loss					
Depreciation and amortisation	(3,032)	(376)	(425)	-	(3,833)
Finance costs	(562)	(5)	(156)	-	(723)
Fair value gain on financial liabilities	1,754				1,754
Interest Income	8	10	-	-	18
Income tax	(94)	182	(97)	-	(9)
Segment operating loss	**504**	**(1,474)**	**(2,241)**	**(18)**	**(3,229)**
Total assets	**22,435**	**4,556**	**4,063**	**-**	**31,054**
Total liabilities	**10,275**	**801**	**2,512**	**-**	**13,588**
Capital expenditure	**2,277**	**393**	**298**	**-**	**2,968**

(b) Reportable Segments (continued)

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**
Material costs	(5,657)	(2,042)	(3,657)	36	(11,320)
Other operating expenses	(11,749)	(3,061)	(8,956)	-	(23,766)
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**
Total liabilities	**3,994**	**482**	**2,954**	**-**	**7,430**
Capital expenditure	**2,515**	**208**	**238**	**-**	**2,961**

(c) Geographic Information

	Consolidated	
	2026	2025
	$'000	$'000
Australia	5,239	5,785
APAC (excl Australia)	330	1,494
Europe	10,139	10,533
India	3,015	1,056
Middle East and North Africa	3,547	3,175
Americas	6,054	9,543
Rest of world	399	17
Total external revenue by region	**28,723**	**31,603**

(d) Non-current assets by region

	30 June 2026	30 June 2025
	$'000	$'000
Australia	5,836	7,231
United Kingdom	526	1,394
Rest of world	1,216	720
Total non-current assets by region	**7,578**	**9,345**

(e) Reconciliation of non-current assets

	30 June 2026	30 June 2025
	$'000	$'000
Non-current operating assets by region	7,289	9,345
Deferred tax assets	289	436
Total non-current assets	**7,578**	**9,781**

4. Revenue and other income

	Consolidated 2026 $'000	2025 $'000
(a) Revenue from contracts with customers		
Revenue from sales of goods	25,640	27,212
Revenue from provision of services	3,083	4,391
Total revenue from contracts with customers	**28,723**	**31,603**
(b) Other income		
Interest	18	37
Other income	27	29
Total other income	**45**	**66**
Total Revenues and other income	**28,768**	**31,669**
(c) Disaggregation of revenue		
Timing of revenue recognition		
Goods transferred at a point in time	25,640	27,212
Services transferred over time	3,083	4,391
Total revenue from contracts with customers	**28,723**	**31,603**

(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.

5. Income Tax and deferred Tax

	Consolidated 2026 $'000	Consolidated 2025 $'000
(a) Components of tax expense/(benefit):		
Current tax	95	-
Deferred tax	(86)	(697)
	9	**(697)**

(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:

	2026	2025
Accounting loss before tax	(3,220)	(7,155)
At the Group's statutory income tax rate of 25.0%	(805)	(1,789)
Difference in tax rates in foreign subsidiaries	86	(16)
Tax effect of amounts which are not deductible in calculating taxable income	1,012	126
Utilisation of carried forward tax losses / unbooked tax losses	(244)	(433)
Other	(40)	1,415
Income tax	**9**	**(697)**

(c) Deferred tax

	Consolidated 2026 $'000	Consolidated 2025 $'000
Deferred tax relates to the following:		
Losses available for offsetting against future taxable income	369	258
Temporary differences	(80)	178
Net Deferred tax Assets (liabilities)	**289**	**436**

Management assessed deferred tax assets and liabilities for the reporting period 30 June 2026 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 $5,493,121 (2025: $9,411,663). In addition, the Group has tax losses totalling $10,141,442 (2025: $7,273,174) in respect of foreign subsidiaries. The Group is currently assessing the status of carried forward losses with respect to its foreign subsidiaries.

6. Cash and short-term deposits

	Consolidated	
	2026	2025
	$'000	$'000
Cash at bank and on hand	5,157	5,480
Short-term deposits	112	111
Total Cash and short-term deposits	**5,269**	**5,591**

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	5,157	5,480
Short-term deposits	112	111
	5,269	**5,591**
Bank overdrafts	(1,146)	(1,510)
Cash and cash equivalents	**4,123**	**4,081**

Bank overdrafts

Bank overdrafts relate to existing banking facilities that GJD Manufacturing Limited uses for working capital. At 30 June 2026, the Group had available $1,625,000 of undrawn committed facilities (2025: $1,514,000).

7. Contributed equity

		Consolidated 2026 $'000	2025 $'000
(a)	**Ordinary shares**		
	Ordinary share capital, issued and fully paid	57,930	57,931
		57,930	**57,931**

		Number of shares	$'000
(b)	**Movement in ordinary shares on issue**		
	At 1 July 2025	290,472,027	57,931
	Share issue:		
	On exercise of Performance Share Rights (note 19)	627,055	-
	Share issue costs	-	(1)
	At 30 June 2026	**291,099,082**	**57,930**
	At 1 July 2024	289,520,722	57,932
	Share issue:		
	On exercise of Performance Share Rights (note 19)	951,305	-
	Share issue costs	-	(1)
	At 30 June 2025	**290,472,027**	**57,931**

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	
		2026	**2025**
		$'000	**$'000**
Cash at bank and on hand (net of overdrafts)	6	**4,123**	**4,081**
(a) Reconciliation to Net Cash Flow used in Operations			
Loss for the year after tax		**(3,229)**	**(6,458)**
Adjustment for non-cash income and expense items:			
Depreciation and amortisation		3,422	3,099
Impairment of goodwill		702	5,624
Impairment of Intangibles		424	-
Lease amortisation		411	429
Share-Based payments (equity settled)		19	203
Unrealised foreign exchange		(656)	66
Bad debts reversal and provision for impairment of receivables		(16)	349
Impairment on inventory		-	47
Loss on disposal of fixed asset		-	3
Fair value (gain) loss on financial liabilities		(1,754)	-
Contract assets		(133)	982
Other		(78)	218
Changes in assets and liabilities			
(Increase)/decrease in assets:			
Trade and other receivables		(3,765)	1,195
Other assets		(282)	(801)
Inventories		207	(59)
Increase/(decrease) in liabilities:			
Trade and other payables		1,861	(857)
Provisions		106	127
Deferred Tax		127	-
Net cash (used in)/from operating activities		**(2,634)**	**4,167**
(b) Non-cash financing and investing activities			
Share-based payments		**19**	**203**
Lease additions		**135**	**570**

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.

9. Trade and other receivables

	Consolidated 2026 $'000	2025 $'000
Trade receivables - current (gross)	10,156	6,587
Provision for expected credit loss on trade receivables (a)	(417)	(448)
Trade receivables (net)	**9,739**	**6,139**
Contract assets (d)	802	669
Security deposits and bonds	4	1
Other receivables (c)	191	29
Carrying amount of trade and other receivables	**10,736**	**6,838**
Movements in the expected credit loss provision were as follows:		
At 1 July	448	99
(Reversal) Charge for the year	(16)	349
Amounts written off	(15)	-
At 30 June	**417**	**448**

(a) Provision for impairment

In line with *AASB 9 Financial Instruments*, an expected credit loss assessment was performed as at 30 June 2026. 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 2026, trade receivables past due but not considered impaired are: $2,686,000 (2025:$3,102,000).

	Gross 2026 $'000	Impairment 2026 $'000	Gross 2025 $'000	Impairment 2025 $'000
Not past due	7,052	-	3,037	-
Past due 1 – 30 days	379	-	1,239	-
Past due 31-60 days	16	-	148	-
Past due 61-90 days	314	-	297	-
Past due more than 91 days	2,395	(417)	1,866	(448)
	10,156	(417)	6,587	(448)

Contract assets are unbilled receivables for services that have been delivered and are not past due.

(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 customers (and satisfied the performance obligations in line with AASB 15) but had not been billed due to the terms agreed with the customers. Hence, contract assets arise because of the timing difference between revenue recognition and the contractual payment schedule.

As at 30 June 2026 the following amounts were recognised as contract assets:

	2026 $'000	2025 $'000
Balance at 1 July	669	1,651
Amount recognised	394	-
Transfer to trade receivables	(261)	(982)
Balance at 30 June	**802**	**669**

10. Inventories

	Consolidated	
	2026 $'000	**2025 $'000**
Raw materials and stores (at cost)	2,934	3,825
Work in progress (at cost)	1,747	1,520
Finished goods held for sale (at lower of cost and net realisable value)	1,709	1,251
Total Inventories	**6,390**	**6,596**

During financial year ended 30 June 2026 $nil (2025: $135,000) was recognised as an impairment for inventories. This is recognised in cost of raw materials and consumables used.

11. Prepayments

	Consolidated	
	2026 $'000	**2025 $'000**
Current		
Prepayments	1,081	798
Total Prepayments	**1,081**	**798**

Prepayments are not interest bearing.

12. Plant and equipment

Consolidated	Computer equipment	Plant and equipment	Office furniture and equipment	Demonstration equipment	Total
Year Ended 30 June 2026					
Carrying amount at beginning of year	**574**	**237**	**150**	**2**	**963**
Additions	81	116	13	-	**210**
Disposals	(12)	-	-	-	**(12)**
Depreciation expense	(100)	(275)	(30)	(2)	**(407)**
Exchange adjustment	(17)	(7)	(3)	-	**(27)**
Carrying amount at end of year	**526**	**71**	**130**	**-**	**727**
At 30 June 2026					
Cost	2,236	1,853	788	2,050	6,927
Accumulated depreciation and impairment	(1,710)	(1,782)	(658)	(2,050)	(6,200)
Net carrying amount	**526**	**71**	**130**	**-**	**727**
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**

13. Intangible assets

Reconciliation of carrying amounts

Consolidated	Goodwill $'000	Trademarks $'000	Development Costs $'000	Patents $'000	Total $'000
Year ended 30 June 2026					
Carrying amount at beginning of year	**702**	**141**	**6,354**	**116**	**7,313**
Additions	-	-	2,730	28	**2,758**
Impairment of assets	(702)	-	(424)	-	**(1,126)**
Amortisation	-	(58)	(2,912)	(45)	**(3,015)**
Exchange adjustment	-	-	(80)	-	**(80)**
Carrying amount at end of year	**-**	**83**	**5,668**	**99**	**5,850**
At 30 June 2026					
Cost (gross carrying amount)	7,871	861	18,129	2,542	29,403
Accumulated amortisation	(702)	(778)	(12,037)	(2,296)	(15,813)
Accumulated impairment charges	(7,169)	-	(424)	(147)	(7,740)
Net carrying amount	**-**	**83**	**5,668**	**99**	**5,850**
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**
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 charges	(7,169)	-	-	(147)	(7,316)
Net carrying amount	**702**	**141**	**6,354**	**116**	**7,313**

An impairment charge of $424,000 was recorded for Illuminate CGU and a further impairment of Goodwill of $702,000 in the Access CGU. When performing impairment testing for Intangible assets, management considered its revenue was lower than forecast for FY2026 and consequently lowered the revenue forecast for subsequent years.

The assumptions used for impairment testing are disclosed in note 14.

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	Access	Total
At 1 July 2025	702	702
Impairment of assets	(702)	(702)
At 30 June 2026	**-**	**-**

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:	19.33%	20.93%	22%
Post-tax discount rates:	14.50%	15.70%	16.50%

Key Assumptions	Description
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 $702,000 was recorded against goodwill in the Access CGU.

When performing impairment testing for all CGU's, management considered that revenue was lower than forecast for FY2026 and consequently lowered the revenue forecast for subsequent years. The resulting impairment charges against intangible assets in Illuminate CGU and goodwill in Access CGU reflect the revised assumptions.

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

	Right-of-use assets			
Consolidated	**Office Space & Equipment**	**Motor Vehicles**	**Total**	**Lease liabilities**
	$000	**$000**	**$000**	**$000**
As at 1 July 2025	**1,055**	**14**	**1,069**	**(1,059)**
Additions	135	-	135	(135)
Disposal	-	(13)	(13)	13
Depreciation expense	(408)	(3)	(411)	-
Exchange adjustments	(70)	2	(68)	104
Interest expense	-	-	-	(55)
Payments	-	-	-	429
As at 30 June 2026	**712**	**-**	**712**	**(703)**
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)**

The classification of lease liabilities is set out below:

	2026	**2025**
	$'000	**$'000**
Current	459	447
Non-Current	244	612
As at 30 June	**703**	**1,059**

15. Leases (continued)

The following are the amounts recognised in profit or loss:

	Consolidated 2026 $'000	2025 $'000
Depreciation expense of right-of-use assets	411	429
Interest expense on lease liabilities	55	48
Expense relating to short term leases	58	91
Total amount recognised in profit and loss	**524**	**568**

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 2026 $'000	2025 $'000
Current		
Trade payables	1,471	1,360
Accruals and other payables	2,905	1,130
Total Trade and Other Payables	**4,376**	**2,490**

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

17. Contract liabilities

	Consolidated 2026 $'000	2025 $'000
Contract liabilities		
Balance at 1 July	647	799
Deferred during year	1,037	1,766
Recognised as revenue in the year	(1,079)	(1,918)
Balance at 30 June	**605**	**647**
Due within 1 year	400	232
Due after more than 1 year	205	415
Balance at 30 June	**605**	**647**

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 $1,079,000 (2025: $1,918,000) 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

	Consolidated 2026 $'000	2025 $'000
Current		
Employee entitlements – annual leave	820	860
Employee entitlements – long service leave	373	297
Provision for warranty claims	279	216
Total Current Provisions	**1,472**	**1,373**
Non-current		
Employee entitlements – long service leave	125	119
Total Non-Current Provisions	**125**	**119**

(a) Movements in Warranty provisions

	Consolidated 2026 $'000	2025 $'000
Consolidated		
At 1 July	216	230
Arising during the year	74	2
Provision used during the year	(4)	(19)
Exchange adjustments	(7)	3
At 30 June	**279**	**216**
Current	279	216
Non-current	**-**	**-**
At 30 June	**279**	**216**

(b) Nature and timing of provisions

i. Warranty provision

Warranties include provisions 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	
	2026	2025
	$'000	$'000
Performance Share Rights	19	203

(b) Performance rights held

The movements in Performance Share Rights are noted below:

	2026 Number	2026 WAEP	2025 Number	2025 WAEP
Outstanding 1 July	**7,506,770**	$nil	**4,922,691**	$nil
Granted during the year	942,070	$nil	6,350,000	$nil
Forfeited/Other movements during the year	(6,879,715)	$nil	(2,814,616)	$nil
Exercised during the year	(627,055)	$nil	(951,305)	$nil
Outstanding 30 June	**942,070**	**$nil**	**7,506,770**	**$nil**

PSRs Granted

During the year ended 30 June 2026, 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 were issued a total of 942,070 performance rights (2025: 6,350,000). The performance rights have a nil exercise price and are split into tranches with two vesting dates. The vesting conditions of the performance rights are based on the achievement of a share price hurdle, and the executive has to be present on the vesting dates.

There were no performance rights issued to Non-executive directors during the financial year.

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 FY26.

Plan	KMP Plan
Grant date	10-Oct-25
Total fair value	$16,439
Vesting dates	15 September 2027, 15 September 2028
Share price at Grant date	$0.081
AVA Share Price Hurdles	$0.15
Expected volatility	60%
Expected Dividend yield	13.58%
Risk free Rate	3.5%

Time and market based PSRs granted to the CFO

The Company granted 942,070 performance rights as part of remuneration to the CFO. The PSRs are market-based and they vest in two equal tranches on the condition that the Company's shares achieving a Volume Weighted Average Price (VWAP) of at least $0.15 over the five trading days immediately following the release of the Annual Financial Report for the financial year ended 30 June 2026 (FY26)

The Monte Carlo model was used to value the PSRs and the total fair value is $16,439. Below are the assumptions:

Grant date	10 October 2025
Vesting dates	15 September 2027, 15 September 2026
Share price at Grant date	$0.081
Expected volatility	60%
Risk free Rate	3.5%

20. Earnings per Share

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

(a) Loss used in calculating earnings per share **For basic and diluted loss per share:**	**2026** **$'000**	**2025** **$'000**
Net loss after tax	**(3,229)**	**(6,458)**

(b) Weighted average number of shares	**2026** **Number**	**2025** **Number**
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	**290,844,877**	**290,155,103**
Adjustments for calculation of diluted earnings per share		
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	**290,844,877**	**290,155,103**

Diluted Earnings Per Share

Potential ordinary shares are treated as dilutive when, and only when, their conversion to ordinary shares would decrease earnings per share or increase loss per share from continuing operations. For the year ended 30 June 2026, potential ordinary shares total 942,070 were excluded from the calculation of diluted earnings per share because they were anti-dilutive. These instruments could potentially dilute basic earnings per share in the future.

(c) Earnings per share from continuing operations	**2026** **$**	**2025** **$**
Basic loss per share	(0.01)	(2.23)
Diluted loss per share	(0.01)	(2.23)

ii. Earnings per share attributable to the shareholders of AVA Risk Group Limited

Basic loss per share	(0.01)	(2.23)
Diluted loss per share	(0.01)	(2.23)

Basic loss per share amounts are calculated by dividing net loss 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

There were no dividends declared or paid for the financial year 30 June 2026 (2025: nil).

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 financial statements of foreign subsidiaries and is not distributable.

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 statement of financial position less cash and cash equivalents. The gearing ratios based on continuing operations at 30 June 2026 and 2025 were as follows:

		Consolidated	
		2026	**2025**
		$'000	**$'000**
Payables		4,376	2,490
Borrowings		4,470	1,742
Lease liabilities		703	1,059
Total borrowings		**9,549**	5,291
Less cash and cash equivalents	6	5,269	5,591
Net borrowings / (cash)		**4,280**	(300)
Total equity		17,466	22,174
Total capital		**21,746**	21,874
Gearing ratio		20%	-1%

(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 to the Group's cash and cash equivalents held in interest-bearing accounts and exposure to market risk for changes in interest rates for the convertible notes.

The Group's convertible notes are hybrid financial instruments with a debt liability and a conversion option. The host debt is measured at amortised cost using the effective interest method under AASB 9. These notes bear interest at a variable rate calculated as the higher of a 10% per annum floor or the Bank Bill Swap Rate (BBSW) plus 6% per annum.

Under the effective interest method, periodic re-estimations of future interest cash flows to reflect movements in the market BBSW baseline alter the effective interest rate (EIR) applied to the liability's carrying amount. Any difference between assumed and actual interest rate is expensed as incurred.

As at 30 June 2026, the effective interest rate (EIR) applied to the convertible notes was 36.56% (monthly compounding) for tranche 1 and 28.88% (monthly compounding) for tranche 2.

At reporting date, the Group had the following mix of financial assets and liabilities exposed to Australian and United Kingdom interest rate risk.

Current interest-bearing loans and borrowings	Interest rate %	Maturity	2026 $'000	2025 $'000
Lease Liabilities	3.5%-8.6%	2026-2029	459	447
Bank overdrafts	8.50%		1,146	1,510
Convertible notes	28.88%-36.56%	2030	4,470	-
GBP 350,000 loan - HSBC	3.99%	2025	-	147
GBP 150,000 loan - Funding Circle	5.00%	2026	-	85
Total			**6,075**	2,189
Non-current interest-bearing loans and borrowings				
Lease Liabilities	3.5%-8.6%	2026-2029	244	612
Total			**244**	612

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 2026, and at 30 June 2025, 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:

Judgements of reasonably possible movements*:	Post Tax Loss Higher/(Lower) 2026 $'000	Post Tax Loss Higher/(Lower) 2025 $'000	Equity Higher/(Lower) 2026 $'000	Equity Higher/(Lower) 2025 $'000
Consolidated				
+ 1% increase in interest rates	44	(20)	44	(20)
- 0.5% decrease in interest rate	(22)	10	(22)	10

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

(ii) Market risk

The Group is exposed to equity securities price risk through the valuation of the derivative liabilities. The warrants and conversion option associated to the convertible notes were valued using a Monte Carlo valuation methodology.

Derivative liabilities associated with convertible notes

- Warrants of $1,490,000 with a weighted average exercise price of $0.1234.
- Conversion options of $347,000.

The valuation exhibits an asymmetric risk profile due to the contrasting exercise mechanisms:

- Upside Exposure ($0.1234 Cap): As the Group's share price rises towards or exceeds $0.1234, the fair value of the liability increases because the probability of share conversion rises.
- Downside Floor Protection ($0.0315 Cash Floor): If the Group's share price falls significantly below $0.1234, the fair value of the warrant liability will not drop to zero. Instead, the liability value will flatten out and anchor to the present value of the $0.0315 per warrant cash payout obligation.

(iii) 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 2026			
Cash and cash equivalents	1,875	114	1,989
Trade receivables	4,256	514	4,770
Trade payables	(336)	(326)	(662)
Borrowings	(678)	(349)	(1,027)
Total exposure	**5,117**	**(47)**	**5,070**
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**

Foreign currency sensitivity

The following table demonstrates 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 loss 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 (loss) before tax		Effect on equity	
		USD $'000	GBP $'000	USD $'000	GBP $'000
30 June 2026	30%	358	(3)	358	(3)
	-30%	(358)	3	(358)	3
30 June 2025	10%	434	(185)	434	(185)
	-10%	(434)	185	(434)	185

(iv) 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 the balance sheet 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.

(v) 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 a 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 financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows with the exception of borrowings which includes the convertible notes and associated derivative liabilities. The remaining contractual maturities of the Group's financial liabilities are:

Financial liabilities	**Consolidated**	
	2026	**2025**
	$'000	**$'000**
12 months or less, include		
Cash and cash equivalents	5,269	5,591
Trade and other receivables	9,934	6,169
	15,203	**11,760**
12 months or less, include:		
Trade and other payables	(4,376)	(2,490)
Borrowings[1]	(4,470)	(1,742)
Derivative liabilities[2]	(1,490)	-
Lease liabilities	(459)	(447)
	(10,795)	**(4,679)**
1-5 years, include		
Lease liabilities non-current	(244)	(612)
	(244)	**(612)**
Total contractual cash flows	**4,164**	**6,469**

[1]Includes convertible notes (host debt) of $3,323,000 which is measured at amortised cost.
[2]Warrants associated with the convertible notes, measured at fair value at a weighted average exercise price of $0.1234 with a cash-settled put option of $0.0315 per warrant. The put option allows the warrant holders to require the Group to purchase and cancel unexercised warrants for cash at the put option price.

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 2026	% Equity Interest 2025
		Parent Entity		
AVA Risk Group Limited	Australia	Manufacture and sale	N/A	N/A
		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 2026 $	2025 $
Short-term employee benefits	792,020	1,174,292
Post-employment and other long-term benefits	71,749	68,335
Termination benefits	131,513	-
Long service leave	7,541	-
Share-based payments	27,860	143,428
Total compensation	**1,030,683**	**1,386,055**

(b) Loans to/from Key Management Personnel

There were no loans to directors or key management personnel during the year ended 30 June 2026 (2025: 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 $256,766 (2025: $259,482).
Accounts Payable balance at 30 June 2026 totals $21,045 (2025: $17,251). 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 2026 (FY2025: none).

(d) Recognised share-based payment expense

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

	Consolidated 2026 $	2025 $
Expenses arising from equity-settled share-based payment transactions:		
As compensation for KMPs	27,860	143,428
As compensation to employees[1]	(8,823)	59,613
Total share-based payments	**19,037**	**203,041**

[1] Performance-based share-based expense for forfeited performance rights were reversed to the amount of $52,260. Market-based share-based expense for forfeited performance rights were accelerated to the amount of $37,140 resulting in a negative expense recognised for employee compensation.

25 Key Management Personnel (Continued)

(e) Types of share-based payments

FY 26 Grants

Senior Executive Grants

During the financial year ended 30 June 2026, the Company granted performance rights as part of remuneration to one senior executive, Neville Joyce.

	Number of performance rights awarded	Grant date	Fair value at Grant date $	Vesting dates	Vesting conditions
Neville Joyce	471,035	10-Oct-25	0.019	15-Sep-27	Share price hurdle
	471,035	10-Oct-25	0.079	15-Sep-28	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

During the financial year ended 30 June 2026, there were no performance rights granted to Non-executive Directors.

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

Performance Share Rights	2026 Number	2025 Number
Outstanding at the beginning of the year	4,960,309	3,532,687
Granted during the year	942,070	4,100,000
Exercised during the year	(360,310)	(385,659)
Forfeited, lapsed and other movements during the year	(4,599,999)	(2,286,719)
Total share-based payments	**942,070**	**4,960,309**

26 Commitments, Contingent Assets and Liabilities

There are no commitments, contingent assets or liabilities at 30 June 2026 (2025: Nil).

27 Parent Entity Information

(a) Summary financial information

The stand-alone financial statements for the parent entity show the following aggregate amounts:

AVA Risk Group Limited Summarised statement of financial position	2026 $'000	2025 $'000
ASSETS		
Current Assets	21,660	11,451
Non-Current Assets	16,879	17,628
Total Assets	**38,539**	**29,079**
LIABILITIES		
Current liabilities	12,613	5,986
Non-Current liabilities	390	985
Total Liabilities	**13,003**	**6,971**
NET ASSETS	**25,536**	**22,108**
EQUITY		
Contributed Equity	57,930	57,931
Accumulated losses	(34,914)	(38,324)
Reserves	2,520	2,501
TOTAL EQUITY	**25,536**	**22,108**

Summarised statement of comprehensive income	2026 $'000	2025 $'000
Loss for the year	(719)	(2,453)
Other comprehensive loss for the year	-	-
Total comprehensive loss of the parent entity	**(719)**	**(2,453)**

(b) Guarantees entered into by the parent entity

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

(c) Contingent liabilities of the parent entity

There are no commitments, contingent assets or liabilities as at 30 June 2026 (2025: Nil).

(d) Material accounting policy information

The accounting policies of 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.

28 Auditor's Remuneration

	Consolidated	
	2026	2025
	$	$
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	316,500	327,150
Fees for other services - BDO Services Pty Limited		
Tax compliance	30,934	21,930
	347,434	**349,080**

29 Events after the Balance Date

Rear Admiral Terence "Terry" McKnight (USN, Ret.) was appointed as a Non-executive Director on 21 July 2026.

Bryant Henson was appointed Group Chief Executive Officer effective 24 August 2026. Bryant will also be appointed as an Executive Director subject to receipt of an Australian Directors ID.

Apart from those stated above, no other matters or 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.

30 Borrowings

	Consolidated 2026 $'000	2025 $'000
Convertible Notes	3,324	-
Bank overdrafts	1,146	1,510
Loans	-	232
Balance at 30 June	**4,470**	**1,742**
Due within 1 year	4,470	1,742
Due after more than 1 year	-	-
Balance at 30 June	**4,470**	**1,742**

Convertible notes

	Consolidated 2026 $'000	2025 $'000
Convertible Notes drawn down	7,000	-
Transaction costs for derivative liabilities expensed	(352)	-
Interest accrued	267	-
Conversion option	(1,546)	-
Warrants	(2,045)	-
Balance at 30 June	**3,324**	**-**

During the financial year, the Company entered into a secured convertible note agreement with Hale Capital Management and its affiliates with an aggregate face value of $7,000,000. Tranche 1 was issued on 30 January 2026 to the value of $2,980,000. Tranche 2 with a value of $4,020,000 was drawn down on 10 April 2026. The notes mature 48 months following financial close (30 January 2030), subject to the Company's right to extend maturity for a further 12 months and the terms of the notes deed. Coupon accrues at the higher of 10% per annum and BBSW Mid plus 6% per annum.

The lender has the right to convert all or a portion of any outstanding amount of the $7,000,000 facility (including capitalised interest, if any) into fully paid ordinary shares in the Company at a conversion price of $0.1234 per share, equal to 81% premium to the Company's last closing share price on 30 December 2025. The Company has the right, in certain circumstances, to compel conversion of notes into shares or repay the facility.

The convertible note is a hybrid financial instrument with a debt liability (cash payment) and a conversion option. The conversion option and warrants associated with the convertible notes are recognised as a derivative liability and disclosed under note 31.

The host debt liability is measured at amortised cost using the effective interest method. The effective interest expense included the unwinding of the discount arising from the allocation of proceeds to derivative financial liabilities and transaction costs allocated to the host liability. Under the effective interest method, periodic re-estimations of future interest cash flows to reflect movements in the market BBSW baseline alter the effective interest rate (EIR) applied to the liability's carrying amount. Any difference between assumed and actual interest rate is expensed as incurred.

As at 30 June 2026, the effective interest rate (EIR) applied to the convertible notes was 36.56% (monthly compounding) for tranche 1 and 28.88% (monthly compounding) for tranche 2. Interest expensed during the year amounted to $267,000.

Transaction costs amounting to $611,000 were split between between host debt and derivative liabilities using a rational basis, at fair values at inception.

31 Derivative financial liabilities

	Consolidated 2026 $’000	2025 $’000
Conversion option - current	347	-
Warrants - current	1,490	-
Balance at 30 June	**1,837**	**-**

	Consolidated 2026 $’000	2025 $’000
Initial recognition - conversion option	1,546	-
Initial recognition - warrants	2,045	-
Fair value gain on conversion option	(1,199)	-
Fair value gain on warrants	(555)	-
Balance at 30 June	**1,837**	**-**

Transaction costs of $352,000 associated with warrants were expensed as incurred.

Conversion option
The convertible note is treated as a hybrid financial instrument. The host debt is disclosed under Borrowings Note 30. The conversion option does not meet the fixed-for-fixed test as a variable number of shares may be issued on conversion based on the ‘outstanding amount’ to be converted at a conversion price of $0.1234. Accordingly, the conversion option was accounted for as a derivative financial liability and is recognised at fair value through profit or loss, using the Monte Carlo valuation methodology, with any movements recognised in profit or loss at each reporting date.

The fair value was remeasured at 30 June 2026 and resulted in a fair value gain of $1,199,000.

Warrants

The warrants (along with the put option) are issued as part of the larger convertible notes transaction and are treated as a derivative financial liability and is recognised at fair value through profit or loss, using the Monte Carlo valuation methodology, with any movements recognised in profit or loss at each reporting date. The warrant deed includes a put option that is not a separate security to the warrants.

The put option allows the warrant holders to require the Group to purchase and cancel unexercised warrants for cash at the put option price of $0.0315 per warrant.

In addition, the Warrant Deed permits cashless exercise, under which the number of shares issued is determined by a VWAP-based formula. This results in a variable number of shares being issued and independently fails the fixed-for-fixed equity criterion.

Each warrant has an exercise price of $0.1234, equal to 81% premium to the Company's last closing share price on 30 December 2025. Details of the warrants on issue are as follows:

Warrant issue	Number of warrants	Exercise price $	Fair value at grant date $	Expiry date
30 January 2026	**19,314,000**	0.1234	0.0479	29 January 2031
10 April 2026	**26,066,875**	0.1234	0.0429	10 April 2031
	45,380,875			

The derivative financial liability was initially measured at its fair value on the date of issuance and is subsequently remeasured at each reporting date. Unrealised gains and losses arising from the remeasurement are recognised in the statement of profit or loss and other comprehensive income.

The following table illustrates the changes in warrants for the year:

	Number of warrants 2026	Carrying amount 2026 $'000
Balance at 1 July	-	-
Issued	**45,380,875**	2,045
Expired	-	-
Changes in fair value of derivative liability	-	(555)
Balance at 30 June	**45,380,875**	**1,490**

The fair value of the derivative financial liabilities at issue date and at 30 June 2026 was estimated using the Monte Carlo Simulation model with the following assumptions:

	At issue date		At 30 June
	Tranche 1	Tranche 2	2026
Risk free rate	4.38%	4.589%	4.40%
Volatility	62.7%	63.5%	66.1%
Expected life (Early exercise factor)	2.5	2.5	2.5
Expected dividend yield	0%	0%	0%
Share price	$ 0.064	$ 0.055	$ 0.032

Fair value measurement hierarchy
The Company is required to classify all assets and liabilities, measured at fair value, using a three-level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement. The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

Name	Entity type	Country of Incorporation	% share capital held 2026	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 (In Liquidation)	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 (In Liquidation)	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.

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 Australian 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 2026 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 2026 set out on pages 86 and 87 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 2026.

On behalf of the Board

David Cronin
Chairman
28-Aug-26
Sydney

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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 2026, 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 2026 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 auditor independence requirements of 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 audits of the financial report of public interest entities 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.

Impairment of goodwill and other intangible assets

Key audit matter	How the matter was addressed in our audit
As at 30 June 2026 the Group has intangible assets related to trademarks, patents, development costs and goodwill. Goodwill and other finite life intangible assets are assessed for impairment annually and when there are indicators of impairment, respectively. 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 estimates including assumptions that are based on future revenue, operating results, discount rates and the broader market conditions and jurisdictions in which the Group operates.	Our procedures included, but were not limited to: • Obtaining an understanding of the process that management undertook to perform its impairment assessment. • Evaluating the level at which goodwill and other intangible assets is monitored for impairment, including the identification of CGUs. In conjunction with our internal valuation specialists, we: • Compared the market capitalisation of the Group to the consolidated net assets at balance date. • Evaluated the value-in-use models for the respective CGUs as prepared by management and assessed the reasonableness of the key assumptions adopted to determine the discount rates, growth rates and terminal values. • Agreed the forecasted cashflows for FY27 to the latest Board approved budget. • Assessed for historical forecasting accuracy. • Assessed the integrity and mathematical accuracy of the value-in-use models. • Subjected the growth and discount rates assumptions to a sensitivity analysis. • Assessed the appropriateness and adequacy of the disclosures in the financial report with reference to the requirements of Australian Accounting Standards.

Accounting for the convertible notes and associated warrants as financial liabilities

Key audit matter	How the matter was addressed in our audit
During the year, the Company entered into a secured convertible note facility agreement and warrant deed with Hale Capital Management and its affiliates with an aggregate face value of AUD$7 million. The accounting for convertible notes and warrants is complex due to the number of contractual features and the embedded derivatives. This is considered a key audit matter due to the following: • There is complexity involved in assessing whether to account for the convertible notes and warrants as equity and/or financial liabilities; • There is complexity in determining the fair value of the financial liabilities based on the terms and conditions within the agreements; and • Significant judgment and estimation are required in determining the fair value of the financial liabilities.	Our procedures included, but were not limited to: • Reviewing the executed agreement and deed to understand the key terms and features. • Assessing the competence and objectivity of the external independent experts whom management engaged to assist with the accounting treatment and the valuation of the financial instruments. • Engaging our internal IFRS specialists to assist in reviewing the identification, classification and accounting treatment of the respective components of the financial instruments (the host debt instrument and the embedded derivatives). • Engaging our internal valuation specialists to assist in assessing the reasonableness of the key assumptions applied and valuation methodology adopted by management. • Assessing the appropriateness and adequacy 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 contained in the Group's annual report for the year ended 30 June 2026, but does not include the financial report and our 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 identified above 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 pages 20 to 32 of the directors' report for the year ended 30 June 2026.

In our opinion, the Remuneration Report of AVA Risk Group Limited, for the year ended 30 June 2026, 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

BDO

Wai Aw
Director

Melbourne, 28 August 2026

Shareholder Information

Distribution of equity securities (as at 06 August 2026)

291,099,082 fully paid ordinary shares are held by 2,460 shareholders. All issued ordinary shares carry one vote 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	308	137,558	0.05
1,001-5,000	702	1,996,767	0.69
5,001-10,000	401	3,219,245	1.11
10,001-100,000	768	27,219,216	9.35
100,001-9,999,999,999	281	258,526,296	88.81
Totals	**2,460**	**291,099,082**	**100.00**

The number of shareholders holding less than a marketable parcel of 11,628 (based on a the share price of $0.043 on 6 August 2026) is 1,466 and they hold 5,947,740 shares.

Substantial shareholders (as at 06 August 2026)

	Fully paid ordinary shares	
Name of Shareholders	Number of shares	% of issued share capital
BELL POTTER NOMINEES LTD <BB NOMINEES A/C>	31,950,717	10.98%
BNP PARIBAS NOMS PTY LTD	15,939,854	5.48%
MR STEPHEN ROSS CAREW <BMS A/C>	15,000,000	5.15%
	62,890,571	**21.60%**

Shareholder Information (continued)

Twenty largest shareholders (as at 06 August 2026)

	Name of Shareholders	Number of shares	% of issued share capital
1	BELL POTTER NOMINEES LTD <BB NOMINEES A/C>	31,950,717	10.98%
2	BNP PARIBAS NOMS PTY LTD	15,939,854	5.48%
3	MR STEPHEN ROSS CAREW <BMS A/C>	15,000,000	5.15%
4	BANNABY INVESTMENTS PTY LIMITED <BANNABY SUPER FUND A/C>	11,948,859	4.10%
5	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	11,914,407	4.09%
6	DIXSON TRUST PTY LIMITED	9,032,306	3.10%
7	CHAG PTY LTD	8,890,769	3.05%
8	CITICORP NOMINEES PTY LIMITED	8,244,987	2.83%
9	VALWREN PTY LIMITED <WFIT A/C>	7,000,000	2.40%
10	VALWREN PTY LIMITED <SANDY FAMILY INVESTMENT A/C>	7,000,000	2.40%
11	BFA SUPER PTY LTD <GDN SUPERANNUATION FUND A/C>	4,612,850	1.58%
12	GAETA NOMINEES PTY LTD <PINE LODGE OPPORTUNITIES A/C>	4,373,683	1.50%
13	MR DAVID MALCOLM SOUTH	4,250,000	1.46%
14	CARRIER INTERNATIONAL PTY LTD <SUPER FUND A/C>	3,650,631	1.25%
15	GOVINDARAJALOO NARASIMOOLOO	3,180,027	1.09%
16	BFA SUPER PTY LTD <GDN SUPER FUND A/C>	3,000,000	1.03%
17	MR ATHAR JAMEEL BHUTTO	2,677,777	0.92%
18	CHERYL LEE TAPANES	2,600,000	0.89%
19	BANNABY INVESTMENTS PTY LTD <BANNABY SUPER FUND A/C>	2,560,244	0.88%
20	MR RUOBING ZHANG <ZHANG FAMILY A/C>	2,230,000	0.77%
		160,057,111	**54.98%**

Voting rights

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