



OVERWATCH TECHNOLOGIES LIMITED

(formerly known as Overwatch Technologies Pty Ltd)

Interim Report – 31 December 2025

INTERIM FINANCIAL REPORT

For the financial half-year period 7 August 2025 to 31 December 2025

	Page
Corporate Directory	1
Directors' Report	2
Auditor's Independence Declaration	4
Directors' Declaration	5
Independent Auditor's Review Report	6
Statement of Profit or Loss and Other Comprehensive Income	8
Statement of Financial Position	9
Statement of Changes in Equity	10
Statement of Cash Flows	11
Notes to the Financial Statements	12

CORPORATE DIRECTORY

Board of Directors

Executive Chairman	Mr Harry Karelis
Executive Director	Mr Oscar Leslie
Non-Executive Director	Mr Nathan Munn

Company Secretary

Company Secretary	Mrs Mindy Ku
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Auditors

RSM Australia Partners
Level 32, Exchange Tower
2 The Esplanade
Perth, Western Australia 6005

Lawyer

Steinepreis Paganin
Level 14, QV1 Building
250 St Georges Tce, Perth, Western Australia, 6000

Principal Office

Level 12, 197 St Georges Terrace
Perth, Western Australia 6000

Registered Office

Level 12, 197 St Georges Terrace
Perth, Western Australia 6000

Postal Address

PO Box 1227
West Perth
Western Australia 6872

Contact Details

+61 8 9322 3383 (Telephone)
hello@overwatchtechnologies.ai (Email)
www.overwatchtechnologies.ai (Website)

ABN 14 689 821 814

DIRECTORS' REPORT

The Directors of Overwatch Technologies Limited (**Overwatch** or the **Company**) present the interim financial report of the Company's from incorporation for the financial period 7 August 2025 to 31 December 2025. This interim financial report represents the Company's first financial statements.

DIRECTORS

The following persons were directors of Overwatch Technologies Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Executive Chairman

Mr Harry Karelis
(appointed 22 August 2025)

Executive Director

Mr Oscar Leslie
(appointed 22 August 2025)

Non-Executive Director

Mr Nathan Munn
(appointed 7 August 2025)

The Directors held their position throughout the entire financial period and up to the date of this report unless stated otherwise.

PRINCIPAL ACTIVITY

The Company is engaged in the commercialisation of communications-based and signals detection technologies and further development of artificial intelligence enabled hardware, software, sensors, and data analytics systems.

REVIEW OF OPERATIONS

The Company was incorporated to formalise the operations and establish an exclusive regional licence and strategic partnership for technology developed by PolusTech S.A. During the period, the Company completed a \$2.35 million seed capital raise and secured its first commercial purchase order of approximately US\$1.5 million.

FINANCIAL REVIEW

During the financial half-year, the administration expenditure incurred by the Company amounted to \$249,350. Interest income was \$3,240. This has resulted in an operating loss after tax of \$246,110 for the period from 7 August 2025 to 31 December 2025.

The Company's closing net asset position of \$2,017,001 was primarily attributable to proceeds received from the Pre-IPO capital raise during the financial half-year.

The Company ended the financial half-year with cash reserves of \$2,097,857.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

The following matters or circumstances have arisen since the end of the financial half-year which may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years:

- (i) On 11 February 2026, the Company entered into an IPO Lead Manager engagement with Euroz Hartleys to provide assistance with the planned IPO of its securities on the ASX;
- (ii) On 5 February 2026, the Company entered into a Strategic Cooperation Framework Agreement with Polus Tech Pty Ltd (the **Licensor**), under which both parties agreed to collaborate on the sales and marketing of products within the exclusivity area. Subsequently, on 25 February 2026, and in connection with the Company's application to list its securities on the Australian Securities Exchange, the Licensor entered into a License Agreement with the Company, granting it the right to use the Licensed IP for the purposes of its business. The Company paid USD350,000 to the Licensor under the agreements;
- (iii) On 17 April 2026, the Company converted from a proprietary company to a public company limited by shares;
- (iv) On 15 May 2026 the Company received a purchase order from Electromex DG, S.A. de C.V. for the supply of vehicle-mounted hardware and associated software. The total contract value is USD\$1,200,000; and
- (v) Total revenue secured to date and still outstanding from existing purchase orders totals approximately USD\$2,700,000 (AUS\$3.8m).

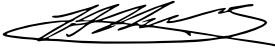
DIRECTORS' REPORT

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

Signed in accordance with a resolution of Directors, pursuant to section 306 (3) (a) of the Corporations Act 2001.

On behalf of the Directors



Harry Karelis

Executive Chairman

27th of May 2026

Perth, Australia

AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF OVERWATCH TECHNOLOGIES LIMITED



RSM Australia Partners

Level 32, Exchange Tower, 2 The Esplanade Perth WA 6000
GPO Box R1253 Perth WA 6844

T +61(0) 8 9261 9100

www.rsm.com.au

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Overwatch Technologies Limited for the period 7 August to 31 December 2025, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

A handwritten signature in black ink that reads 'Rsm' in a cursive, stylized font.

RSM AUSTRALIA

A handwritten signature in black ink that appears to read 'Aik Kong Ting' in a stylized, cursive font.

AIK KONG TING
Partner

Perth, WA
Dated: 27 May 2026

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DIRECTORS' DECLARATION

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Company's financial position as at 31 December 2025 and of its performance for the financial period 7 August 2025 to 31 December 2025; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

Signed in accordance with a resolution of the Directors made pursuant to section 303 (5) (a) of the Corporations Act 2001.

On behalf of the Directors



Harry Karelis

Executive Chairman

27th of May 2026

Perth, Australia

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF OVERWATCH TECHNOLOGIES LIMITED



RSM Australia Partners

Level 32 Exchange Tower, 2 The Esplanade Perth WA 6000
GPO Box R1253 Perth WA 6844

T +61 (0) 8 9261 9100

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of Overwatch Technologies Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Overwatch Technologies Limited which comprises the statement of financial position as at 31 December 2025, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the period 7 August to 31 December 2025, notes comprising material accounting policy information and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Overwatch Technologies Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Company's financial position as at 31 December 2025 and of its performance for the period 7 August to 31 December 2025; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company 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 our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF OVERWATCH TECHNOLOGIES LIMITED



Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility for the Review of the Half-Year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Company's financial position as at 31 December 2025 and its performance for the period 7 August to 31 December 2025; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.


RSM AUSTRALIA

Perth, WA
Dated: 27 May 2026


AIK KONG TING
Partner

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the financial period ended 31 December 2025

	Note	7 Aug 2025 to 31 Dec 2025 \$
Revenue		–
Other income		3,240
Directors' fees		(62,000)
Consultants' expenses		(78,812)
Sales and marketing expenses		(1,332)
Travel expenses		(61,532)
Other expenses		(45,674)
Loss before income tax		(246,110)
Income tax expense		–
Loss after income tax expense for the half-year		(246,110)
Other comprehensive income for the half-year, net of tax		–
Total comprehensive loss for the half-year		(246,110)
Loss per share:		
Basic and diluted (cents per share)	9	(0.35)

The accompanying notes form part of the financial statements.

STATEMENT OF FINANCIAL POSITION

as at 31 December 2025

	Note	31 Dec 2025 \$
Current assets		
Cash and cash equivalents		2,097,857
Other receivables	3	50,003
Other assets	4	1,096,880
Total current assets		3,244,740
TOTAL ASSETS		3,244,740
Current liabilities		
Other payables	5	43,921
Contract liabilities	6	1,183,818
Total current liabilities		1,227,739
TOTAL LIABILITIES		1,227,739
NET ASSETS		2,017,001
Equity		
Issued capital	7	2,263,111
Accumulated losses	8	(246,110)
TOTAL EQUITY		2,017,001

The accompanying notes form part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

for the financial period ended 31 December 2025

	Attributable to equity holders		
	Issued capital	Accumulated losses	Total Equity
	\$	\$	\$
For the period ended 31 December 2025			
Balance at 7 August 2025	–	–	–
Total comprehensive income			
Loss after income tax expense for the half-year	–	(246,110)	(246,110)
Other comprehensive income for the half-year, net of tax	–	–	–
Total comprehensive loss for the half-year	–	(246,110)	(246,110)
Transactions with owners in their capacity as owners:			
Proceeds from issue of equity	2,419,811	–	2,419,811
Equity issue costs	(156,700)	–	(156,700)
Total transactions with owners	2,263,111	–	2,263,111
Balance as at 31 December 2025	2,263,111	(246,110)	2,017,001

The accompanying notes form part of the financial statements.

STATEMENT OF CASH FLOWS

for the financial period ended 31 December 2025

	Note	7 Aug 2025 to 31 Dec 2025 \$
Cash flows from operating activities		
Payments to suppliers and directors		(1,331,269)
Interest received		3,240
Receipts from customers		1,162,775
Net cash used in operating activities		(165,254)
Cash flows from financing activities		
Proceeds from issue of equity securities		2,419,811
Payment for equity issue costs		(156,700)
Net cash from financing activities		2,263,111
Net increase in cash and cash equivalents		2,097,857
Cash and cash equivalents at the beginning of the financial half-year		–
Cash and cash equivalents at the end of the financial half-year		2,097,857

The accompanying notes form part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

for the financial period ended 31 December 2025

1. REPORTING ENTITY

Overwatch Technologies Limited (**Company**) is a public limited company incorporated and domiciled in Australia. The Company's registered office is located at Level 12, 197 St Georges Terrace, Perth, Western Australia 6000.

The Company is a for-profit company. It has no controlled entities and, therefore, is not required to prepare consolidated financial statements under the accounting standards. As a result, section 295(3A) (a) of the Corporations Act 2001 does not apply to the Company.

A description of the nature of the Company's operations and its principal activities is included in the Directors' report, which is not part of the financial statements.

2. MATERIAL ACCOUNTING POLICY INFORMATION

These general purpose financial statements for the interim half-year reporting period 7 August 2025 to 31 December 2025 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with any public announcements made by the company during the interim reporting period.

As this is the first interim half year report since the Company incorporated on 7 August 2025, no comparative information is presented. The accounting policies set out below have been applied in preparing the financial report.

(a) Basis of measurement

The financial report has been prepared on an accruals basis and is based on historical cost, unless otherwise noted. Cost is based on the fair values of the consideration given in exchange for assets.

(b) Functional and presentation currency

These financial statements are presented in Australian dollars, which is the Company's functional and presentation currency.

(c) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash in banks and investments in money market instruments, net of outstanding bank overdrafts.

(d) Financial instruments

Non-derivative financial instruments

Non-derivative financial instruments comprise investment in trade and other receivables, cash and cash equivalents and trade and other payables.

Trade and other receivables, and cash and cash equivalents are classified as financial assets measured at amortised cost.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs, except as described below. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

A financial instrument is recognised if the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Company's contractual rights to the cash flows from the financial assets expire or if the Company transfers the financial assets to another party without retaining control of substantially all of the risks and rewards of the asset. Regular purchases and sales of financial assets are accounted for at trade date; i.e. the date the Company commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Company's obligations specified in the contract expire or are discharged or cancelled.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Non-derivative financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest rate method.

NOTES TO THE FINANCIAL STATEMENTS

for the financial period ended 31 December 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

(e) Financial instruments (cont'd)

Non-derivative financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest rate method.

Financial liabilities comprise of trade and other payables. Trade payables and other accounts payable are recognised when the Company becomes obliged to make future payments resulting from the purchase of goods and services.

Cash and cash equivalents comprise cash balances and call deposits.

Issued capital

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

(f) Impairment

The Company assesses at each balance date whether a financial asset or group of financial assets is impaired.

Financial assets at amortised cost

Trade receivables are initially recognised at their transaction price and other receivables at fair value. Receivables that are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest are classified and subsequently measured at amortised cost. Receivables that do not meet the criteria for amortised cost are measured at fair value through profit or loss.

The Company assesses on a forward-looking basis; the Expected Credit Losses (**ECL**) associated with its debt instruments carried at amortised cost. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Company always recognises the lifetime ECL for trade receivables carried at amortised cost.

The ECL on these financial assets are estimated based on the Company's historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as forecast conditions at the reporting date.

For all other receivables measured at amortised cost, the Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to ECL within the next 12 months.

The Company considers an event of default has occurred when a financial asset is more than 90 days past due or external sources indicate that the debtor is unlikely to pay its creditors, including the Company. A financial asset is credit impaired when there is evidence that the counterparty is in significant financial difficulty or a breach of contract, such as a default or past due event has occurred. The Company writes off a financial asset when there is information indicating the counterparty is in severe financial difficulty and there is no realistic prospect of recovery.

Non-financial assets

The carrying amounts of the Company non-financial assets, other than deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset of the Company that generates cash flows that are largely independent from other assets. Impairment losses are recognised in profit or loss.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. 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.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

NOTES TO THE FINANCIAL STATEMENTS

for the financial period ended 31 December 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

(g) Good and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (**GST**), except:

- (i) where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- (ii) for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(h) Revenue

The Company recognises revenue as follows:

Interest revenue

Interest revenue is recognised as interest accrues using the effective interest method.

Revenue from contract customers

Revenue is recognised at an amount that reflects the consideration to which the Company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised. For goods sold, there is one performance obligation, which is the delivery of the goods to the customer. Control passes when the goods are shipped to the customer with revenue recognised at this point in time.

Services

The Company provides training services. Such services are recognised as a performance obligation satisfied over time. The transaction price allocated to these services is recognised as deferred revenue at the time of the initial services transaction and is released on a straight-line basis over the period of service.

Contract liabilities

Contract liabilities represent the Company's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Company recognises a receivable to reflect its unconditional right to consideration, whichever is earlier, before the Company has transferred the goods or services to the customer. Contract liabilities are recognised as revenue when the Company satisfies its performance obligations under the contract. Contract liabilities are presented separately in the statement of financial position.

(i) Employee benefits

Provision is made for benefits accruing to employees in respect of wages and salaries and annual leave when it is probable that settlement will be required, and they are capable of being measured reliably. Liabilities recognised in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement. Liabilities recognised in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the Company in respect of services provided by employees up to reporting date.

NOTES TO THE FINANCIAL STATEMENTS

for the financial period ended 31 December 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

(j) Tax

Current tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax

Deferred tax is accounted for using the full liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, branches, associates and joint ventures except where the entity is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with these investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the entity expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the entity intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current and deferred tax is recognised as an expense or income in the statement of profit or loss and other comprehensive income, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

(k) Payable

Trade payables and other accounts payable are recognised when the entity becomes obliged to make future payments resulting from the purchase of goods and services.

(l) Foreign currency translation

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

(m) Provisions

Provisions are recognised when the Company has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation as a result of a past event at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cashflows estimated to settle the present obligation, its carrying amount is the present value of those cashflows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

NOTES TO THE FINANCIAL STATEMENTS

for the financial period ended 31 December 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

(n) New or amended Accounting Standards and Interpretations adopted

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

(o) Segment reporting policy

Operating segments are identified and segment information disclosed on the basis of internal reports that are regularly provided to or reviewed by the Company's chief operating decision maker which, for the Company, is the Board of Directors. In this regard, such information is provided using similar measures to those used in preparing the statement of profit or loss and other comprehensive income and statement of financial position.

(p) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial period.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to consider the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive.

NOTES TO THE FINANCIAL STATEMENTS

for the financial period ended 31 December 2025

3. OTHER RECEIVABLES

	31 Dec 2025
	\$
Current	
Net goods and services tax (GST) receivable	31,766
Prepayment	16,721
Other receivables	1,516
Total	50,003

4. OTHER ASSETS

	31 Dec 2025
	\$
Current	
Other assets	1,096,880
Total	1,096,880

Other assets represent amounts paid in advance to suppliers for goods to be delivered under contractual arrangements. As at the reporting date, control of the related goods has not transferred to the Company. Accordingly, the amounts are recognised as a current asset in the statement of financial position. Other assets is recognised as an expense in the statement of profit or loss and other comprehensive income when the corresponding revenue is recognised.

Revenue is recognised when performance obligations are satisfied and the significant risks and expected returns of ownership pass to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount is measured reliably. For goods sold, the Company has a single performance obligation being the delivery of goods to the customer. Revenue is recognised at a point in time when control passes to the customer, which occurs upon shipment of the goods in accordance with agreed delivery terms. As no performance obligation was satisfied during the financial half-year, no revenue has been recognised. Consequently, no related costs of sales have been recognised, and the prepayments remain recognised as a current asset at the reporting date.

5. OTHER PAYABLES

	31 Dec 2025
	\$
Current	
Other payables	25,921
Accruals	18,000
Total	43,921

6. CONTRACT LIABILITIES

	31 Dec 2025
	\$
Hardware	1,183,818
Total	1,183,818

Contract liabilities represent the Company's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Company recognises a receivable to reflect its unconditional right to consideration, (whichever is earlier) before the Company transfers the goods or services to the customer. Contract liabilities are recognised as revenue when the Company satisfies its performance obligations under the contract.

NOTES TO THE FINANCIAL STATEMENTS

for the financial period ended 31 December 2025

6. CONTRACT LIABILITIES (cont'd)

	\$
Reconciliation:	
Reconciliation of the carrying value of contract liabilities at the beginning and the end of the financial half-year are set out below:	
Balance at beginning of the financial half-year	–
Payments received in advance from contract customer during the financial half-year	1,183,818
Transfer to revenue during the financial half-year	–
Balance at end of the financial half-year	1,183,818

7. ISSUED CAPITAL

	31 Dec 2025 \$
93,500,000 fully paid ordinary shares	2,263,111

	31 Dec 2025 No.	\$
Balance at beginning of the financial half-year	–	–
Issue of shares – pre-IPO	93,500,000	2,419,811
Share issue costs	–	(156,700)
Balance at end of the financial half-year	93,500,000	2,263,111

Fully paid ordinary shares carry one vote per share and carry the rights to dividends.

8. ACCUMULATED LOSSES

	31 Dec 2025 \$
Balance at beginning of the financial half-year	–
Loss for the period	(246,110)
Balance at end of the financial half-year	(246,110)

9. LOSS PER SHARE

	31 Dec 2025 Cents per share
Basic and diluted loss per share	(0.353)

Basic and diluted loss per share

The loss and weighted average number of ordinary shares used in the calculation of basic and diluted loss per share are as follows:

	31 Dec 2025 \$
Loss for the half-year	(246,110)

	31 Dec 2025 \$
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	69,751,028

NOTES TO THE FINANCIAL STATEMENTS

for the financial period ended 31 December 2025

10. CONTINGENT ASSETS OR LIABILITIES

In the opinion of the Directors, there are no contingent assets or contingent liabilities as at 31 December 2025 and none were incurred in the interval between the period and to the date of this financial report.

11. SEGMENT INFORMATION

For management purposes the Company is organised into one main operating segment which involves the development and commercialisation of AI-enabled hardware, software, sensors and data systems. All of the Company's activities are interrelated and discrete financial information is reported to the Board (Chief Operating Decision Maker) as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Company as one segment. The financial results from this segment are equivalent to the financial statements of the Company as a whole.

12. DIVIDENDS

No dividends were declared or paid during the half-year ended 31 December 2025.

13. EVENTS AFTER THE REPORTING PERIOD

The following matters or circumstances have arisen since the end of the financial half-year which may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years:

- (i) On 11 February 2026, the Company entered into an IPO Lead Manager engagement with Euroz Hartleys to provide assistance with the planned IPO of its securities on the ASX;
- (ii) On 5 February 2026, the Company entered into a Strategic Cooperation Framework Agreement with Polus Tech Pty Ltd (the Licensor), under which both parties agreed to collaborate on the sales and marketing of products within the exclusivity area. Subsequently, on 25 February 2026, and in connection with the Company's application to list its securities on the Australian Securities Exchange, the Licensor entered into a License Agreement with the Company, granting it the right to use the Licensed IP for the purposes of its business. The Company paid USD350,000 to the Licensor under the agreements;
- (iii) On 17 April 2026, the Company converted from a proprietary company to a public company limited by shares;
- (iv) On 15 May 2026 the Company received a purchase order from Electromex DG, S.A. de C.V. for the supply of vehicle-mounted hardware and associated software. The total contract value is USD\$1,200,000; and
- (v) Total revenue secured to date and still outstanding from existing purchase orders totals approximately USD\$2,700,000 (AUS\$3.8m).

OVERWATCH TEHCNOLOGIES LIMITED



hello@overwatchtechnologies.ai