

**AVA RISK GROUP LIMITED
AND ITS CONTROLLED ENTITIES**

Appendix 4D AND
INTERIM CONSOLIDATED FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2024
Lodged with the ASX under Listing Rule 4.2.A.3

ABN: 67 064 089 318
ASX CODE: AVA

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AVA RISK GROUP LIMITED

ABN: 67 064 089 318

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INTERIM CONSOLIDATED FINANCIAL REPORT

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Details of the reporting period and the previous corresponding period

| | | |
|--------------------------------|-----------------|------------------|
| Reporting period | Half Year Ended | 31 December 2024 |
| Previous Corresponding Periods | Half Year Ended | 31 December 2023 |
| | Year Ended | 30 June 2024 |

Results for announcement to the market

| | Change | % movement | Amount of change \$000 | 2024 31 December \$000 | 2023 31 December \$000 |
|---|--------|---------------|------------------------------|------------------------------|------------------------------|
| Consolidated revenue from operations | up | 20% | 2,872 | 17,031 | 14,159 |
| Profit after tax attributable to shareholders | up | 99% | 2,309 | (23) | (2,332) |
| EBITDA* | up | 254% | 2,597 | 1,576 | (1,021) |

* Earnings from continuing operations before interest, tax, depreciation and amortisation (unaudited).

Dividends and Distributions

Current reporting period

| | Amount per share \$ |
|--|------------------------|
| | nil |

Previous corresponding period

| | Amount per share \$ |
|------------------|------------------------|
| Special dividend | 0.0017 |

Record date 6 November 2023

Details of dividends/distribution reinvestment plan

The Company does not have a dividend reinvestment plan.

Net tangible assets per security

| | 2024 31 December cents | 2024 30 June cents |
|--|-------------------------------------|---------------------------------|
| Net tangible asset backing per ordinary security | 5.05c | 4.94c |

Details of associates and joint venture entities

The Company did not have any associated entities or joint ventures during the period.

Other significant information

Refer to the Directors' Report for details on other significant matters and information regarding the Consolidated Entity.

Commentary on significant features of operating performance

Commentary on Results is included in the attached Directors' Report and the accompanying Group Financial Statements.

Directors' Report

The directors present their report together with the interim financial report of the consolidated entity consisting of AVA Risk Group Limited (the "Company") and its controlled entities ("AVA Risk Group") for the half-year ended 31 December 2024 and independent review report thereon.

Directors' Names

The names of the directors in office at any time during or since the end of the half-year are:

| Name | Period of Directorship |
|-------------------------------------|--------------------------|
| D Cronin (Chairman) | Appointed 10 April 2018 |
| M Stevens (Non-Executive Director) | Appointed 11 March 2015 |
| M McGeever (Non-Executive Director) | Appointed 8 August 2018 |
| M Maginnis (Executive Director) | Appointed 9 January 2023 |

The directors have been in office since the start of the financial period to the date of this report unless otherwise stated.

Review of operations

The operating and financial performance of the Company significantly improved during H1 FY2025. Since January 2023, AVA Risk Group has invested heavily in its commercial capability and technology in order to grow revenue and increase market share. The results for H1 FY2025 indicate that this strategy is providing a platform for continued improved performance. Highlights for H1 FY2025 include:

- Strong revenue growth of 20% on the prior year underpinned by improved performance in Detect, resulting in improved earnings performance and 20% growth in recurring service contracts.
- Stable and scalable cost base following the completion of the organisational restructure in FY2024. Increased revenue and improved gross margin has resulted in a \$2.6 million improvement in EBITDA generating \$1.7 million in the current period compared to a loss of \$0.9 million in the prior year.
- Expansion in strategically important industry verticals and key projects – sovereign border protection, airport perimeter detection, transportation.
- Strong sales order intake of \$16.3 million driven primarily by the Detect segment.
- Confirmed sales order backlog of \$7.6 million, including \$2.4 million in contracted annual recurring revenue. The order backlog consists of equipment orders and multi-year service contracts.

The Company is focused on developing its sales opportunity pipeline in key industry verticals and growing its recurring revenue base. Aura Ai-X, the Company's market leading, latest generation fibre sensing technology, has underpinned significant operating improvements in the Detect segment. During H1 FY2025 repeat orders for Aura Ai-X were fulfilled for protection of a critical European border, including the replacement of some competitor technology which had previously been installed. Airport perimeter detection is an emerging industry vertical and sales orders were fulfilled for the deployment of systems at Dubai International Airport and a major North American airport. The value of recurring service contracts grew by 20% to \$2.4 million during H1 FY2025 driven by increased system deployments.

Directors' Report

Review of operations (continued)

The Company has deepened its relationship with key partners such as UGL, with which additional contract variations have been received to support the Sydney Metro project, including joint development opportunities with the Illuminate segment. Further progress was made with Telstra on developing applications of AVA's technology for the telecommunications sector and the Company remains confident that this will be a significant driver of future growth.

Detect segment revenue of \$12.1 million represents growth of 57% on the previous year. The improved performance is driven by completion of a number of key projects including the supply of equipment to a mine site in Chile and further deployment of additional systems for Eastern European border protection.

Revenue in the Access segment of \$2.0 million for H1 FY2025 is \$1.2 million lower than the previous year which included initial stocking orders of the Cobalt series locks for dormakaba in the U.S. Leveraging dormakaba's global distribution network remains critical to near term growth in the Access segment. In the Illuminate segment, the new "LoRa" product is enabling the seamless integration of a number of the Company's devices in a common solution. The complementary nature of Illuminate products with Detect is demonstrated by the development work being undertaken with UGL to provide solutions on the Sydney Metro project and by some Illuminate product trials undertaken with Telstra.

Financial performance for the first half significantly improved, driven by increased Detect revenue. Total revenue of \$17.0 million grew by 20% on the previous year (\$14.2 million for HY2024). Consolidated gross margin grew to 64%, up 3% on the prior year driven by an increase in higher margin Detect revenue. Operating costs have stabilised following completion of the restructure during FY2024 and were \$0.3 million lower than the prior year. The resulting EBITDA of \$1.7 million is \$2.6 million higher than the EBITDA loss of \$0.9 million in the previous year. The improved performance demonstrates the scalability of the cost base and leaves the Company well positioned to continue to grow earnings.

Net loss for the period was \$0.02 million (HY2024 was a net loss of \$2.3 million) driven by improved EBITDA. The Company had a cash balance at 31 December 2024 of \$4.7 million.

Technology and commercial capability are critical to the future growth of AVA Risk Group. During the first half of the year the Company continued to invest in the Aura platform to ensure it maintains its market leading status and delivers superior performance to customers. Growth catalysts exist in each operating segment and the Company is focussed on improving its financial performance through:

- Growth in sales order intake.
- Growth in sales order backlog.
- Increasing recurring revenue.
- High gross margins of 60% - 65%.
- Scalable cost base generating positive EBITDA.

Directors' Report

Events after the Balance date

There has been no matter or circumstance which has arisen since 31 December 2024 that has significantly affected or may significantly affect:

- a) the operations subsequent to 31 December 2024, of AVA Risk Group Limited, or
- b) the results of those operations, or
- c) the state of affairs, subsequent to 31 December 2024, of AVA Risk Group Limited.

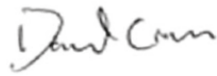
Rounding of amounts

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

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 in relation to the review for the half-year is provided with this report.

This report is made in accordance with a resolution of directors.



David Cronin
Chairman

25 February 2025

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

As lead auditor for the review of AVA Risk Group Limited for the half-year ended 31 December 2024, 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 review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

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, 25 February 2025

AVA Risk Group Limited

Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income

| | Note | 6 months ended | |
|---|------|-------------------------------|-------------------------------|
| | | 31 December 2024 \$'000 | 31 December 2023 \$'000 |
| Revenue from contracts with customers | 5 | 17,031 | 14,159 |
| Other income | | 39 | 67 |
| Total Revenue and other income | | 17,070 | 14,226 |
| Cost of raw materials and consumables used | | (6,065) | (5,534) |
| Employee benefit expenses | | (5,333) | (6,156) |
| Research and development | | (965) | (1,046) |
| Advertising and marketing | | (149) | (189) |
| Travel and entertainment | | (646) | (619) |
| Facilities and office | | (495) | (357) |
| Compliance, legal, and administration | | (951) | (690) |
| Impairment of receivables | | (235) | (12) |
| Depreciation and amortisation expenses | | (1,708) | (1,098) |
| Finance expense | | (139) | (111) |
| Foreign exchange losses | | (77) | (98) |
| Other expenses | | (578) | (546) |
| Total Expenses | | (17,341) | (16,456) |
| Loss before income tax | | (271) | (2,230) |
| Income tax benefit (expense) | | 248 | (102) |
| Loss after income tax for the period | | (23) | (2,332) |
| Other comprehensive income for the period, net of tax | | | |
| <i>Items that may be reclassified subsequently to profit and loss</i> | | | |
| Exchange differences on translation of foreign operations, net of tax | | 731 | (105) |
| Total other comprehensive income (loss) for the period | | 731 | (105) |
| Loss for the period attributable to Equity holders of the parent company | | | |
| | | (23) | (2,332) |
| Total comprehensive income (loss) for the period attributable to Equity holders of the parent company: | | | |
| | | 708 | (2,437) |
| Earnings per share attributable to ordinary shareholders of AVA Risk Group | | | |
| | | Cents | Cents |
| Basic loss per share | 8 | (0.01) | (0.91) |
| Diluted loss per share | 8 | (0.01) | (0.91) |

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

AVA Risk Group Limited
Interim Consolidated Statement of Financial Position

| | Note | As at 31 December 2024 \$'000 | As at 30 June 2024 \$'000 |
|--------------------------------------|------|--|------------------------------------|
| ASSETS | | | |
| Current Assets | | | |
| Cash and cash equivalents | 6 | 4,668 | 5,084 |
| Trade and other receivables | | 8,718 | 7,360 |
| Contract assets | | 1,779 | 1,651 |
| Prepayments | | 1,008 | 738 |
| Inventories | | 6,686 | 6,584 |
| Total Current Assets | | 22,859 | 21,417 |
| Non-Current Assets | | | |
| Plant and equipment | | 889 | 942 |
| Intangible assets | | 12,852 | 12,798 |
| Right of use assets | | 1,260 | 854 |
| Deferred tax asset | | 104 | 46 |
| Total Non-Current Assets | | 15,105 | 14,640 |
| TOTAL ASSETS | | 37,964 | 36,057 |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Trade and other payables | | 2,930 | 2,930 |
| Contract liabilities | | 436 | 394 |
| Borrowings | | 1,983 | 1,952 |
| Lease Liability | | 468 | 326 |
| Provisions | | 1,318 | 1,267 |
| Total Current Liabilities | | 7,135 | 6,869 |
| Non-Current Liabilities | | | |
| Provisions | | 105 | 91 |
| Borrowings | | 107 | 203 |
| Lease liabilities | | 801 | 540 |
| Contract liabilities | | 1,042 | 405 |
| Total Non-Current Liabilities | | 2,055 | 1,239 |
| TOTAL LIABILITIES | | 9,190 | 8,108 |
| NET ASSETS | | 28,774 | 27,949 |
| EQUITY | | | |
| Contributed Equity | 7 | 57,931 | 57,932 |
| Accumulated losses | | (29,280) | (29,257) |
| Reserves | | 123 | (726) |
| TOTAL EQUITY | | 28,774 | 27,949 |

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

AVA Risk Group Limited
Interim Consolidated Statement of Changes in Equity

| | Contributed equity \$'000 | Share-based payment Reserve \$'000 | Foreign Exchange Translation Reserve \$'000 | Other Equity Reserves \$'000 | Accumulated Losses \$'000 | Total Equity \$'000 |
|---|---------------------------------|---|---|------------------------------------|---------------------------------|------------------------|
| At 1 July 2024 | 57,932 | 2,381 | (60) | (3,047) | (29,257) | 27,949 |
| Loss for the period | - | - | - | - | (23) | (23) |
| Other comprehensive income | - | | 731 | - | - | 731 |
| Total comprehensive income for the period | - | - | 731 | - | (23) | 708 |
| Transactions with owners in their capacity as owners | | | | | | |
| Share issue costs | (1) | - | - | - | - | (1) |
| Share based payments | - | 118 | - | - | - | 118 |
| Total transactions with owners in their capacity as owners | (1) | 118 | - | - | - | 117 |
| Balance at 31 December 2024 | 57,931 | 2,499 | 671 | (3,047) | (29,280) | 28,774 |
| | | | | | | |
| At 1 July 2023 | 53,831 | 2,050 | 38 | (3,047) | (23,618) | 29,254 |
| Loss for the period | - | - | - | - | (2,332) | (2,332) |
| Other comprehensive loss | - | - | (105) | - | - | (105) |
| Total comprehensive loss for the period | - | - | (105) | - | (2,332) | (2,437) |
| Transactions with owners in their capacity as owners | | | | | | |
| Dividends/distributions | - | - | - | - | (435) | (435) |
| Share issue costs | (1) | - | - | - | - | (1) |
| Share based payments | - | 208 | - | - | - | 208 |
| Total transactions with owners in their capacity as owners | (1) | 208 | - | - | (435) | (228) |
| Balance at 31 December 2023 | 53,830 | 2,258 | (67) | (3,047) | (26,385) | 26,589 |

AVA Risk Group Limited
Interim Consolidated Statement of Cash Flows

| For the half-year ended 31 December 2024 | Note | 6 months ended | |
|--|----------|----------------|----------------|
| | | 31 December | 31 December |
| | | 2024 | 2023 |
| | | \$'000 | \$'000 |
| Cash flow from operating activities | | | |
| Receipts from customers (inclusive of GST) | | 15,177 | 14,602 |
| Payments to suppliers and employees (inclusive of GST) | | (14,387) | (15,740) |
| Interest received | | 24 | 10 |
| Tax refunded (paid) | | 394 | (136) |
| Finance costs | | (16) | (104) |
| Lease interest paid | | (123) | (6) |
| Net cash flows generated from (used in) from operating activities | | 1,069 | (1,374) |
| Cash flow from investing activities | | | |
| Payment for intangible assets | | (1,142) | (1,266) |
| Payment for plant and equipment | | (171) | (122) |
| Net cash flows used in investing activities | | (1,313) | (1,388) |
| Cash flow from financing activities | | | |
| Share issue expense | | (1) | (1) |
| Repayment of borrowings | | (347) | (177) |
| Proceeds on short-term borrowings | | 368 | - |
| Dividends paid | | - | (435) |
| Payment of lease liabilities | | (223) | (181) |
| Net cash flows used in financing activities | | (203) | (794) |
| Net decrease in cash and cash equivalents | | | |
| | | (447) | (3,556) |
| Net foreign exchange differences on cash | | 152 | (35) |
| Cash and cash equivalents at beginning of period | | 3,468 | 3,887 |
| Cash and cash equivalents at end of the period | 6 | 3,173 | 296 |

1. Corporate information

The consolidated financial statements of AVA Risk Group Limited and its subsidiaries (collectively, "the Group") for the half-year ended 31 December 2024 were authorised for issue in accordance with a resolution of the directors on 25 February 2025. AVA Risk Group Limited ("the parent") is a limited company incorporated and domiciled in Australia and whose shares are publicly traded. The registered office is located at 10 Hartnett Close, Mulgrave, Victoria 3170, Australia.

The Group is principally engaged in sensing and access technology protecting high value assets and critical infrastructure.

2. Basis of preparation and changes to the Group's accounting policies

(a) Basis of preparation

This interim consolidated half-year financial report has been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting*, as appropriate for for-profit entities, and the Corporations Act 2001.

This interim consolidated half-year financial report does not include all the notes of the type usually included in an annual financial report.

It is recommended that this half-year financial report be read in conjunction with the annual financial report for the year ended 30 June 2024 and any public announcements made by AVA Risk Group Limited during the half-year in accordance with any continuous disclosure obligations arising under the Corporations Act 2001.

The half-year financial report was authorised for issue by the directors as at the date of the directors' report.

(b) Going concern

The financial statements have been prepared on a going concern basis which assumes the Group will 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.

(c) Rounding amounts

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

2. Basis of preparation and changes to the Group's accounting policies (continued)

(d) 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 intangibles assets

The Group determines whether tangible and intangible assets are tested at least on an annual basis to evaluate whether indicators of impairment exist in relation to the continued use of the asset by the consolidated entity.

The Group has three identifiable CGUs:

- Detect
- Access
- Illuminate

No impairments were recognised for the period (June 2024: \$1,545,000).

(ii) Capitalisation of development costs

The capitalisation of development costs required judgement to be applied. Management assesses and exercises judgment on expenditures that meet the definition of development.

(iii) Amortisation of intangible assets

Judgement is required to assess the useful economic life of intangible assets. Intangible assets, including capitalised development costs that have a finite life 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.

3. Related party transactions

The Group purchased consulting services from Pierce Group Asia Pte Ltd a related entity through Chairman and Non-Executive Director, David Cronin, for \$137,800 (HY2024: \$142,500). Accounts payable balance at 31 December 2024 totals \$17,050 (30 June 2024: \$nil).

There have been no other related party transactions other than those between the Company and its subsidiaries during the half-year ended 31 December 2024.

AVA Risk Group Limited

Notes to the Interim Consolidated Financial Statements

31 December 2024

4. 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 products.

The Group operates in Detect, Access and Illuminate, which are its reportable segments. These divisions offer different products and services and are managed separately because they require different technology and marketing strategies.

The following summary describes the operations of each reportable segment:

| Product type | Reportable segment | Operations |
|--------------|--------------------|--|
| Technology | 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

| 31 December 2024 | Detect \$'000 | Access \$'000 | Illuminate \$'000 | Eliminations \$'000 | Consolidated \$'000 |
|---|------------------|------------------|----------------------|------------------------|------------------------|
| Revenue and other income | | | | | |
| External customers | 12,066 | 1,986 | 2,979 | - | 17,031 |
| Intersegment revenue | 358 | 7 | - | (365) | - |
| Other income | 11 | 4 | - | - | 15 |
| Interest Income | 13 | 11 | - | - | 24 |
| Segment revenue and other income | 12,448 | 2,008 | 2,979 | (365) | 17,070 |
| EBITDA | 2,512 | (232) | (429) | (275) | 1,576 |
| Depreciation and amortisation | (1,243) | (265) | (200) | - | (1,708) |
| Finance costs | (23) | (5) | (111) | - | (139) |
| Income tax | - | 103 | 145 | - | 248 |
| Segment operating profit (loss) | 1,246 | (399) | (595) | (275) | (23) |
| Total assets | 36,147 | 12,157 | 4,700 | (15,040) | 37,964 |
| Total liabilities | 5,206 | 615 | 3,373 | (4) | 9,190 |

AVA Risk Group Limited

Notes to the Interim Consolidated Financial Statements

31 December 2024

(b) Reportable segments (continued)

| 31 December 2023 | Detect \$'000 | Access \$'000 | Illuminate \$'000 | Eliminations \$'000 | Consolidated \$'000 |
|---|------------------|------------------|----------------------|------------------------|------------------------|
| Revenue and other income | | | | | |
| External customers | 7,798 | 3,186 | 3,175 | | 14,159 |
| Intersegment revenue | - | - | - | - | - |
| Other income | 52 | 3 | 2 | - | 57 |
| Interest Income | 6 | 4 | - | - | 10 |
| Segment revenue and other income | 7,856 | 3,193 | 3,177 | - | 14,226 |
| EBITDA | (686) | (71) | (320) | 56 | (1,021) |
| Depreciation and amortisation | (612) | (303) | (183) | | (1,098) |
| Finance costs | (3) | - | (108) | - | (111) |
| Income tax | (20) | (117) | 35 | | (102) |
| Segment operating loss | (1,321) | (491) | (576) | 56 | (2,332) |
| Total assets | 29,915 | 11,199 | 6,778 | (12,876) | 35,016 |
| Total liabilities | 3,827 | 1,005 | 3,557 | 38 | 8,427 |

(c) Geographic information

| | 31 December 2024 \$'000 | 31 December 2023 \$'000 |
|---|-------------------------------|-------------------------------|
| Australia | 2,155 | 1,290 |
| APAC (excl Australia) | 504 | 1,947 |
| Europe | 6,617 | 4,452 |
| India | 54 | 296 |
| MENA | 1,559 | 439 |
| United States of America | 2,369 | 4,647 |
| Rest of world | 3,773 | 1,088 |
| Total external revenue by region | 17,031 | 14,159 |

(d) Non-current operating assets

| | 31 December 2024 \$'000 | 30 June 2024 \$'000 |
|---|-------------------------------|---------------------------|
| Australia | 7,458 | 7,040 |
| United Kingdom | 6,757 | 6,667 |
| Rest of world | 786 | 887 |
| Total non-current assets by region | 15,001 | 14,594 |

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

(e) Reconciliation of non-current assets

| | 31 December 2024 \$'000 | 30 June 2024 \$'000 |
|--|-------------------------------|---------------------------|
| Non-current operating assets by region | 15,001 | 14,594 |
| Deferred tax assets | 104 | 46 |
| Total non-current assets | 15,105 | 14,640 |

AVA Risk Group Limited

Notes to the Interim Consolidated Financial Statements

31 December 2024

5. Revenue and other income

| | | Consolidated | |
|-----|--|-------------------------------|-------------------------------|
| | | 31 December 2024 \$'000 | 31 December 2023 \$'000 |
| (a) | Revenue from contracts with customers | | |
| | Revenue from sales of goods | 15,184 | 12,937 |
| | Revenue from provision of services | 1,847 | 1,222 |
| | Total revenue from contracts with customers | 17,031 | 14,159 |
| (b) | Other income | | |
| | Interest received | 23 | 10 |
| | Other income | 16 | 57 |
| | Total other income | 39 | 67 |
| | Total other income | 39 | 67 |
| | Total Revenues and other income | 17,070 | 14,226 |
| (c) | Disaggregation of revenue | | |
| | Timing of revenue recognition | | |
| | Goods transferred at a point in time | 15,184 | 12,937 |
| | Services transferred over time | 1,847 | 1,222 |
| | Total revenue from contracts with customers | 17,031 | 14,159 |
| (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.

AVA Risk Group Limited

Notes to the Interim Consolidated Financial Statements

31 December 2024

6. Cash and short-term deposits

| | 31 December 2024 \$'000 | 30 June 2024 \$'000 |
|---------------------------|-------------------------------|---------------------------|
| Cash at banks and on hand | 4,613 | 4,203 |
| Short-term deposits | 55 | 881 |
| Total Cash | 4,668 | 5,084 |

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

| | 31 December 2024 \$'000 | 30 June 2024 \$'000 |
|----------------------------------|-------------------------------|---------------------------|
| Cash at banks and on hand | 4,613 | 4,203 |
| Short-term deposits | 55 | 881 |
| Bank overdrafts | (1,495) | (1,616) |
| Cash and cash equivalents | 3,173 | 3,468 |

Bank overdrafts

Bank overdrafts relate to existing banking facilities for working capital. At 31 December 2024, the Group had available \$1,327,013 (30 June 2024 \$1,114,000) of undrawn committed facilities.

7. Issued capital and reserves

| | 31 December 2024 \$'000 | 30 June 2024 \$'000 |
|--|-------------------------------|---------------------------|
|--|-------------------------------|---------------------------|

(a) Ordinary shares

| | | |
|---|---------------|---------------|
| Ordinary share capital, issued and fully paid | 57,931 | 57,932 |
| | 57,931 | 57,932 |

(b) Movement in ordinary shares on issue

| | Number of shares | \$'000 |
|---|---------------------|---------------|
| At 1 July 2024 | 289,520,722 | 57,932 |
| Share issue: | | |
| On exercise of Performance Share Rights | 617,971 | - |
| Share issue costs | - | (1) |
| At 31 December 2024 | 290,138,693 | 57,931 |

AVA Risk Group Limited

Notes to the Interim Consolidated Financial Statements

31 December 2024

8. Earnings per Share

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

| Loss used in calculating earnings per share for basic and diluted | 31 December 2024 \$'000 | 31 December 2023 \$'000 |
|--|--|--|
|--|--|--|

| | | |
|----------------|------|---------|
| Loss after tax | (23) | (2,332) |
|----------------|------|---------|

| | | |
|--------------|-------------|----------------|
| Total | (23) | (2,332) |
|--------------|-------------|----------------|

| (a) Weighted average number of shares | 31 December 2024 Number | 31 December 2023 Number |
|--|--|--|
|--|--|--|

| | | |
|--|--------------------|-------------|
| Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share | 339,074,034 | 255,674,104 |
|--|--------------------|-------------|

Adjustments for calculation of diluted earnings per share

| | | |
|---|------------------|-----------|
| Dilutive share options / performance rights | 7,247,302 | 4,128,188 |
|---|------------------|-----------|

| | | |
|--|--------------------|-------------|
| Weighted average number of ordinary shares adjusted for the effect of dilution used as the denominator in calculating diluted earnings per share | 346,321,336 | 259,802,292 |
|--|--------------------|-------------|

| (b) Earnings per share | 31 December 2024 Cents | 31 December 2023 Cents |
|-------------------------------|---------------------------------------|---------------------------------------|
|-------------------------------|---------------------------------------|---------------------------------------|

| | | |
|----------------------|---------------|--------|
| Basic loss per share | (0.01) | (0.91) |
|----------------------|---------------|--------|

| | | |
|------------------------|---------------|--------|
| Diluted loss per share | (0.01) | (0.91) |
|------------------------|---------------|--------|

Since reporting date there have been no transactions involving ordinary shares or potential ordinary shares that would significantly change the number of ordinary shares or potential ordinary shares outstanding between the reporting date and the date of completion of these financial statements.

9. Commitments

At 31 December 2024, the Group did not have any material commitments (30 June 2024 \$nil).

AVA Risk Group Limited

Notes to the Interim Consolidated Financial Statements

31 December 2024

10. Share-based payments

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

| | Consolidated | |
|--------------------|---------------------|---------------------|
| | 31 December 2024 | 31 December 2023 |
| | \$'000 | \$'000 |
| Performance Shares | 118 | 208 |

(b) Performance Share Rights (PSRs)

i. Outstanding Performance Share Rights - Half Year ended 31 December 2024

| | Number | WAEP |
|--|------------------|--------------|
| Outstanding 1 July 2024 | 4,922,691 | \$nil |
| Granted during the period | 6,350,000 | \$nil |
| Exercised during the period | (617,971) | \$nil |
| Forfeited and other movement during the period | (2,314,617) | \$nil |
| Outstanding 31 December 2024 | 8,340,103 | \$nil |

ii. HY 2024 Grants

During the half year ended 31 December 2024, the Company granted 6,350,000 performance rights as part of remuneration to senior executives. The fair value of the PSRs was based on the Monte-Carlo pricing model.

11. Subsequent events

There has been no matter or circumstance which has arisen since 31 December 2024 that has significantly affected or may significantly affect:

- a) the operations subsequent to 31 December 2024, of AVA Risk Group Limited, or
- b) the results of those operations, or
- c) the state of affairs, subsequent to 31 December 2024, of AVA Risk Group Limited.

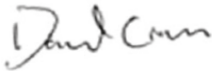
Directors' Declaration

In the Directors' opinion:

- (a) The directors declare that the interim consolidated financial report and notes set out on pages 3 to 18 are in accordance with the *Corporations Act 2001* including :
 - (i) Complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001* , and other mandatory professional reporting requirements; and
 - (ii) Giving a true and fair view of the financial position of the consolidated entity as at 31 December 2024 and of its performance for the half-year ended on that date.
- (b) There are reasonable grounds to believe that the Consolidated Group will be able to pay its debts as and when they become due and payable.

This declaration is made 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.



David Cronin
Chairman
25 February 2025

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of AVA Risk Group Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of AVA Risk Group Limited (the Company) and its subsidiaries (the Group), which comprises the interim consolidated statement of financial position as at 31 December 2024, the interim consolidated statement of profit or loss and other comprehensive income, the interim consolidated statement of changes in equity and the interim consolidated statement of cash flows for the half-year ended on that date, 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 accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- i. Giving a true and fair view of the Group's financial position as at 31 December 2024 and of its financial performance for the half-year ended on that date; and
- ii. Complying with Accounting Standard AASB 134 *Interim Financial Reporting and the 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 the 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 the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the directors for the financial report

The directors of the Company 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.



Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether 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 Group's financial position as at 31 December 2024 and its financial performance for the half-year ended on that date 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.

BDO Audit Pty Ltd

A handwritten signature in black ink, appearing to read 'Wai Aw', is written over the printed name. Above the signature, the letters 'BDO' are handwritten in a simple, blocky font.

Wai Aw
Director

Melbourne, 25 February 2025