



Scout Security Limited

ABN 13 615 321 189

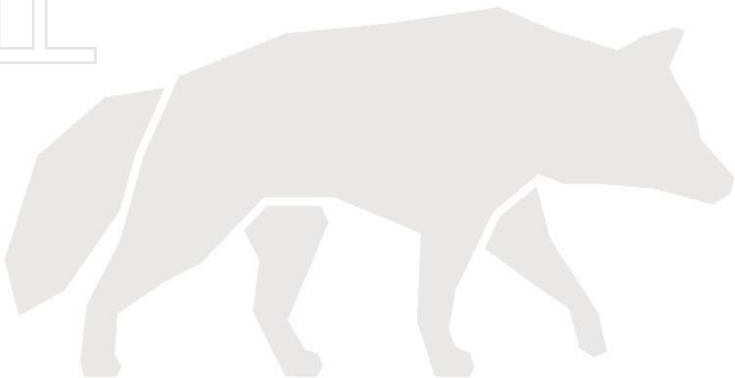
and its controlled entities

APPENDIX 4D

Interim Financial Report

31 December 2024

For personal use only



SCOUT SECURITY LIMITED

AND CONTROLLED ENTITIES

ABN 13 615 321 189

APPENDIX 4D

Interim Financial Report

31 December 2024

Corporate directory

Current Directors

		Tenure
Mr Daniel Roberts	<i>Executive Director</i>	Appointed August 2017
Mr Martin Pretty	<i>Non-executive Chairman</i>	Appointed July 2020
Mr David Shapiro	<i>Non-executive Director</i>	Appointed August 2017
Mr Anthony Brown	<i>Non-executive Director</i>	Appointed August 2017
Mr. Ryan McCall	<i>Executive Director</i>	Appointed February 2023

Company Secretary

Ms. Kim Larkin Effective July 4, 2022

Registered Office - Australia

Street + Postal: Level 8
210 George St.

Sydney, NSW 2000

Telephone: +1-844-287-2688

Email: investors@scoutalarm.com

Website: www.scoutalarm.com

Registered Office – United States

1449 S Michigan Ave
STE 13125, Chicago, IL 60605
United States of America

Auditors

Hall Chadwick WA Audit Pty Ltd
283 Rokeby Road
SUBIACO WA 6008
Telephone: +61 (0)8 9426 0666

Solicitors

Steinepreis Paganin
Level 4, The Read Buildings
16 Milligan Street
Perth WA 6000

Share Registry

Automic Pty Ltd
Street + Postal: 110 Stirling Highway

NEDLANDS WA 6009

Telephone: 1300 113 258 (within Australia)

+61 (0)8 9389 8033 (International)

Facsimile: +61 (0)8 6370 4203

Email: admin@advancedshare.com.au

Website: www.advancedshare.com.au

Securities Exchange

Level 40, Central Park, 152-158 St Georges Terrace
Perth WA 6000

Telephone: 131 ASX (131 279) (within Australia)

Telephone: +61 (0)2 9338 0000

Facsimile: +61 (0)2 9227 0885

Website: www.asx.com.au

ASX Code SCT

Bankers

Westpac Banking Corporation
130 Rokeby Road
Subiaco WA 6008

Contents

- Results for Announcement to the Market 1
- Directors' report 3
- Auditor's independence declaration..... 6
- Condensed consolidated statement of profit or loss and other comprehensive income..... 7
- Condensed consolidated statement of financial position 8
- Condensed consolidated statement of changes in equity9
- Condensed consolidated statement of cash flows 10
- Notes to the condensed consolidated financial statements..... 11
- Directors' declaration 21
- Independent auditor's review report..... 22

For personal use only

Results for Announcement to the Market

for the half-year ended 31 December 2024

1 REPORTING PERIOD			
■ Report for the period ended:	31 December 2024		
■ Previous corresponding period is half-year ended:	31 December 2023		
2 RESULTS FOR ANNOUNCEMENT TO THE MARKET	Movement	Percentage %	Amount \$
■ Revenues from ordinary activities (item 2.1)	Decrease	26.23 to	822,352
■ Loss from ordinary activities after tax attributable to members (item 2.2)	Increase in Losses	20.59 to	(1,634,451)
■ Loss from after tax attributable to members (item 2.2)	Increase in Losses	20.59 to	(1,634,451)
a. Dividends		Amount per Security ¢	Franked amount per security %
■ Interim dividend		nil	n/a
■ Final dividend		nil	n/a
■ Record date for determining entitlements to the dividend		n/a	
b. Brief explanation of any of the figures reported above necessary to enable the figures to be understood:			
1. Revenue represents interest earned and service revenue.			
3 DIVIDENDS AND RETURNS TO SHAREHOLDERS INCLUDING DISTRIBUTIONS AND BUY BACKS			
Nil.			
a. Details of dividend or distribution reinvestment plans in operation are described below:			
Not applicable			
4 RATIOS	Current period	Previous corresponding period	
a. Financial Information relating to 4b:	\$	\$	
Earnings for the period attributable to owners of the parent	(1,634,451)	(2,058,176)	
Net assets/(liabilities)	(4,900,817)	(6,397,974)	
Less: Intangible assets	-		
Net tangible assets/(liabilities)	(4,900,817)	(6,397,974)	
	No.	No.	
Fully paid ordinary shares	14,127,944	232,427,382	
b. Net tangible assets/ (liability) backing per share (cents) :	(34.69)	(2.75)	

Results for Announcement to the Market

for the half-year ended 31 December 2024

5	DETAILS OF ENTITIES OVER WHICH CONTROL HAS BEEN GAINED OR LOST DURING THE PERIOD: (item 4)		
a.	Control gained over entities		
	■ Name of entities	Nil	
	■ Date(s) of gain of control	Nil	
b.	Loss of control of entities		
	■ Name of entities	Nil	
	■ Date(s) of loss of control	N/A	
c.	Contribution to consolidated loss from ordinary activities after tax by the controlled entities to the date(s) in the current period when control was gained / lost	N/A	
d.	Loss from ordinary activities after tax of the controlled entities for the whole of the previous corresponding period	N/A	

6	DETAILS OF ASSOCIATES AND JOINT VENTURES:		
	■ Name of entities	Nil	
	■ Percentage holding in each of these entities	N/A	
	■ Aggregate share of profits (losses) of these entities (item 7)	N/A	N/A

7 The financial information provided in the Appendix 4D is based on the interim final report (attached), which has been prepared in accordance with Australian Accounting Standards.

8 The report is based on accounts which have been reviewed by the Company’s independent auditor.

For personal use only

Directors' report

Your directors present their report on the consolidated entity, consisting of Scout Security Limited (**Scout Security** or **the Company**) and its controlled entities (collectively **the Group**), for the half-year ended 31 December 2024.

1. Directors

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

□	Mr Martin Pretty	Non-executive Chairman
□	Mr Daniel Roberts	Executive Director
□	Mr David Shapiro	Non-executive Director
□	Mr Anthony Brown	Non-executive Director
□	Mr Ryan McCall	Executive Director

Directors have been in office since the start of the half-year to the date of this report unless otherwise stated.

2. Operating and financial review

2.1. Operations review

During the half-year ended 31 December 2024 ("H1 FY2025"), Scout Security Limited successfully executed a significant corporate recapitalisation while advancing its industry consolidation strategy, culminating in the signing of a Non-Binding Letter of Intent to acquire Roo Inc. The Group maintained its focus on growing high-margin recurring revenues and disciplined cost management.

Key highlights for H1 FY2025 include:

- **Recapitalisation:** Completed a \$4.5 million recapitalisation, including a Rights Issue, placement, conversion of debt to equity, and a 100-for-1 consolidation of capital.
- **Corporate Development:** Signed a Non-Binding Letter of Intent to acquire New York-based DIY home security company Roo Inc., with the combined entity expected to be EBITDA positive post-integration.
- **New Revenue:** Received the first revenue from the new partnership with Intelligent Monitoring Group (ASX: IMB) subsequent to the end of the September quarter.
- **Cost Management:** Reduced operating cash outflows by 29% in the December half compared to the prior corresponding period, reflecting the successful implementation of cost-saving initiatives and disciplined cash management.

Financial Performance

The Group generated total cash receipts from customers of \$0.69 million for the half-year. Recurring monthly revenue streams remained a key focus, contributing to an annualised recurring revenue (ARR) run-rate of A\$1.20 million as at the end of the December.

Operating cash outflows were actively managed, with the December half-year showing a 29% reduction year-on-year. A significant corporate achievement during the period was the completion of a \$4.5 million recapitalisation of the Company. This was achieved through the conversion of debt to equity, a placement which raised \$0.28 million and a partially underwritten non-renounceable entitlement offer (Rights Issue) which raised a further \$0.62 million. In conjunction with the capital raising, the Company completed a 100-for-1 consolidation of its issued capital in August.

The Group's net loss after tax for the half-year was \$1.63 million. Net operating cash flow was an outflow of \$0.83m in the half-year, a 29% reduction in outflow compared to the same period a year earlier. The Company held a cash balance of \$0.12 million as at 31 December 2024.

Operational Highlights and Strategy Delivery

The Company continues to grow its core white-label subscription business, which provides predictable, recurring revenue and reduces reliance on one-off, low margin hardware sales. Progress was made with new partners, with the first revenues from Intelligent Monitoring Group (ASX: IMB) being received just after the end of the September quarter.

The most significant operational development in the period was the advancement of the Company's industry consolidation strategy. In the December quarter, Scout signed a Non-Binding Letter of Intent to acquire Roo Inc., a New York-based DIY home security technology company. The Board has identified material cost and revenue synergies from the proposed transaction, with the strategic focus being to create a combined entity that is sustainable at a positive EBITDA and breakeven-to-positive cash flow level, excluding one-off transaction costs.

Scout also received notable industry recognition during the period. In September, CBS Essentials named Scout as one of the top five no-contract home security companies of 2024, rating it as the market's best budget-friendly option.

Outlook

The Board's primary strategic focus is the completion of the proposed acquisition of Roo Inc. and the successful integration of the two businesses to realise identified synergies and achieve positive EBITDA and cash flow.

Concurrently, management will continue to pursue growth in its core business-to-business, white-label activities. This includes progressing opportunities with both existing and potential new partners to drive recurring revenue growth. The business will maintain its disciplined approach to cost management and capital allocation to ensure operations are resourced sustainably.

2.2. Financial Review

a. Operating results

For the half-year ended 31 December 2024, the Group delivered a loss before tax of \$1.63 million (31 December 2023: \$2.06 million loss). Net operating cash flow was an outflow of \$0.83m in the half-year, a 29% reduction in outflow compared to the same period a year earlier.

The financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business. Details of the Company's assessment in this regard can be found in Note 1.1.2 to the financial statements.

2.3. Events Subsequent to Reporting Date

- A total of 77,334 options and 112,876 performance rights has lapsed and ceased subsequent to year end.
- A placement of 1,500,000 fully paid ordinary shares at the issue price of \$0.40 per share to private investors has completed on 11 September 2025.
- Borrowing of \$300,000.00 from a private investor at a fixed interest of \$8,700. The loan and interest was repaid at the due date, 6 weeks from the loan date.
- During the March 2025 quarter, new secured loans amounting to \$45k were provided by investors, to be offset by the conversion of the same amount of existing secured debt into equity.

Other than the above, the Directors are not aware of any matter or circumstances that has significant or may significantly affect the Group's operations, result or state of affairs in subsequent financial years.

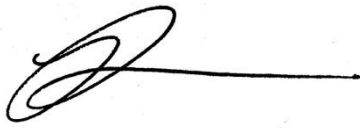
2.4 Future Developments, Prospects and Business Strategies

Likely developments, future prospects and business strategies of the operations of the Group and the expected results of those operations have not been included in this report as the Directors believe that the inclusion of such information would be likely to result in unreasonable prejudice to the Group.

3. Auditor's independence declaration

The lead auditor's independence declaration under section 307C of the *Corporations Act 2001* (Cth) for the half-year ended 31 December 2024 has been received and can be found on page 6 of the interim financial report.

Signed in accordance with a resolution of directors made pursuant to s306(3) of the *Corporations Act 2001* (Cth).



Ryan M. McCall

Executive Director

Dated this Wednesday, 15 October 2025

For personal use only

To the Board of Directors

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

As lead audit Director for the review of the financial statements of Scout Security Limited and the entities it controlled for the half year ended 31 December 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours Faithfully,



HALL CHADWICK WA AUDIT PTY LTD



D M BELL FCA
Director

Dated 15th day of October 2025
Perth, Western Australia

Condensed consolidated statement of profit or loss and other comprehensive income for the half-year ended 31 December 2024

	Note	6 months to 31 Dec 2024 \$	6 months to 31 Dec 2023 \$
<i>Continuing operations</i>			
Revenue	3.1	822,352	1,114,851
Cost of sales		(267,982)	(475,605)
Gross profit		554,370	639,246
Other income	4.1	1,797	24,047
Consulting and professional fees		(135,554)	(169,780)
Employee expenses	4.3	(576,280)	(1,444,316)
Rental Costs		(81,712)	(80,297)
Share-based payments	17	(6,458)	(30,100)
Information technology costs		(50,456)	(50,632)
Finance costs	4.2	(802,812)	(555,843)
Sales and marketing		(347)	(10,821)
Shipping and postage		(68,432)	(101,995)
Travel and entertainment		(30)	(7,342)
Other expenses		(292,968)	(270,343)
Loss before tax		(1,634,451)	(2,058,176)
Income tax expense		-	-
Net loss for the half-year		(1,634,451)	(2,058,176)
<i>Other comprehensive income, net of income tax</i>			
■ Items that may be reclassified subsequently to profit or loss			
Foreign currency movement		(156,894)	58,995
Other comprehensive income for the half-year, net of tax		(156,894)	58,995
Total comprehensive income attributable to members of the parent entity		(1,791,345)	(1,999,181)
<i>Earnings per share:</i>			
Basic and diluted loss per share (cents per share)	5	(14.29)	(89.07)

The condensed consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the accompanying notes.

For personal use only

SCOUT SECURITY LIMITED

AND CONTROLLED ENTITIES

ABN 13 615 321 189

APPENDIX 4D

Interim Financial Report

31 December 2024

Condensed consolidated statement of financial position

as at 31 December 2024

Current assets

Cash and cash equivalents

Trade and other receivables

Inventories

Other current assets

Total current assets**Total assets***Current liabilities*

Trade and other payables

Borrowings

Unearned revenues

Total current liabilities*Non-current liabilities*

Borrowings

Total non-current liabilities**Total liabilities****Net assets/(liabilities)***Equity*

Issued capital

Reserves

Accumulated losses

Total equity

Note	31 Dec 2024	30 June 2024
	\$	\$
6	118,788	163,820
7	73,054	197,905
8	36,429	94,383
9	106,733	76,794
	335,004	532,902
	335,004	532,902
10.1	3,180,887	3,253,827
12.1	483,576	3,512,165
11.1	113,069	366,643
	3,777,532	7,132,635
12.2	1,458,289	1,232,491
	1,458,289	1,232,491
	5,235,821	8,365,126
	(4,900,817)	(7,832,224)
13.1	22,919,362	18,380,171
	6,069,228	6,042,561
	(33,889,407)	(32,254,956)
	(4,900,817)	(7,832,224)

The condensed consolidated statement of financial position is to be read in conjunction with the accompanying notes.

Condensed consolidated statement of changes in equity

for the half-year ended 31 December 2024

	Note	Contributed equity	Foreign Currency Translation Reserve	Share-based Payments Reserve	Accumulated Losses	Total equity
		\$	\$	\$	\$	\$
<i>Balance at 1 July 2023</i>		18,223,976	243,772	5,703,922	(28,663,788)	(4,492,118)
Loss for the half-year attributable owners of the parent		-	-	-	(2,058,176)	(2,058,176)
Other comprehensive income for the half-year attributable owners of the parent		-	58,995	-	-	58,995
Total comprehensive income for the half-year attributable owners of the parent		-	58,995	-	(2,058,176)	(1,999,181)
<i>Transaction with owners, directly in equity</i>						
Shares issued during the half-year (net of costs)	13.1	22,500	-	-	-	22,500
Options granted during the half-year	13.2	-	-	-	-	-
Employee Performance shares	13.3	-	-	30,100	-	30,100
Warrants Issued	13.4	-	-	40,725	-	40,725
Conversion of performance rights	13.1	7,781	-	(7,781)	-	-
<i>Balance at 31 December 2023</i>		18,254,257	302,767	5,766,966	(30,721,964)	(6,397,974)
<i>Balance at 1 July 2024</i>		18,380,171	266,262	5,776,299	(32,254,956)	(7,832,224)
Loss for the half-year attributable owners of the parent		-	-	-	(1,634,451)	(1,634,451)
Other comprehensive income for the half-year attributable owners of the parent		-	(156,894)	-	-	(156,894)
Total comprehensive income for the half-year attributable owners of the parent		-	(156,894)	-	(1,634,451)	(1,791,345)
<i>Transaction with owners, directly in equity</i>						
Shares issued during the half-year (net of costs)	13.1	4,539,191	-	-	-	4,539,191
Options granted during the half-year	13.2	-	-	177,103	-	177,103
Employees Performance rights	13.3	-	-	6,458	-	6,458
<i>Balance at 31 December 2024</i>		22,919,362	109,368	5,959,860	(33,889,407)	(4,900,817)

The condensed consolidated statement of changes in equity is to be read in conjunction with the accompanying notes.

For personal use only

SCOUT SECURITY LIMITED

AND CONTROLLED ENTITIES

ABN 13 615 321 189

APPENDIX 4D

Interim Financial Report

31 December 2024

Condensed consolidated statement of cash flows

for the half-year ended 31 December 2024

Note	6 months to 31 Dec 2024 \$	6 months to 31 Dec 2023 \$
<i>Cash flows from operating activities</i>		
Receipts from customers	697,502	1,013,004
Interest paid	(62,496)	(195,900)
Payments to suppliers and employees	(1,468,874)	(1,992,106)
Net cash used in operating activities	(833,868)	(1,175,002)
<i>Cash flows from investing activities</i>		
Net cash used in investing activities	-	-
<i>Cash flows from financing activities</i>		
Proceeds from issue of shares	822,076	-
Proceeds from borrowings	134,355	517,871
Repayment of borrowings	(178,065)	(327,112)
Net cash provided by financing activities	778,366	190,759
Net increase/(decrease) in cash held	(55,502)	(984,243)
Cash and cash equivalents at the beginning of the half-year	163,820	1,052,421
Change in foreign currency held	10,470	(10,541)
Cash and cash equivalents at the end of the half-year	6 118,788	57,637

The consolidated statement of cash flows is to be read in conjunction with the accompanying notes.

For personal use only

Notes to the condensed consolidated financial statements

for the half-year ended 31 December 2024

Note 1. Statement of significant accounting policies

These are the condensed consolidated financial statements and notes of Scout Security Limited (**Scout Security or the Company**) and controlled entities (collectively **the Group**). Scout Security is a company limited by shares, domiciled and incorporated in Australia.

The financial statements were authorised for issue on 30 September 2025 by the directors of the Company.

1.1. Basis of preparation

This interim financial report is intended to provide users with an update on the latest annual financial statements of Scout Security Limited and controlled entities. As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in combination with the annual financial statements of the Group for the year ended 30 June 2024 together with any public announcements made during the half-year.

1.1.1. Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. The half-year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

1.1.2. Going Concern

The financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Group incurred a loss for the half-year of \$1,634,451 (31 December 2023: \$2,058,176 loss) and net operating cash out-flows of \$833,868 (31 December 2023: \$1,175,002). As at 31 December 2024 the Group had a working capital deficiency of \$3,442,528 (30 June 2024: \$6,599,733 deficiency) which includes \$113,069 (30 June 2024: \$366,643) of unearned revenues. These conditions indicate there is a material uncertainty over the ability of the Group to continue as a going concern.

The financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activity, the realisation of assets, settlement of liabilities through the normal course of business including the presumption that sufficient funds will be available to finance the operations of the Group. The Board are confident on the ability of the Group to continue as a going concern for the following reasons:

- During the 1H of the 2025 fiscal year, the Company completed a \$4.5 million recapitalization, including rights issue, placement, conversion of debt to equity, and a 100-for-1 consolidation of capital.
- The launch of new customers within the year that should provide additional hardware, engineering, and revenue streams.
- The Group has been granted a payment arrangement with the US Internal Revenue Service with respect to tax obligations;
- Reduction of operating cash outflows by 29% compared to the prior corresponding period.
- The Board is currently in discussions with financiers regarding new funding and has a history of successful capital raising.
- The Board have committed to convert outstanding director fees to equity to be approved by shareholders at an upcoming general meeting
- Greater than \$3 million reduction in working capital deficiency compared to the end of FY2024.
- Managing cash flows in line with available funds and maintaining the ongoing support of creditors.

The directors plan to continue the Group's operations on the basis disclosed above and believe that there will be sufficient funds for the Group to meet its obligations and liabilities for at least 12 months from the date of this report. The Directors have prepared a cash flow forecast, which indicates that the Group will have sufficient cash flows to meet all commitments and working capital requirements for the 12 month period from the date of signing this financial report. In the event that the Group is unable to generate sufficient operating cashflows in the normal course of business and achieve budgeted growth, the Company may need to raise additional capital than that currently anticipated or secure additional funds through new borrowings, the Group may need to reduce costs or negotiate extended terms with key creditors/financiers in order to meet working capital requirements

Based on the cash flow forecasts and other factors referred to above including the Company's history of raising capital when required, the Directors are satisfied that the going concern basis of preparation is appropriate.

Notes to the condensed consolidated financial statements

for the half-year ended 31 December 2024

Note 1. Statement of significant accounting policies (continued)1.1.2. Going Concern
(continued)

Should the Group be unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Group be unable to continue as a going concern and meet its debts as and when they fall due.

1.1.3. Use of estimates and judgments

The preparation of the interim financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. These estimates and associated assumptions are based on historical experience and various factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The judgements, estimates and assumptions applied in the condensed financial statements, including the key sources of estimation uncertainty were the same as those applied in the Group's last annual financial statements for the year ended 30 June 2024.

1.2. New and Amended Standards Adopted by the Group

The Group has adopted all the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current half-year. Any new or amended Accounting Standards and Interpretations did not have a significant impact on the Group.

The adoption of these Accounting Standards and Interpretation did not have a significant impact on the Group.

Note 2. Company details

The registered office of the Company is:

Registered Office – United States

Street: Level 8
210 George St.
Sydney, NSW 2000
Australia

Postal: 210 North Racine Avenue
Unit 2N, Chicago, IL 60607
United States of America

Notes to the condensed consolidated financial statements

for the half-year ended 31 December 2024

Note 3. Revenue and other income**3.1 Revenue**

Product sales
Subscription revenue
Development fees

6 months to 31 Dec 2024	6 months to 31 Dec 2023
\$	\$
272,997	235,393
549,355	553,813
-	325,645
822,352	1,114,851

Note 4. Loss before income tax

The following significant revenue and expense items are relevant in explaining the financial performance:

4.1 Other Income

- Other

4.2 Finance costs:

- Interest – Borrowings
- Interest – Convertible note
- Interest – Unwinding of transaction costs previously issued
- Transaction costs (share based payments- Refer to Note 17.1)

4.3 Employment costs:

- Directors fees
- Wages and salaries

6 months to 31 Dec 2024	6 months to 31 Dec 2023
\$	\$
1,797	24,047
1,797	24,047
230,337	222,411
21,507	36,777
197,415	296,655
353,553	-
802,812	555,843
76,992	63,830
499,288	1,380,486
576,280	1,444,316

Note 5. Earnings per share (EPS)**5.1 Reconciliation of earnings to profit or loss**

Loss for the half-year

Loss used in the calculation of basic and diluted EPS

6 months to 31 Dec 2024	6 months to 31 Dec 2023
\$	\$
(1,634,451)	(2,058,176)
(1,634,451)	(2,058,176)

For personal use only

SCOUT SECURITY LIMITED

AND CONTROLLED ENTITIES

ABN 13 615 321 189

APPENDIX 4D

Interim Financial Report

31 December 2024

Notes to the condensed consolidated financial statements

for the half-year ended 31 December 2024

Note 5 Earnings per share (EPS) (continued)

5.2 Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS

6 months to 31 Dec 2024 No.	6 months to 31 Dec 2023 No.
11,439,663	2,310,792

5.3 Earnings per share

Note	6 months to 31 Dec 2024 ¢	6 months to 31 Dec 2023 ¢
5.4	(14.29)	(89.07)

Basic EPS (cents per share)

5.4. As at 31 December 2024 the Group has 12,384,616 unissued shares under options (31 December 2023: 84,791,045), 162,317 Performance Rights (31 December 2023: 16,793,461), and 341,733 Warrants (31 December 2023: 31,058,521). The Group does not report diluted earnings per share on losses generated by the Group.

Note 6. Cash and cash equivalents

6.1 Current
Cash at bank

31 Dec 2024 \$	30 June 2024 \$
118,788	163,820
118,788	163,820

Note 7. Trade and other receivables

7.1 Current
Trade receivables

31 Dec 2024 \$	30 June 2024 \$
73,054	197,905
73,054	197,905

Note 8. Inventories

8.1. Current
Finished goods

31 Dec 2024 \$	30 June 2024 \$
36,429	94,383
36,429	94,383

Note 9. Other assets

9.1 Current
Other current assets

31 Dec 2024 \$	30 June 2024 \$
106,733	76,794
106,733	76,794

For personal use only

Notes to the condensed consolidated financial statements

for the half-year ended 31 December 2024

Note 10 Trade and other payables

10.1. Current
Unsecured
 Trade payables
 Accruals and other payables

31 Dec 2024	30 June 2024
\$	\$
1,347,671	1,172,946
1,833,216	2,080,881
3,180,887	3,253,827

Note 11. Unearned revenues

11.1. Current *Unsecured*
 Unearned revenues

31 Dec 2024	30 June 2024
\$	\$
113,069	366,643
113,069	366,643

Note 12. Borrowings

12.1. Current
Unsecured Debt
 Borrowings
 Secured Debt
 Convertible notes – face value

Secured Debt
 Borrowings

31 Dec 2024	30 June 2024
\$	\$
-	203,507
-	1,833,658
-	1,475,000
483,576	-
483,576	3,512,165

12.2 Non-Current
Secured Debt
 Borrowings

31 Dec 2024	30 June 2024
\$	\$
1,458,289	1,232,491
1,458,289	1,232,491

12.2.1 On 28 April 2023, the Company entered into a secured debt deed of loan (“Deed”) with a syndicate of primarily US-based investors to raise up to USD\$4 million. During the half-year, 60% of debt was converted into equity. After the debt conversion and warrant reserve and amortization, the loan balance at 31 December 2024 was \$1,735,719.

- **Term:** The term of the deed is 5 years with a minimum of 90 days, after which the facility can be repaid in whole or part, on 10 days’ notice, with a 1% pre-payment fee being paid in respect of such amount of the Principal Sum as is prepaid.
- **Interest:** The interest rate will be fixed at 12% per annum, payable monthly.
- **Deed Warrants:** In consideration for participation in the Deed, investors will be granted fifteen (15) Initial Warrants for each US\$1.00 value of Loan note issued to the Lender at strike price of \$0.05 and an expiration date 3 years from issuance.

Notes to the condensed consolidated financial statements

for the half-year ended 31 December 2024

13.1. Issued capital	Note	6 months to 31 Dec 2024 No.	12 months to 30 June 2024 No.	6 months to 31 Dec 2024 \$	12 months to 30 June 2024 \$
Fully paid ordinary shares at no par value		14,127,944	262,519,839	22,919,362	18,380,171
13.1.1. Ordinary shares					
At the beginning of the period		262,519,839	230,668,020	18,380,171	18,223,976
<i>Shares issued during the half-year</i>					
□ Convertible notes converted @\$0.004 per share		368,750,000	-	1,475,000	-
□ Conversion of loan note @\$0.004 per share		44,000,000	-	176,000	-
□ Placement @\$0.004 per share		-	29,604,957	-	118,420
□ Secured debt converted @\$0.004 per share		517,129,509	-	2,068,445	-
□ Shortfall from placement @\$0.004 per share		156,145,052	-	624,580	-
□ Placement (tranche 2) @\$0.004 per share		64,250,000	-	257,000	-
□ Director placement at \$0.015		-	1,500,000	-	22,500
□ Conversion of employee performance shares		-	746,862	-	15,275
Total shares on issue prior to consolidation		1,412,794,400	-	-	-
Consolidation 100:1		14,127,944			
<i>Transaction costs relating to share issues</i>					
□ Cash		-	-	(61,834)	-
At reporting date		14,127,944	262,519,839	22,919,362	18,380,171

SCOUT SECURITY LIMITED

AND CONTROLLED ENTITIES

ABN 13 615 321 189

Note 13 Equity (continued)
APPENDIX 4D

Interim Financial Report

31 December 2024

	Note	6 months to	12 months to	6 months to	12 months to
		31 Dec 2024	30 June 2024	31 Dec 2024	30 June 2024
		No.	No.	\$	\$
13.2. Options		12,384,670	84,791,045	6,738,856	5,159,648
At the beginning of the period		84,791,045	84,791,045	5,159,648	5,159,648
■ Issue of options	17	94,000,000	-	177,103	-
■ Placement free attaching options ¹		1,135,861,279	-	-	-
■ Lapsed options		(74,752,024)	-	-	-
Prior to consolidation		1,239,900,300	-	5,336,751	-
Consolidation 100:1		12,399,003	-	5,336,751	-
Expiring options		(14,333)	-	-	-
At reporting date		12,384,670	84,791,045	5,336,751	5,159,648

¹ These are issued as free attaching options

	Note	6 months to	12 months to	6 months to	12 months to
		31 Dec 2024	30 June 2024	31 Dec 2024	30 June 2024
		No.	No.	\$	\$
13.3. Performance rights		162,317	16,504,843	181,003	174,545
Performance rights		162,317	16,504,843	181,003	174,545
At the beginning of the period		16,504,843	6,052,820	174,545	156,908
Performance shares movement during the half-year:					
Prior to consolidation		16,504,843	-	174,545	-
Consolidation 100 :1		165,048	-	174,545	-
■ Issued	17.2	-	11,000,000	-	3,447
■ Lapsed		(2,731)	198,882	-	-
■ Vesting		-	-	6,458	-
■ Fair value adjustment		-	-	-	29,466
■ Converted to ordinary shares		-	(746,859)	-	(15,276)
At reporting date		162,317	16,504,843	181,003	174,545

For personal use only

13.4. Warrants

	Note	6 months to 31 Dec 2024 No.	12 months to 30 June 2024 No.	6 months to 31 Dec 2024 \$	12 months to 30 June 2024 \$
Warrants		341,730	34,172,631	442,106	442,106
At the beginning of the period		34,172,631	24,150,000	442,106	387,366
Warrants movement during the half-year:					
■ Issue of warrants		405	10,022,631	-	54,740
Prior to consolidation		34,173,036	-	442,106	-
100:1 consolidation		341,730	-	442,106	-
At reporting date		341,730	34,172,631	442,106	442,106

Note 14. Consolidation 100:1

On 21 August 2024 as part of a broader recapitalization, the company underwent a 100:1 consolidation of all shares, options, performance rights, and warrants.

Note 15. Events subsequent to reporting date

- A total of 77,334 options and 112,876 performance rights has lapsed and ceased subsequent to year end.
- A placement of 1,500,000 fully paid ordinary shares at the issue price of \$0.40 per share to private investors has completed on 11 September 2025.
- Borrowing of \$300,000.00 from a private investor at a fixed interest of \$8,700. The loan and interest was repaid at the due date, 6 weeks from the loan date.
- During the March 2025 quarter, new secured loans amounting to \$45k were provided by investors, to be offset by the conversion of the same amount of existing secured debt into equity.

Note 16. Contingent liabilities

There has been no change in contingent liabilities since the last reporting period.

SCOUT SECURITY LIMITED

AND CONTROLLED ENTITIES

ABN 13 615 321 189

APPENDIX 4D

Interim Financial Report

31 December 2024

Note 17. Share-based payments
17.1. Share-based payments:

Recognised in profit and loss (expenses)

Options and shares issued pursuant to debt restructure

Classification as finance cost

Share-based payments expenses per Profit and Loss

Recognised in financial assets (warrants)

Movement in equity (transfer to share capital)

Share-based payments expenses per Balance sheet

17.2.1 Share-based payments recognized in profit and loss during the half-year
17.2.1.1 Loan note Options

The Company varied its loan note facility to permit conversion, with a portion of loan notes to be converted into 440,000 loan note fee shares, 5,171,113 loan note conversion shares, 440,000 Class A loan note fee options, 500,000 Class B loan note fee options and 5,171,113 of loan note conversion options. The loan note options were approved at the Annual General Meeting held on 25 July 2024 to Martin Pretty, Anthony Brown, Daniel Roberts, Ryan McCall and other holders. The following of loan note options were valued as follows:

Loan note fee options

Allottee	Class of loan note fee options	No of loan note fee options	Fair value at Grant date per option	Estimated volatility	Life of options (years)	Exercise price	Share price at Grant date	Risk free Interest rate
Martin Pretty	Class A	4,741	\$0.2012	94.10%	1.90	\$0.40	\$0.40	3.98%
	Class B	5,387	\$0.1781	94.10%	1.90	\$0.40	\$0.40	3.98%
Anthony Brown	Class A	1,931	\$0.2012	94.10%	1.90	\$0.40	\$0.40	3.98%
	Class B	2,195	\$0.1781	94.10%	1.90	\$0.40	\$0.40	3.98%
Daniel Roberts	Class A	16,796	\$0.2012	94.10%	1.90	\$0.40	\$0.40	3.98%
	Class B	19,087	\$0.1781	94.10%	1.90	\$0.40	\$0.40	3.98%
Ryan McCall	Class A	19,517	\$0.2012	94.10%	1.90	\$0.40	\$0.40	3.98%
	Class B	22,178	\$0.1781	94.10%	1.90	\$0.40	\$0.40	3.98%
Other lenders	Class A	397,015	\$0.2012	94.10%	1.90	\$0.40	\$0.40	3.98%
	Class B	451,153	\$0.1781	94.10%	1.90	\$0.40	\$0.40	3.98%
Total		940,000						

Note 18. Operating segments

The Group has identified its operating segment based on the internal reports that are reviewed and used by the Board of Directors (Chief operating decision makers) in assessing performance and determining the allocation of resources.

The financial information presented in the consolidated statement of comprehensive income and the consolidated statement of financial position is the same as that presented to the chief operating decision maker.

Unless stated otherwise, all amounts reported to the Board of directors as the chief operating decision maker is in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group. During the current period, the Group is considered to operate in one segment, being home security services in the USA.

For personal use only

Note 19. Related party transactions

During the reporting period, the Group issued 866,315 of free-attaching options resulted from convertible note and debt conversion and 91,932 of loan note fee options to directors and Key Management Personnel, with a finance cost of \$17,346 recognised. Refer to note 4.2 and 17.1 for more details.

During the reporting period, the Group issued 42,985 shares to directors and Key Management Personnel for the modification of the loan note facility, resulting in a finance cost of \$17,194. Refer to note 4.2 and 13.1 for more details.

During the reporting period, the Group issued 494,440 shares to directors and Key Management Personnel for the conversion of loan notes. Refer to note 12 for more details.

During the reporting period, the Group issued 371,875 shares to directors and Key Management Personnel as a result of the conversion of convertible notes.

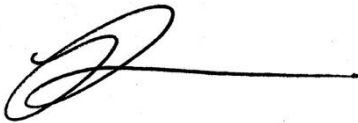
For personal use only

Directors' declaration

The Directors of the Company declare that:

1. The condensed financial statements and notes, are in accordance with the *Corporations Act 2001* (Cth) and:
 - (a) comply with Accounting Standard AASB 134: Interim Financial Reporting; and
 - (b) give a true and fair view of the financial position as at 31 December 2024 and of the performance for the half-year ended on that date of the Company.
2. In the directors' opinion there are reasonable grounds to believe that the Company 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 Board of Directors and is signed for and on behalf of the Directors by:



Ryan M. McCall

Executive Director

Dated this Wednesday, 15 October 2025

For personal use only

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF SCOUT SECURITY LIMITED

Conclusion

We have reviewed the accompanying half-year financial report of Scout Security Limited ("the Company") and Controlled Entities ("the Consolidated Entity") which comprises the condensed consolidated statement of financial position as at 31 December 2024, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, a summary of material accounting policies and other selected explanatory notes, 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 Scout Security Limited and Controlled Entities does not comply with the *Corporations Act 2001* including:

- a. Giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2024 and of its performance for the half-year ended on that date; 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* 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 the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Material Uncertainty Related to Going Concern

We draw attention to Note 1.1.2 in the financial report, which indicates that the Consolidated Entity incurred a net loss of \$1,634,451 during the half year ended 31 December 2024. As stated in Note 1.1.2, these events or conditions, along with other matters as set forth in Note 1.1.2, indicate that a material uncertainty exists that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

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 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 Consolidated Entity's financial position as at 31 December 2024 and its 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.



HALL CHADWICK WA AUDIT PTY LTD



D M BELL FCA
Director

Dated 15th day of October 2025
Perth, Western Australia

