

ASX RELEASE

30 January 2026

Notification under section 708A(12C)(e) of the Corporations Act 2001(Cth)

This cleansing notice (**Cleansing Notice**) is given by AVA Risk Group Limited (**Company** or **AVA**) under section 708A(12C)(e) of the Corporations Act 2001 (Cth) (**Corporations Act**) as amended by ASIC Corporations (Sale Offers: Securities Issued on Conversion of Convertible Notes) Instrument 2016/82 (**ASIC Instrument**).

The Company hereby confirms that:

- (a) the convertible notes described below (**Convertible Notes**) will be issued without disclosure to two investors under Part 6D.2 of the Corporations Act; and
- (b) this Cleansing Notice has been given in accordance with section 708A(12C)(e) of the Corporations Act (as modified by the ASIC Instrument).

The issue of this Cleansing Notice enables any fully paid ordinary shares in the capital of the Company (**Shares**) that may be issued on the conversion of the Tranche 1 Notes (as defined below) issued by the Company on the terms described below, to be on-sold to retail investors without further disclosure.

This Cleansing Notice is important and should be read in its entirety.

The values in this Cleansing Notice are in Australian dollars (AUD), unless otherwise stated, as the convertible notes are issued in AUD.

1. BACKGROUND

As announced on 31 December 2025, the Company has entered into a secured convertible note funding agreement (**Convertible Note Facility**) and a warrant deed (**Warrant Deed**) with US-based investor, Hale Capital Management and its affiliates, HCP-FVX, LLC and HCP Fund V-FVX, LLC (**Initial Noteholders**) (together, **Hale**) to provide the Company with funding of up to a total of \$7 million in respect of the Convertible Note Facility (excluding transaction fees and costs) and \$5.6 million in respect of the issue of warrants (if cash exercised). The funding will be used for the Company's working capital and general corporate purposes and to fund future growth initiatives, including the expansion of the Company's sales, marketing and operational activities and expansion into US markets.

An initial drawdown of \$2,979,184 (less transaction costs referred in Section 3. below) has been provided on the date of this notice to the Company (which is the date of financial close under the Convertible Note Facility) and in return Hale will subscribe for 2,979,184 unlisted convertible notes, each with a face value of \$1 and convertible into fully paid ordinary shares of the Company (**Shares**) at a conversion price of \$0.1234 per Share (**Tranche 1 Notes**).

In connection with the funding arrangements with Hale, the Company will also issue 19,314,000 unlisted warrants each with an exercise price of \$0.1234 and a 5-year term (**Tranche 1 Warrants**). The Company gives this Cleansing Notice in relation to the Tranche 1 Notes.

Under the Convertible Note Facility, subject to obtaining approval of the Company's shareholders, the Company will have access to a further \$4,020,816 (less transaction costs) by an issue in aggregate to the Initial Noteholders of 4,020,816 unlisted convertible notes, each with a face value of \$1 (**Tranche 2 Notes**).

Additionally, subject to obtaining approval of the Company's shareholders and in connection with the funding arrangements with Hale, the Company will issue 26,066,875 unlisted warrants each with an exercise price of \$0.1234 and a 5-year term (**Tranche 2 Warrants**).

For further information in relation to the Convertible Note Facility and the Warrant Deed, please refer to the Company announcement dated 31 December 2025 (**ASX Announcement**).

A broad summary of the material rights and liabilities attaching to the Tranche 1 Notes is also set out in Section 4 of this Cleansing Notice, which was set out in similar substance and form in the ASX Announcement. The summary is not exhaustive and does not constitute a non-exhaustive statement of all the rights and liabilities of the Initial Noteholders (**Hale** or the **Investor**).

2. CONTENTS OF THIS CLEANSING NOTICE

This Cleansing Notice sets out the following:

- (a) in relation to the Tranche 1 Notes:
 - (i) the effect of the issue on the Company;
 - (ii) a summary of the rights and liabilities attaching to the Tranche 1 Notes; and
 - (iii) a summary of the rights and liabilities attaching to the Shares that will be issued on the conversion of the Tranche 1 Notes; and
- (b) any information that:
 - (i) has been excluded from continuous disclosure notices in accordance with the ASX Listing Rules; and
 - (ii) investors and their professional advisers would reasonably require for the purpose of making an informed assessment of:
 - A the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; and
 - B the rights and liabilities attaching to the Tranche 1 Notes and the Shares that will be issued on any conversion of the Tranche 1 Notes; and
- (c) other information relating to the Company's status as a disclosing entity.

3. THE EFFECT OF THE ISSUE ON THE COMPANY

3.1 Effect of the issue on the Company

The principal effect of the issue of the Tranche 1 Notes on the Company will be to:

- (a) increase the Company's cash reserves by \$2,979,184 (before other costs associated with the issue, including the \$17,500 per annum agent monitoring fee and obligations of the Company to cover associated transaction costs of the Company and Hale, which are approximately \$363,000;
- (b) increase the number of convertible notes on issue from nil to 2,979,184;
- (c) give rise to the Company having a liability to the Initial Noteholders for the aggregate 'Face Value' of the Tranche 1 Notes (\$2,979,184), which are secured by the Company's and its material subsidiaries' entry into a general security deed with Hale (and registered security interests in favour of Hale) and each material subsidiary of the Company providing a guarantee and indemnity in favour of Hale in respect of that liability (noting some of the subsidiaries are due to provide security in favour of Hale after financial close under the Convertible Note Facility);

- (d) if the Tranche 1 Notes are converted, either wholly or in part to Shares, increase the number of Shares on issue as a consequence of the issue of Shares on such conversion;
- (e) if the Tranche 1 Notes are all converted into Shares (noting a conversion price of \$0.1234 per Share (**Conversion Price**)), a maximum increase in the number of Shares on issue from 291,099,082 (being the number of Shares on issue at the date of this Cleansing Notice) to 315,241,578 (assuming no capitalisation of coupon (interest) payments under the Convertible Note Facility and assuming no Tranche 1 Warrants or other convertible securities currently on issue in respect of the Company, are converted or exercised prior to the Tranche 1 Convertible Notes being converted); and
- (f) require the Company to issue an aggregate of 19,314,000 unlisted warrants exercisable at \$0.1234 each and expiring 5 years from the date of issue with each warrant exercisable into one fully paid ordinary share of the Company (**Share**) (**Tranche 1 Warrants**) to the Initial Noteholders.

If the Tranche 1 Notes are converted in whole or in part, this will dilute the existing shareholdings in the Company. The potential effect of the issue and conversion of the Tranche 1 Notes on the Company's capital structure is shown in section 3.3 below. If Hale elects to exercise the Tranche 1 Warrants, this will further dilute the existing shareholdings in the Company. The potential effect of the issue (but not exercise) of the Tranche 1 Warrants is shown in section 3.3 below.

As referred in the Company's ASX Announcement, the further effect of the issue of the Tranche 1 Notes and broader funding arrangements with Hale are to raise capital for the Company's (and its subsidiaries') working capital and general corporate purposes and to fund the Company's next phase of growth, including the expansion of the Company's sales, marketing and operational activities and expansion into US markets, and in particular:

- Scaling U.S. commercial and operational capability;
- Accelerating deployment of the Company's Detect, Access and Illuminate solutions across U.S. critical infrastructure markets;
- Leveraging Hale's network to shorten sales cycles and expand customer penetration; and
- Positioning the Company for strategic partnerships and potential bolt-on acquisitions in the United States.

3.2 Pro-forma consolidated statement of financial position

To illustrate the effect of the issue of Tranche 1 Notes and Tranche 1 Warrants on the Company, set out in Annexure A is a pro-forma consolidated Statement of Financial Position as at 30 June 2025 for the Company based on the Company's audited 30 June 2025 accounts adjusted to reflect the Tranche 1 Notes and Tranche 1 Warrants issue which has been prepared on the basis of the accounting policies normally adopted by the Company.

The pro-forma accounts show the impact that the issue of the Tranche 1 Notes and Tranche 1 Warrants (**Tranche 1 Securities**) would have on the Company's financial position as at 30 June 2025 if those securities had been issued on that date under the terms of the Convertible Note Facility and the Warrant Deed, respectively. The pro forma accounts also show the impact if (where approval of the Company's shareholders was obtained) the Tranche 2 Warrants and Tranche 2 Notes (**Tranche 2 Securities**) were also issued in addition to the Tranche 1 Securities, had those Tranche 2 Securities and Tranche 1 Securities been issued on that date under the terms of the Convertible Note Facility and the Warrant Deed, respectively.

The Company advises that the pro forma accounts set out in Annexure A do not show the current financial position of the Company as at the date of this Cleansing Notice, and that the information is provided for illustrative purposes only.

The pro-forma financial information is presented in an abbreviated form in so far as it does not include all of the disclosures required by the Australian Accounting Standards and International Accounting Standards (IFRS)

applicable to the Company's annual financial statements. The pro forma financial information is not audited. The classification and amounts of the allocations between debt and equity for the Tranche 1 Notes may change in the future once they are subject to external valuation.

3.3 Potential effect of the issue on the Company's capital structure

The capital structure of the Company as at the date of this Cleansing Notice, before the issue of the Tranche 1 Notes and Tranche 1 Warrants, is set out below:

Type of security	Number on issue
Fully paid ordinary shares	291,099,082
Performance share rights	942,070

- The capital structure of the Company will be affected by Hale's future conversion of Tranche 1 Notes and/or exercise of the Tranche 1 Warrants.
- A Further description of the terms of the Convertible Note Facility is included in Section 4 below, which summarises when Hale may convert (or be required to convert) Tranche 1 Notes into Shares – refer to the headings 'Conversion by AVA' and 'Conversion by Hale'.

The effect on the capital structure of the Company upon the issue of the Tranche 1 Notes and the Tranche 1 Warrants, and conversion and/or repayment of the Tranche 1 Notes into Shares is set out in the tables below. Investors should note that the position set out in the tables below is based on the Company's current capital at the date of this Cleansing Notice and that position may change if the Company issues any further securities (or any securities are cancelled) prior to the conversion of any Tranche 1 Notes and exercise Tranche 1 Warrants.

Further, subject to approval of the Company's shareholders additional Notes and Warrants – Tranche 2 Notes and Tranche 2 Warrants (**Tranche 2 Securities**) may be issued.

Capital structure of the Company prior to and following issue of Tranche 1 Notes and Tranche 1 Warrants

	Convertible Notes	Warrants	Performance share rights	Shares
Securities on issue prior to the date of this Notice	nil	nil	942,070	291,099,082
Securities on issue following the issue of Tranche 1 Notes and Tranche 1 Warrants	2,979,184	19,314,000	942,070	291,099,082

Capital structure and Shares on issue upon conversion / repayment of Tranche 1 Notes

- Scenario 1 – the Company repays Tranche 1 Notes in full on the date that is 12 months following financial close under the Convertible Note Facility, no Tranche 1 Notes are converted to Shares, no Tranche 1 Warrants are exercised, and there are no further Convertible Notes and no further Warrants issued:**

	Convertible Notes	Warrants	Performance share rights	Shares
Securities on issue following Scenario 1	0	19,314,000	942,070	291,099,082

- (b) **Scenario 2 – the Company repays 50% of the Face Value of the Tranche 1 Notes, and the remaining 50% of Tranche 1 Notes are converted (either by the Company or Hale) into Shares, no Tranche 1 Warrants are exercised, and there are no further Convertible Notes and no further Warrants issued:**

	Convertible Notes	Warrants	Performance share rights	Shares
Securities on issue following Scenario 2	0	19,314,000	942,070	303,170,329 [^]

[^]Calculated by adding the maximum number of Shares to be issued on conversion of 50% of the Tranche 1 Notes (being 12,071,248 Shares) to existing Shares on issue (291,099,082 Shares)

- (c) **Scenario 3 – conversion of 100% of the Face Value of the Tranche 1 Notes into Shares. At the time of conversion, no Tranche 1 Warrants are exercised, and there are no further Convertible Notes and no further Warrants issued:**

	Convertible Notes	Warrants	Performance share rights	Shares
Securities on issue following Scenario 3	0	19,314,000	942,070	315,241,578 [^]

[^]Calculated by adding the maximum number of Shares to be issued on conversion of 100% of the Tranche 1 Notes (being 24,142,496 Shares) to existing Shares on issue (291,099,082 Shares)

4. RIGHTS AND LIABILITIES ATTACHING TO CONVERTIBLE NOTES PURSUANT TO THE CONVERTIBLE NOTE FACILITY

Funding	<p>A\$7.0m (Funding Commitment), comprising:</p> <ul style="list-style-type: none"> a first funding tranche of \$2,979,184, issued on achievement of financial close (Tranche 1 Commitment) by issue of 2,979,184 convertible notes (Tranche 1 Convertible Notes); and subject to obtaining shareholder approval, a second funding tranche of \$4,020,816 (Tranche 2 Commitment) by issue of 4,020,816 convertible notes (Tranche 2 Convertible Notes).
Number of Tranche 1 Convertible Notes	2,979,184
Conversion Price	Each Tranche 1 Note is convertible into ordinary shares of AVA (Shares) at A\$0.1234 per Share, being an 81% premium to AVA's last closing share price on 30 December 2025 before the date of the ASX Announcement.
Face Value	\$1.00 for each Note.
Coupon Rate	<p>The greater of:</p> <ul style="list-style-type: none"> 10.00% per annum; and BBSW Mid plus 6% per annum (the Coupon Rate).

	BBSW Mid refers to the mid-rate of the Australian Bank Bill Swap Reference Rate for Australian dollars administered by ASX Benchmarks Pty Limited.
Maturity Date	48 months from the date of the first subscription date, with an option for AVA to extend the maturity for 12 months.
Conditions (including shareholder approval condition)	<p>Financial close will not occur and payment of the Tranche 1 Commitment (and issue of Tranche 1 Notes) is subject to AVA and its material Australian subsidiaries granting the Security, AVA's entry into the Warrant Deed and other standard conditions.</p> <p>Payment of the Tranche 2 Commitment (and issue of the Tranche 2 Notes) is subject to AVA obtaining shareholder approval for the issue of the Tranche 2 Notes, the Tranche 2 Warrants and the grant of the Warrant Put Option to be satisfied within 8 weeks of financial close.</p>
Agent Monitoring Fee	\$17,500 per annum, being 0.25% of the Funding Commitment.
Lock-up Period	<p>The period of 12 months following financial close (Lock-up Period).</p> <p>There may be no conversion of the Notes during the Lock-up Period, unless Hale elects to do so following an early re- or pre-payment by AVA during the Lock-up Period.</p>
Make Whole Fee	Where AVA re- or pre-pays any principal amounts during the Lock-up Period, it must pay Hale a 'Make Whole Fee' equal to the lost coupon Hale would have recovered during the Lock-up Period had such re-/pre-payment not have been made and applying a Coupon Rate equal to the higher of 10.00% per annum and the Coupon on the date of AVA's repayment.
Security	<p>AVA's obligations under the Convertible Note Facility are secured by AVA and its material subsidiaries entering into a general security deed with Hale and each material subsidiary providing a guarantee and indemnity in favour of Hale.</p> <p>AVA and its material subsidiaries, either prior to or following financial close under the Convertible Note Facility (during a conditions subsequent period), have agreed to grant a PPSA security interest over all of their present and after acquired property in favour of Hale.</p>
Repayment	<p>Subject to any extension of the date of Maturity, AVA is to repay any outstanding amounts of the Funding Commitment and any outstanding debt in respect of the Notes on the Maturity Date.</p> <p>The whole of any outstanding amount may be prepaid by AVA during the Lock-up Period, subject to AVA providing Hale with no less than 20 business days' notice and payment of the Make-Whole Fee.</p> <p>After the Lock-up Period, subject to AVA providing no less than 20 business days' notice, AVA may prepay the whole or any part of the outstanding amount, but any part payment must be no less than \$500,000.</p>
Conversion by AVA	Other than during the Lock-up Period, AVA may require Hale to convert all or part of the outstanding amount into Conversion Shares (Mandatory Conversion), provided that certain conditions are satisfied at the time of the notice, and continue to be satisfied at the time of mandatory conversion, including (among other conditions) that:

	<ul style="list-style-type: none"> the average volume weighted average sale price of the ordinary shares of AVA (Shares) for the 60 consecutive trading days (or 30 consecutive days in respect of the second and further mandatory conversion notices) immediately preceding the notice exceeds 200% of the Conversion Price, and trading in AVA's ordinary shares is not suspended; no event of default or material adverse effect is subsisting; the aggregate outstanding amount the subject of the mandatory conversion notice, together with all amounts the subject of such notices in the preceding 20 business days, does not exceed 20% of the monthly trading volume in AVA shares immediately preceding the date of the notice or immediately prior to the date of conversion; no other mandatory conversion notice has been issued in the preceding 30 day period; the conversion completion date does not fall within a restricted trading period under AVA's share trading policy; and the conversion will not result in Hale or Hale's associates acquiring "voting power" in breach of takeovers prohibitions under Chapter 6 of the <i>Corporations Act 2001</i> (Cth).
Conversion by Hale	<p>If AVA elects to prepay the whole of the outstanding amount owed to Hale during the Lock-up Period, Hale may convert all or a portion of the Notes into fully paid ordinary shares in AVA (Conversion Shares) at the Conversion Price.</p> <p>Following the Lock-up Period and up to the Maturity Date, or at any time while an event of default is subsisting, Hale may elect to convert all or part of the outstanding amount of the Notes into Conversion Shares at the Conversion Price.</p>
Conversion Shares	<p>AVA must ensure any issue of Conversion Shares are listed on the ASX and are freely tradable (either through issue of a Convertible Note Cleansing Notice on issue of the Notes, through cleansing notice, disclosure document or through ASIC exemption).</p> <p>Conversion Shares will rank equally with existing Shares on issue.</p>
Adjustment events, anti-dilution rights and most-favoured nations	<p>Subject to compliance with the <i>Corporations Act 2001</i> (Cth) and ASX Listing Rules, the Noteholders are entitled to changes to the Conversion Price and/or issue of additional Notes in respect of reconstruction of AVA's capital or AVA's issue of bonus securities, other than in relation to an issue under any employee incentive plan not exceeding 5% of the total issued capital of AVA in any financial year.</p> <p>AVA must not undertake certain 'Dilution Events' (including an issue of securities at a price below the Conversion Price) other than in relation to an issue under any employee incentive plan not exceeding 5% of the total issued capital of AVA in any financial year.</p> <p>If AVA issues securities with a conversion or exercise price and other terms (including as to board appointment and other rights) considered on a whole to be more favourable than the terms of the 'Note Documents' (which includes the Convertible Note Facility, the Warrant Deed and the Security) (Relevant Securities), it must consult with the Noteholders and Warrant</p>

	holders (as applicable) and at the request of those holders amend the Note Document(s) to ensure such documents are no less favourable and if prevented by law or ASX Listing Rules from doing so, AVA must obtain Noteholder consent before issuing Relevant Securities.
Board appointment rights	<p>From the date of entry into the Convertible Note Facility until all amounts owed to Hale are repaid, the Noteholders have the right to:</p> <ul style="list-style-type: none"> nominate one non-executive director to the AVA board, and AVA must procure the appointment of that director, subject to compliance with applicable laws, listing rules and corporate governance principles; and appoint two directors to any newly-incorporated Special Security Agreement (SSA) entity. An SSA is a US-incorporated subsidiary, owned by AVA as a foreign parent, that is approved to perform classified US intelligence or defence work, operating under a Special Security Agreement that protects US national security interests while allowing foreign ownership.
Board observer rights	While any amount is owing from AVA to Hale, a representative of Hale is entitled to attend and observe (but not vote) at all meetings of the Board and receive Board materials, subject to appropriate exceptions, including for confidentiality and conflicts.
Representations, warranties and undertakings	AVA has provided Hale with customary representation, warranties and undertakings, allowing AVA in some circumstances to cure breaches.
Financial covenants	AVA is to comply with cash covenant requirements at all times. Covenants are tested on a monthly basis.
Consequences of an Event of Default	<p>While any event of default is subsisting, an additional 5% per annum is payable on top of the Coupon Rate.</p> <p>For a subsisting event of default, Hale also has the rights to:</p> <ul style="list-style-type: none"> declare that all or part of the secured financing is immediately due and payable; declare that all or part of the secured financing is payable on demand; cancel all, or part, of the Commitments, effective immediately; or terminate some or all of its obligations.
Transferable	<p>Noteholders may transfer the Notes:</p> <ul style="list-style-type: none"> to any person without AVA's consent during an unremedied event of default of AVA or any AVA group member guarantor; to a related body corporate, provided the proposed transferee is not a competitor of AVA, nor a sanctioned person nor other excluded class of transferee (Excluded Transferee); or to any other person who is neither a related body corporate nor Excluded Transferee, subject to AVA's consent.
Governing law	Victoria, Australia

5. RIGHTS AND LIABILITIES ATTACHING TO THE SHARES THAT MAY BE ISSUED ON CONVERSION OF THE TRANCHE 1 NOTES

The Shares issued to Hale (the Initial Noteholders) on the conversion of the Tranche 1 Notes will rank equally in all respects with all of the Company's existing Shares.

The rights attaching to Shares, including new Shares to be issued to Hale (the Initial Noteholders) on the conversion of the Tranche 1 Notes, are set out in the Company's constitution (**Constitution**), and, in certain circumstances, regulated by the Corporations Act, the ASX Listing Rules and the general law. Pursuant to the Convertible Note Facility, the Company is required to apply to ASX for quotation of the Shares issued on conversion of the Tranche 1 Notes on their date of issue and to ensure such Shares are freely tradable (either through issue of a Convertible Note Cleansing Notice on issue of the Tranche 1 Notes, through cleansing notice, disclosure document or through ASIC exemption).

A summary of the rights attaching to Shares in the Company is below. This summary is qualified by the full terms of the Constitution (a full copy of the Constitution is available from the Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of the Company's shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements. For a shareholder of the Company (**Shareholder**) to obtain a definitive assessment of the rights and liabilities which attach to Shares in any specific circumstances, the Shareholder should seek legal advice.

General meetings	<p>Each shareholder is entitled to receive notice of, attend and vote at general meetings of the Company and to receive all notices, accounts and other documents required to be sent to Shareholders under the Constitution, Corporations Act and ASX Listing Rules. The Company must give at least 28 days' written notice of a general meeting.</p> <p>The Company's Constitution enables the Company to hold a general meeting at two or more venues using any technology or solely using technology, in each case that gives the shareholders as a whole a reasonable opportunity to participate. The chair of the meeting may, subject to the Corporations Act and the Constitution, allow the meeting to continue or adjourn the meeting in the event that a technical difficulty prevents a shareholder from participating in the meeting.</p>
Voting rights	<p>Subject to the Corporations Act, the ASX Listing Rules and rules 16.15, 17 and 18 of the Constitution and the terms on which shares are issued:</p> <p>(a) on a show of hands:</p> <ul style="list-style-type: none"> (i) if a shareholder has appointed two proxies, neither of those proxies may vote; (ii) a shareholder who is present and entitled to vote and is also a proxy, attorney or representative of another shareholder has one vote; (iii) an individual present who is a proxy who has two or more appointments that specify a different way to vote on a resolution, must not vote; and (iv) subject to paragraphs (a)(i), (a)(ii) and (a)(iii), every individual present who is a shareholder, or a proxy, attorney or representative of a shareholder, entitled to vote has one vote; and

	<p>(b) on a poll every shareholder entitled to vote who is present in person or by proxy, attorney or representative:</p> <ul style="list-style-type: none"> (i) has one vote for every fully paid share held; and (ii) in respect of each partly paid share held has a fraction of a vote equal to the proportion which the amount paid up, but not credited as paid up, on that share bears to the total issue price (the total of the amounts paid and payable (excluding amounts credits) on the share.
Ranking of shares	At the date of this Cleansing Notice, all shares in the capital of the Company are of the same class and rank equally in all respects.
Variation of rights	<p>(a) If the Company issues different classes of shares, or divides issued shares into different classes, the rights attached to shares in any class may (subject to sections 246C to 246E of the Corporations Act) be varied or cancelled only:</p> <ul style="list-style-type: none"> (i) with the written consent of the holders of 75% of the issued shares of the affected class; or (ii) by special resolution passed at a separate meeting of the holders of the issued shares of the affected class. <p>(b) Subject to the terms of issue of shares, the rights attached to a class of shares are not treated as varied by the issue of further shares of that class.</p>
Dividend rights	<p>The power to determine that a dividend is payable and to declare dividends (including interim dividends) is vested in the Directors who may fix the amount and the timing for payment and the method of payment of any dividend in accordance with the Company's constitution, the Corporations Act and the Listing Rules (if applicable).</p> <p>Subject to the terms of issue of shares or a class of shares, dividends must be paid equally on all shares, except partly paid shares, which have an entitlement only to that part of the dividend which is in proportion to the amount paid (not credited) on the share to the total amounts paid and payable (excluding amounts credited) on that share.</p> <p>The Board may resolve to pay a dividend (either generally or to specific shareholders) in cash or satisfy it by distribution of specific assets (including shares or securities of any other corporation), the issue of shares or the grant of options or other securities. If the Board satisfies a dividend by distribution of assets, the Board may:</p> <ul style="list-style-type: none"> (a) fix the value of any asset distributed; (b) make cash payments to members on the basis of the value fixed so as to adjust the rights of shareholders between themselves; and (c) vest an asset in trustees.
Transfer of shares	Subject to the Company's constitution, a shareholder may transfer a share by any means permitted by the Corporations Act or by law (including the ASX Listing Rules and ASX Settlement Pty Ltd operating rules). The Company must not charge any fee on transfer of a share, subject to the ASX Listing Rules.

Rights on winding up	<p>If the Company is wound up, the liquidator may, with the sanction of a special resolution:</p> <ul style="list-style-type: none"> (a) divide among the shareholders the whole or any part of the Company's property; and (b) decide how the division of the Company's property is to be carried out as between the shareholders and different classes of shareholders.
Alteration of constitution	<p>In accordance with the Corporations Act, the Constitution of the Company can only be amended by a special resolution passed by at least 75% of shareholders present and voting at the general meeting. In addition, at least 28 days' prior written notice specifying the intention to propose the resolution as a special resolution must be given.</p>

6. COMPLIANCE WITH DISCLOSURE OBLIGATIONS

The Company is a "disclosing entity" under the Corporations Act and, as such, is subject to regular reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules.

Broadly, these obligations require:

- (a) the Company to notify ASX immediately of any information (subject to certain exceptions) of which it is or becomes aware which a reasonable person would expect to have a material effect on the price value of its securities. That information is available to the public from ASX; and
- (b) the preparation of yearly and half-yearly financial statements and a report of the Company's operations during the relevant accounting period, together with an audit or review report prepared by the Company's auditor. These documents are lodged with ASIC and ASX.

As at the date of this Cleansing Notice, the Company has complied with:

- (a) the provisions of Chapter 2M of the Corporations Act, as they apply to the Company; and
- (b) section 674 of the Corporations Act, as it applies to the Company.

Copies of documents lodged by the Company in connection with the Company's reporting and disclosure obligations may be obtained from, or inspected at, an office of ASIC. Copies of all documents announced to the ASX can be found at <https://www.theavagroup.com/investors/> and the ASX website (<https://www.asx.com.au/markets/trade-our-cash-market/announcements.ava>).

The Company will provide free of charge to any person who requests it during normal business hours:

- (a) the Annual Report for the year ending 30 June 2025 lodged with ASX on 27 August 2025 (**Annual Financial Report**); and
- (b) the following continuous disclosure notices given by the Company to notify ASX of information relating to the Company during the period from the date of lodgement of the Annual Financial Report lodged with ASX on 27 August 2025, until the date of this Cleansing Notice:

Date of announcement	Title of announcement
30/01/2026	Q2 FY2026 Trading Update

Date of announcement	Title of announcement
9/01/2026	Notification of cessation of securities - AVA
9/01/2026	Application for quotation of securities - AVA
6/01/2026	Proposed issue of securities - AVA
6/01/2026	Proposed issue of securities - AVA
31/12/2025	AVA Secures Strategic Investment from Hale Capital
2/12/2025	Change of Director's Interest Notice - Stevens
2/12/2025	Supply and Co-Development Agreement with UniKey
20/11/2025	Final Directors Interest Notice (App. 3Z) - Maginnis
20/11/2025	CEO Retirement and Leadership Transition
30/10/2025	Results of Annual General Meeting
30/10/2025	Annual General Meeting Addresses and Presentation
30/10/2025	Annual General Meeting - Virtual Access
30/10/2025	Q1 FY2026 Trading Update
28/10/2025	Notification regarding unquoted securities - AVA
1/10/2025	Aura Ai-X detection systems and services contracts secured
25/09/2025	Annual General Meeting Notice of Meeting
4/09/2025	Application for quotation of securities - AVA
4/09/2025	Notification of cessation of securities - AVA
27/08/2025	FY2025 Investor Presentation
27/08/2025	FY2025 Results Announcements
27/08/2025	Appendix 4G and Corporate Governance Statement

7. INFORMATION EXCLUDED FROM CONTINUOUS DISCLOSURE NOTICE

As at the date of this Cleansing Notice, other than as set out below or elsewhere in this Cleansing Notice, the Company advises that there is no information that:

- (a) the Company has excluded from a continuous disclosure notice in accordance with the ASX Listing Rules and the Corporations Act; and
- (b) is information that investors and their professional advisers would reasonably require for the purpose of making an informed assessment of:
 - (i) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; and
 - (ii) the rights and liabilities of the Tranche 1 Notes (and the underlying Shares issued on conversion of the Tranche 1 Notes) offered by the Company.

ANNEXURE A – PRO-FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	30 June 2025	Issue of Tranche 1 Notes and Tranche 1 Warrants	Issue of Tranche 2 Notes and Tranche 2 Warrants (in addition to issue of Tranche 1 Notes and Tranche 1 Warrants)
	Audited \$'000	Pro forma adjusted \$'000	Pro forma adjusted \$'000
Assets			
Current assets			
Cash and cash equivalents	5,591	8,570	12,591
Trade and other receivables	6,169	6,169	6,169
Contract assets	669	669	669
Prepayments	798	798	798
Inventories	6,596	6,596	6,596
Total current assets	19,823	22,802	26,823
Non-current assets			
Plant and equipment	963	963	963
Intangible assets	7,313	7,313	7,313
Right of use assets	1,069	1,069	1,069
Deferred tax assets	436	436	436
Total non-current assets	9,781	9,781	9,781
Total assets	29,604	32,583	36,604
Liabilities			
Current liabilities			
Trade and other payables	2,490	2,490	2,490
Contract liabilities	232	232	232
Borrowings	1,742	1,742	1,742
Lease liabilities	447	447	447
Provisions	1,373	1,373	1,373
Convertible notes - current	-	-	-
Total current liabilities	6,284	6,284	6,284
Non-current liabilities			
Provisions	119	119	119
Borrowings	-	-	-
Lease liabilities	612	612	612
Contract liabilities	415	415	415
Financial liability – non-current ³	-	2,979	7,000
Total non-current liabilities	1,146	4,125	8,146
Total liabilities	7,430	10,409	14,430
Net assets	22,174	22,174	22,174
Equity			
Contributed equity	57,931	57,931	57,931
Accumulated losses	(35,679)	(35,679)	(35,679)
Reserves	(78)	(78)	(78)
Total equity	22,174	22,174	(22,174)

Notes

- Tranche 1 Notes and Tranche 2 Notes (the respective tranches of convertible notes, as applicable) are shown at their respective Face Value of \$2,979,184 and \$4,020,816.

2. Cash received is exclusive of the annual agent monitoring fee of \$17,500 and obligations of the Company to cover associated transaction costs of the Company and Hale in respect of entry into the funding arrangements which are approximately \$363,000.
3. 'Financial liability – non-current' comprises convertible notes and warrant liability, the actual (finalised) values of which will be finalised based on a formal fair valuation exercise of the convertible note and warrants, which may also impact the equity balance (Net assets) of the Company.

ENDS

Approved for release by Board of Directors

For further information, please contact:

Investor Enquiries

Alexandra Abeyratne

Sodali & Co

alexandra.abeyratne@sodali.com

+61 438 380 057

About Ava Risk Group

Ava Risk Group is a global leader in providing technologies and services to protect critical and high value assets and infrastructure. It operates three business segments – Detect, Access and Illuminate. The Detect segment 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 is a specialist in the development, manufacture and supply of high security biometric readers, security access control and electronic locking products. Illumination specialises in the development and manufacture of illuminators, ANPR cameras and perimeter detectors.

Ava Risk Group products and services are trusted by some of the most security conscious commercial, industrial, military and government clients in the world. www.avariskgroup.com