



# Scout Security Limited

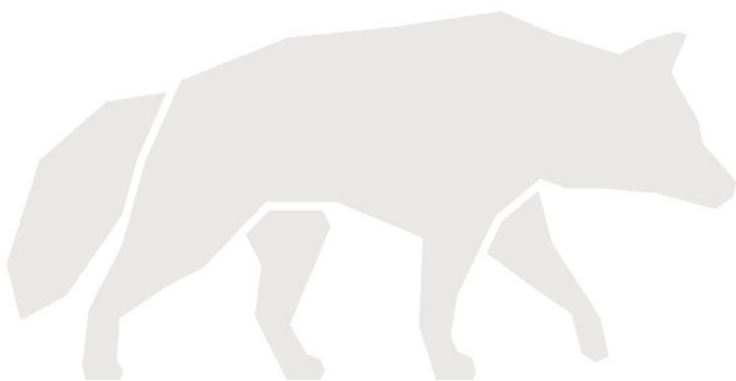
ABN 13 615 321 189

and its controlled entities

## APPENDIX 4D

### Interim Financial Report

31 December 2025



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## 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](mailto:investors@scoutalarm.com)

Website: [www.scoutalarm.com](http://www.scoutalarm.com)

### Registered Office – United States

210 North Racine Avenue  
Unit 2N, Chicago, IL 60607  
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](mailto:admin@advancedshare.com.au)  
Website: [www.advancedshare.com.au](http://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](http://www.asx.com.au)  
ASX Code                      SCT

### Bankers

Westpac Banking Corporation  
130 Rokeby Road  
Subiaco WA 6008

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# SCOUT SECURITY LIMITED

APPENDIX 4D AND CONTROLLED ENTITIES  
INTERIM FINANCIAL REPORT ABN 13 615 321 189  
31 DECEMBER 2025

## Results for Announcement to the Market

for the half year ended 31 December 2025

1. REPORTING PERIOD	
- Report for the period ended:	31 December 2025
- Previous corresponding period is half year ended	31 December 2024

2. RESULTS FOR ANNOUNCEMENT TO THE MARKET		Movement	Percentage	Amount
			%	\$
- Revenues from ordinary activities (item 2.1)		Decrease	(51.87%)	395,839
- Loss from ordinary activities after tax attributable to members (item 2.2)		Increase in losses	542.85%	(10,507,001)
- Loss from after tax attributable to members (item 2.2)			542.85%	(10,507,001)
a. Dividends			Amount per Security Cents	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 product sales, subscription revenue and other income disclosed separately.				

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		(10,507,001)	(1,634,451)
Net assets/(liabilities)		(11,267,410)	(5,570,818)
Less: Intangible assets		-	-
Net tangible assets/(liabilities)		(11,267,410)	(5,570,818)
Fully paid ordinary shares		25,308,582	22,919,362
b. Net tangible assets/ (liability) backing per share (cents) :		(0.45)	(0.24)

## Results for Announcement to the Market

for the half year ended 31 December 2025

### 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	Roo Inc.
- Date(s) of gain of control	22-Dec-25
b. Loss of control of entities	
- Name of entities	n/a
- 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	(\$29,577)
d. Loss from ordinary activities after tax of the controlled entities for the whole of the previous corresponding period	\$ nil

### 6. DETAILS OF ASSOCIATES AND JOINT VENTURES:

- Name of entities	n/a
- Percentage holding in each of these entities	n/a
- Aggregate share of profits (losses) of these entities (in item 7)	n/a

7. The financial information provided in the Appendix 4D is based on the interim financial 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.

## 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 2025.

### 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 2025 ("H1 FY2026"), Scout Security Limited successfully executed a significant corporate recapitalisation while advancing its industry consolidation strategy, culminating in the acquisition of Roo Inc. The Group maintained its focus on growing high-margin recurring revenues and disciplined cost management.

Key highlights for H1 FY2026 include:

- **Acquisition of Roo Inc.:** The Company progressed and completed the acquisition of New York-based DIY home security technology company Roo Inc. The transaction materially expands Scout's customer base, recurring subscription revenues and technology capability. The combined entity is expected to benefit from operating synergies, improved scale efficiencies and a strengthened path toward sustainable EBITDA performance.
- **Capital Raising:** The Company raised \$820,000 from the issue of shares during the half-year, supporting working capital requirements and integration costs associated with the Roo transaction.
- **Additional Borrowings:** The Company secured additional borrowings of \$313,947 during the period to support short-term liquidity and transaction-related funding requirements. All of which were repaid within the half year.
- **Recurring Revenue Focus:** The Group continued to prioritise high-margin subscription-based revenue streams, leveraging the expanded platform following the Roo acquisition.
- **Cost Discipline:** Management maintained a disciplined approach to operating expenditure, aligning costs with available funding and focusing on integration efficiencies following the Roo acquisition.

#### Financial Performance

The Group generated total cash receipts from customers of \$0.4 million for the half-year. Recurring monthly revenue streams remained a key focus, contributing to an annualised recurring revenue run-rate.

Operating cash outflows were actively managed, with the December half-year showing a 12% reduction year-on-year. A significant corporate achievement during the period was the proceeds from issue of shares & borrowings of \$1.1 million. This was achieved through additional borrowings of \$0.3 million and raising of \$0.8m of equity.

The Group's net loss after tax for the half-year was \$10.5 million. Net operating cash flow was an outflow of \$0.7m in the half-year, a 13% reduction in outflow compared to the same period a year earlier. The Company held a cash balance of \$0.09 million as at 31 December 2025.

### 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 a Master Service Agreement signed with insurtech partner Bolt Inc.

The most significant operational development in the period was the completion of the acquisition of Roo Inc. In the December quarter, Scout finalised the merger and immediately began integrating the two companies. 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 further progressed discussions with several potential new white label partners, as well as advanced its goals to bring WiFi sensing technology to its affordable DIY security solutions.

### Outlook

The Board's primary strategic focus is the successful integration of Roo Inc. to realise identified synergies and achieve positive EBITDA and cash flow, as well as to continue to execute on its industry roll-up strategy by identifying, and engaging with, additional acquisition targets.

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 pending commercial launch of the Bolt partnership will mark a significant step forward towards these goals. 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 2025, the Group delivered a loss before tax of \$10.5 million (31 December 2024: \$1.6 million loss) following the impairment of goodwill of \$9.1 million (2024: nil). Net operating cash flow was an outflow of \$0.7m in the half-year, a 13% 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

Subsequent to 31 December 2025, the Company entered into a Master Services Agreement with Bolt Solutions Inc. in January 2026 to deliver water damage prevention solutions through Bolt's Prevention Technology Program. On 5 March 2026, the Company raised \$1,050,000 for working capital purposes of which \$350,000 was received as at 31 December 2025 (see note 10).

Current secured debt comprises the Roo Inc loan payable to Settle Inc, which was classified as current at 31 December 2025 due to non-compliance with contractual payment terms at that date. Subsequent to period end, a Deed of Amendment was executed providing for repayment over 48 months and removing the lender's right to demand immediate repayment solely as a result of prior defaults. Had this arrangement been in place at 31 December 2025, \$1,622,391 would have been classified as non-current. Other than the matters disclosed above, no events have occurred subsequent to 31 December 2025 that would materially affect the operations, results or financial position of the Company.

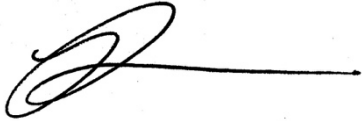
## 2.4 Future Developments, Prospects and Business Strategies

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 2025 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 8 April 2026

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**Condensed consolidated statement of profit or loss and other comprehensive**  
for the 6 months ended 31 December 2025

	Note	6 months to 31 Dec 25 \$	6 months to 31 Dec 24 \$
<i>Continuing operations</i>			
Revenue	3.1	395,839	822,352
Cost of sales		(136,555)	(267,982)
Gross profit		259,284	554,370
Other income	3.2	-	1,797
Movement in fair value of embedded derivative		-	(175,569)
Consultancy and professional fees		(377,503)	(135,554)
Depreciation and amortisation		(70)	-
Impairment of Goodwill	18	(9,121,919)	-
Employment costs	4.1	(739,615)	(576,280)
Finance costs		(175,552)	(802,812)
Information technology costs		(52,256)	(50,456)
Occupancy costs		-	(81,712)
Share-based payments expense		-	(6,458)
Sales and marketing		(85)	(347)
Shipping and postage		(7,486)	(68,432)
Travel and accommodation		(1,903)	(30)
Other expenses		(289,896)	(292,968)
Loss before tax		(10,507,001)	(1,634,451)
Income tax expense		-	-
<b>Net loss for the year</b>		<b>(10,507,001)</b>	<b>(1,634,451)</b>
<i>Other comprehensive income, net of income tax</i>			
- Items that may be reclassified subsequently to profit or loss:			
- Foreign currency movement:		44,294	(156,894)
<b>Other comprehensive income for the period, net of tax</b>		<b>44,294</b>	<b>(156,894)</b>
<b>Total comprehensive income attributable to members of the parent entity</b>		<b>(10,462,707)</b>	<b>(1,791,345)</b>
<i>Earnings per share:</i>			
Basic loss per share (cents per share)	5	(67.89)	(14.29)
Diluted loss per share (cents per share)	5	N/A	N/A

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

**SCOUT SECURITY LIMITED**AND CONTROLLED ENTITIES  
ABN 13 615 321 189**APPENDIX 4D**  
INTERIM FINANCIAL REPORT  
31 DECEMBER 2025**Condensed consolidated statement of changes in equity**

for the 6 months ended 31 December 2025

	Note	Contributed Equity \$	Other Equity \$	Foreign Currency Translation Reserve \$	Share-based Payments Reserve \$	Accumulated Losses \$	Total Equity \$
<i>Balance at 1 July 2023</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 year attributable owners of the parent		-	-	(156,894)	-	-	(156,894)
Total comprehensive income for the 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	4,539,191	-	-	-	-	4,539,191
Options granted during the half year		-	-	-	177,103	-	177,103
Performance shares	13	-	-	-	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)
<i>Balance at 1 July 2024</i>		22,919,362	-	73,907	5,959,861	(34,523,948)	(5,570,818)
Loss for the year attributable owners of the parent		-	-	-	-	(10,507,001)	(10,507,001)
Other comprehensive income for the year attributable owners of the parent		-	-	44,294	-	-	44,294
Total comprehensive income for the year attributable owners of the parent		-	-	44,294	-	(10,507,001)	(10,462,707)
<i>Transaction with owners, directly in equity</i>							
Issue of convertible notes	13	-	2,376,895	-	-	-	2,376,895
Shares issued during the year (net of costs)	13	2,389,220	-	-	-	-	2,389,220
<i>Balance at 31 December 2025</i>		25,308,582	2,376,895	118,201	5,959,861	(45,030,949)	(11,267,410)

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

## Condensed consolidated statement of financial position

as at 31 December 2025

	Note	31 Dec 25 \$	30 Jun 25 \$
<i>Current assets</i>			
Cash and cash equivalents	6	93,461	76,173
Trade and other receivables	7	95,291	45,044
Inventories	8	119,369	35,076
Other current assets	9	34,014	93,147
<b>Total current assets</b>		<b>342,135</b>	<b>249,440</b>
<i>Non-current assets</i>			
Property plant and equipment		3,383	-
<b>Total non-current assets</b>		<b>3,383</b>	<b>-</b>
<b>Total assets</b>		<b>345,518</b>	<b>249,440</b>
<i>Current liabilities</i>			
Trade and other payables	10	5,359,450	3,753,307
Borrowings	12	2,032,931	663,853
Unearned revenues	11	629,566	94,009
<b>Total current liabilities</b>		<b>8,021,947</b>	<b>4,511,169</b>
<i>Non-current liabilities</i>			
Borrowings	12	3,590,981	1,309,089
<b>Total non-current liabilities</b>		<b>3,590,981</b>	<b>1,309,089</b>
<b>Total liabilities</b>		<b>11,612,928</b>	<b>5,820,258</b>
<b>Net liabilities</b>		<b>(11,267,410)</b>	<b>(5,570,818)</b>
<i>Equity</i>			
Issued capital	13	25,308,582	22,919,362
Other equity	13	2,376,895	-
Reserves	13	6,078,062	6,033,768
Accumulated losses		(45,030,949)	(34,523,948)
<b>Total equity</b>		<b>(11,267,410)</b>	<b>(5,570,818)</b>

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

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## Condensed consolidated statement of cash flows

for the 6 months ended 31 December 2025

Note	6 months to 31 Dec 25 \$	6 months to 31 Dec 24 \$
<i>Cash flows from operating activities</i>		
Receipts from customers	408,355	697,502
Payments to suppliers and employees	(1,081,296)	(1,468,874)
Finance costs	(55,757)	(62,496)
<b>Net cash used in operating activities</b>	<b>(728,698)</b>	<b>(833,868)</b>
<i>Cash flows from investing activities</i>		
Cash acquired in business combination	(3,015)	-
<b>Net cash from investing activities</b>	<b>(3,015)</b>	<b>-</b>
<i>Cash flows from financing activities</i>		
Proceeds from issue of shares	820,000	822,076
Proceeds of borrowings	319,947	134,355
Repayment of borrowings	(393,437)	(178,065)
<b>Net cash provided by financing activities</b>	<b>746,510</b>	<b>778,366</b>
<b>Net increase / (decrease) in cash and cash equivalents held</b>	<b>14,797</b>	<b>(55,502)</b>
Cash and cash equivalents at the beginning of the year	76,173	163,820
Change in foreign currency held	2,491	10,470
<b>Cash and cash equivalents at the end of the year</b>	<b>6 93,461</b>	<b>118,788</b>

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

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## **Notes to the condensed consolidated financial statements** for the half year ended 31 December 2025

### **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 8 April 2026 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 2025 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 \$10,507,001 (31 December 2024: \$1,634,451 loss) mainly driven by recognising an impairment of Goodwill of \$9,121,919 (31 December 2024: nil) and net operating cash outflows of \$728,698 (31 December 2024: \$833,868). As at 31 December 2025 the Group had a working capital deficiency of \$7,679,812 (30 June 2025: \$4,261,729 deficiency) which includes \$629,566 (30 June 2025: \$94,009) of unearned revenues. Included in current liabilities is \$1,891,329 owed by Roo Inc to Settle Inc ("Settle"), classified as current at 31 December 2025 due to non-compliance with the contractual payment arrangement at that date. Subsequent to period end, a Deed of Amendment was executed providing for repayment over 48 months and removing Settle's right to demand immediate repayment except in the event of a default following the date of the deed of Amendment. If this arrangement had been in place at 31 December 2025, \$1,622,391 would have been classified as non-current.

These conditions indicate there is a material uncertainty over the ability of the Group to continue as a going concern. The ability of the Group to continue as a going concern is principally dependent on the Company raising capital, the support of the existing financiers and creditors and the ability of the Group to generate operating cashflows.

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 is confident in the Group's ability to continue as a going concern for the following reasons:

- In December 2025 as disclosed in note 18, the Company completed the acquisition of Roo Inc., which brought approximately 900,000 users and 29,000 paying subscribers into the combined group and synergies are expected. Pursuant to the acquisition and related agreements, the merged group restructured its debt arrangements resulting in Roo Inc. debt of \$5.5 million to be converted into equity and the deferral of \$1.5 million of Roo Inc. debt that was previously current liabilities to non-current liabilities.
- In January 2026, the Company entered into a Master Services Agreement with Bolt Solutions Inc. to deliver water damage prevention solutions through Bolt's Prevention Technology Program.
- On 5 March 2026, the Company raised \$1,050,000 for working capital purposes of which \$350,000 was received as at 31 December 2025 (see note 10).
- In addition, subsequent to period end, the Company entered into debt conversion agreements with a number of creditors totalling \$1,025,846.
- The Board is currently in discussions with financiers and investors regarding new funding and has a history of successful capital raising.

**Notes to the condensed consolidated financial statements**  
for the half year ended 31 December 2025

**Note 1. Statement of significant accounting policies (continued)**

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.

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 2025.

**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**

Street:	Level 8	Postal:	210 North Racine Avenue
	210 George St.		Unit 2N, Chicago
	Sydney, NSW 2000		IL 60607
	Australia		United States of America

**Notes to the condensed consolidated financial statements**  
for the half year ended 31 December 2025

	6 months to 31 Dec 25 \$	6 months to 31 Dec 24 \$
<b>Note 3. Revenue and other income</b>		
<b>3.1. Revenue</b>		
Product sales	5,947	272,997
Subscription revenues	389,892	549,355
	<b>395,839</b>	<b>822,352</b>
<b>3.2 Other Income</b>		
Other	-	1,797
<b>Note 4. Loss before income tax</b>		
The following significant revenue and expense items are relevant in explaining the financial performance:		
<b>4.1 Employment costs</b>		
- Salary and wages	491,337	499,288
- Director Fees	248,278	76,992
	<b>739,615</b>	<b>576,280</b>
<b>Note 5. Earnings per share (EPS)</b>		
<b>5.1. Reconciliation of earnings to profit or loss</b>		
Loss for the year	(10,507,001)	(1,634,451)
Less: loss attributable to non-controlling equity interest	-	-
	<b>(10,507,001)</b>	<b>(1,634,451)</b>
<b>5.2. Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS</b>		
Weighted average number of dilutive equity instruments outstanding	NA	NA
<b>5.3. Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS</b>		
	<b>15,477,634</b>	<b>11,439,663</b>
<b>5.4. Earnings per share</b>		
Basic EPS (cents per share)	(67.89)	(14.29)
Diluted EPS (cents per share)	N/A	N/A

5.5. As at 31 December 2025, the Group has 16,340,970 unissued shares under options (June 2025: 12,321,670) and 49,441 performance shares on issue (June 2025: 49,441). The Group does not report diluted earnings per share on losses generated by the Group. During the year, the Group's unissued shares under option and partly-paid shares were anti-dilutive.

**Notes to the condensed consolidated financial statements**  
for the half year ended 31 December 2025

	31 Dec 25	30 Jun 25
	\$	\$
<b>Note 6. Cash and cash equivalents</b>		
Cash at bank	93,461	76,173
<b>Note 7. Trade and other receivables</b>		
7.1 Current		
Trade receivables	95,291	45,044
<b>Note 8. Inventories</b>		
Finished goods	119,369	35,076
<b>Note 9. Other assets</b>		
9.1 Current		
Other current assets	34,014	93,147
<b>Note 10. Trade and other payables</b>		
10.1 Current - Unsecured		
Trade payables	2,305,891	1,618,293
Accruals and other payables	2,703,559	2,135,014
Application monies received for shares to be issued	350,000	-
	5,359,450	3,753,307
<b>Note 11. Unearned revenues</b>		
11.1 Current		
Unearned revenues	629,566	94,009
<b>Note 12. Borrowings</b>		
12.1 Current		
Borrowing - other	141,602	218,903
Secured debt	1,891,329	444,950
	2,032,931	663,853
12.2 Non-current		
Borrowing - other	-	64,726
Secured debt	3,590,981	1,244,363
	3,590,981	1,309,089

Current secured debt comprises the Roo Inc loan payable to Settle Inc, which has been classified as current at 31 December 2025 due to non-compliance with contractual payment terms. Subsequent to period end, a Deed of Amendment was executed providing for repayment over 48 months and removing the lender's right to demand immediate repayment for prior defaults. Had this arrangement been in place at 31 December 2025, \$1,622,391 would have been classified as non-current.

12.2 Non-current		
Borrowing - other	-	64,726
Secured debt	3,590,981	1,244,363
	3,590,981	1,309,089

Salient terms of Adaptive Income Fund Loan included in non-current secured debt are as follows:

- Term: The facility matures on 22 December 2028.
- Interest: Interest is payable at a rate of 8% per annum.
- Repayment: No principal repayments are required for the first 12 months from the restatement date.
- Security: The facility is secured over the assets of the Group.
- Events of default: The facility contains customary events of default, upon which the outstanding principal and accrued interest may become immediately due and payable.

Refer to Note 14 for contingent warrants to be issued in the event a payment milestone is not met.

**Notes to the condensed consolidated financial statements**  
for the half year ended 31 December 2025

**Note 13. Equity**

**13.1 Issued capital**

Fully paid ordinary shares at no par value

**13.1.1 Ordinary shares**

At the beginning of the year

- Convertible notes converted at \$0.004 per share
- Conversion of loan note at \$0.004 per share
- Secured debt converted at \$0.004 per share
- Shortfall from placement at \$0.004 per share
- Placement (tranche 2) at \$0.004 per share

Total shares on issue / (prior to consolidation in FY 2025)

Shares on issue / Consolidation 100:1 in FY2025 (rounded)

- Shares issued at \$0.40 per share
- Consideration shares issued at face value \$0.52 per share recorded at fair value (refer to note 18)

Transaction costs relating to share issue

Closing balance at reporting date

13.1.2 Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote. Ordinary shares have no par value and the company does not have a limited amount of authorised capital.

**13.2 Performance shares**

Performance shares at the beginning of the period

On issue / Consolidation 100:1 in FY2025

Performance shares movement during the year:

- Vesting
- Lapsed

Closing balance at reporting date

	6 months to 31 Dec 25 No.	12 months to 30 Jun 25 No	6 months to 31 Dec 25 \$	12 months to 30 Jun 25 \$
Fully paid ordinary shares at no par value	20,197,244	14,127,944	25,308,582	22,919,362
At the beginning of the year	14,127,944	262,519,839	22,919,362	18,380,171
- Convertible notes converted at \$0.004 per share	-	368,750,000	-	1,475,000
- Conversion of loan note at \$0.004 per share	-	44,000,000	-	176,000
- Secured debt converted at \$0.004 per share	-	517,129,509	-	2,068,445
- Shortfall from placement at \$0.004 per share	-	156,145,052	-	624,580
- Placement (tranche 2) at \$0.004 per share	-	64,250,000	-	257,000
Total shares on issue / (prior to consolidation in FY 2025)	14,127,944	1,412,794,400	-	-
Shares on issue / Consolidation 100:1 in FY2025 (rounded)	14,127,944	14,127,944	-	-
- Shares issued at \$0.40 per share	2,050,000	-	820,000	-
- Consideration shares issued at face value \$0.52 per share recorded at fair value (refer to note 18)	4,019,300	-	1,607,720	-
Transaction costs relating to share issue	-	-	(38,500)	(61,834)
Closing balance at reporting date	20,197,244	14,127,944	25,308,582	22,919,362

	6 months to 31 Dec 25 No.	12 months to 30 Jun 25 No	6 months to 31 Dec 25 \$	12 months to 30 Jun 25 \$
Performance shares at the beginning of the period	49,441	16,504,843	181,003	174,545
On issue / Consolidation 100:1 in FY2025	49,441	165,048	181,003	-
Performance shares movement during the year:				
- Vesting	-	-	6,458	6,458
- Lapsed	-	(115,607)	-	-
Closing balance at reporting date	49,441	49,441	187,461	181,003

**Notes to the condensed consolidated financial statements**  
for the half year ended 31 December 2025

**13.3 Options**

Options at the beginning of the period

Options movement during the year:

- Options issued
- Placement free attaching options
- Lapsed options
- On issue / (prior to consolidation in FY 2025)

On issue / Consolidation 100:1 in FY2025  
(rounded)

Options issued \*

Expiring options

Closing balance at reporting date

	6 months to 31 Dec 25 No.	12 months to 30 Jun 25 No.	6 months to 31 Dec 25 \$	12 months to 30 Jun 25 \$
Options at the beginning of the period	12,321,670	84,791,045	5,159,648	5,159,648
Options movement during the year:				
- Options issued	-	94,000,000	177,104	-
- Placement free attaching options	-	1,135,861,279	-	-
- Lapsed options	-	(74,752,024)	-	-
- On issue / (prior to consolidation in FY 2025)	12,321,670	1,239,900,300	5,336,752	-
On issue / Consolidation 100:1 in FY2025 (rounded)	12,321,670	12,399,004	5,336,752	-
Options issued *	4,019,300	-	-	-
Expiring options	-	(77,334)	-	-
Closing balance at reporting date	16,340,970	12,321,670	5,336,752	5,159,648

\* Free attaching options were issued for consideration as part of the Roo acquisition

**13.4 Convertible notes**

During the period, the Company issued 3,089,964 convertible notes in settlement of existing loan balances as part of a broader restructuring of existing debt arrangements and the acquisition of Roo Inc.

In accordance with the debt restructuring agreements, the company was to issue:

- a) such number of shares at a deemed issue price of \$0.52 per share as will result in the Senior Lender holding a voting power in the Company of 19.9%
- b) 1,200,000 in SCT loan notes
- c) such number of notes convertible into shares at a conversion price of \$0.52 per share with a face value of \$1 as has a value equal to \$5.18 million less the value of shares issued at completion.

As disclosed in note 18, the deemed fair value of the shares issued for accounting purposes were determined to be \$0.40 per share being the share price of the most recent capital raise. Accordingly, 3,089,964 convertible notes were issued following the issue of 4,019,300 shares as share consideration.

The convertible notes have been classified as equity instruments. The key terms of the notes are as follows:

- Face value: \$1.00 per note
- Maturity date: 18 months from issue
- Security: Unsecured
- Interest: Nil, except in the event of default, where interest accrues at 10% per annum
- Conversion terms: The notes may be converted into ordinary shares at a conversion price of \$0.52 per share. Either the Company or the noteholder may elect, at any time from issue until maturity, to convert all or part of the notes into shares
- Options: For each conversion share issued, the noteholder will receive one option exercisable at \$0.52, expiring on 13 June 2026
- Redemption: The notes are redeemable at face value (plus any unpaid interest) on the earlier of (i) the maturity date, or (ii) within 10 business days of a demand by the noteholder following an event of default that has not been remedied within the required timeframe
- Early redemption: The Company may redeem all or part of the notes prior to maturity at face value (plus any accrued but unpaid interest) on not less than 14 days' notice. The noteholder retains the right to convert the notes into shares prior to redemption.
- These convertible notes are classified as equity instruments as they contain a fixed-for-fixed conversion feature and the Company has an unconditional right to avoid delivering cash by settling the instrument through conversion.

**Note 14. Contingent liabilities**

There have been no changes in contingent liabilities since the last reporting period, other than a contingent obligation to issue 10 warrants for each USD 1 of outstanding Loan Notes. If the Company has not repaid 65% of the principal of the loan notes within 30 months of 22 December 2025, in accordance with the terms of the loan note agreement. The warrants will have an exercise price of \$0.07 and expiry date of 22 December 2028.

**Notes to the condensed consolidated financial statements**  
for the half year ended 31 December 2025

**Note 15. Events subsequent to reporting date**

Subsequent to 31 December 2025, the Company entered into a Master Services Agreement with Bolt Solutions Inc. in January 2026 to deliver water damage prevention solutions through Bolt's Prevention Technology Program. On 5 March 2026, the Company raised \$1,050,000 for working capital purposes of which \$350,000 was received as at 31 December 2025 (see note 10). In addition, subsequent to period end, the Company entered into debt conversion agreements totalling \$1,025,846.

Current secured debt comprises the Roo Inc loan payable to Settle Inc, which was classified as current at 31 December 2025 due to non-compliance with contractual payment terms at that date. Subsequent to period end, a Deed of Amendment was executed providing for repayment over 48 months and removing the lender's right to demand immediate repayment solely as a result of prior defaults. Had this arrangement been in place at 31 December 2025, \$1,622,391 would have been classified as non-current. Other than the matters disclosed above, no events have occurred subsequent to 31 December 2025 that would materially affect the operations, results or financial position of the Company.

**Note 16. 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 are in accordance with accounting policies that are consistent with 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.

**Note 17. Related party transactions**

For the period ended 31 December 2025, capital raising costs of \$38,500 were incurred in respect of services provided by Equitable Investors Pty Ltd.

As at 31 December 2025, a loan of \$50,000 was payable to Equitable Investors Pty Ltd.

Other than directors' remuneration disclosed above and the transactions disclosed in this note, there were no other related party transactions during the period.

**Notes to the condensed consolidated financial statements**  
for the half year ended 31 December 2025

**Note 18. Business combination – Acquisition of Roo Inc.**

On 22 December 2025, Scout Security Limited (“the Company” or “the Group”) acquired 100% of the issued share capital of Roo Inc. (“Roo”), a New York-based DIY home security technology company. Roo operates a technology-enabled home security platform with a global user base and recurring subscription revenue model.

The acquisition was undertaken as part of a broader restructuring of existing debt arrangements and aligns with the Group’s strategy to scale its security-as-a-service platform, expand its recurring revenue base, and realise operational efficiencies. Consistent with this restructuring, any goodwill arising on acquisition has been fully written down at reporting date.

The Group expects to realise the following benefits from the integration of Roo:

- cost efficiencies from consolidation of platforms and overheads
- enhanced product development capability
- cross-selling opportunities to a broader subscriber base
- increased scale to support sustainable EBITDA and cash flow

The acquired business contributed \$33,360 to revenues and \$29,577 to loss after tax to the consolidated entity for the period from 22 December 2025 to 31 December 2025. The values identified in relation to the acquisition of Roo Inc. are provisional as at 31 December 2025.

**Provisional accounting**

The accounting for the acquisition of Roo Inc. has been determined on a provisional basis in accordance with AASB 3 Business Combinations.

At the date of this report, the Group is still in the process of finalising:

- the fair value assessment of identifiable intangible assets, including customer relationships, developed technology and brand assets
- the valuation of contingent consideration (if applicable)
- the assessment of deferred tax balances arising from fair value adjustments
- the completeness and measurement of certain working capital balances

As a result, the amounts recognised for identifiable assets acquired, liabilities assumed and goodwill are provisional and unaudited.

If new information is obtained within 12 months of the acquisition date about facts and circumstances that existed at the acquisition date, the accounting for the acquisition will be revised. Any adjustments to provisional amounts will be recognised retrospectively as if the accounting had been completed at the acquisition date, with corresponding adjustments to goodwill.

The measurement period adjustments, if any, may result in changes to:

- the carrying value of identifiable assets and liabilities
- deferred tax balances
- goodwill

The Group expects to finalise the acquisition accounting within the 12-month measurement period permitted under AASB 3.

An impairment loss of \$9,121,919 has been recognised against provisionally determined goodwill, reflecting uncertainties as to whether sufficient future cash flows can be generated to support its carrying value.

**Notes to the condensed consolidated financial statements**  
for the half year ended 31 December 2025

<b>Details of the acquisition are as follows:</b>	<b>Fair value</b>
Trade and other receivables	57,572
Inventory	89,929
Property plant and equipment	3,453
Other current liabilities	(72,164)
Trade and other payables	(992,744)
Unearned revenue	(539,104)
Borrowings	<u>(1,891,328)</u>
Net liabilities acquired	(3,344,386)
Goodwill	(9,121,919)
Acquisition- Fair value of the total consideration:	
- Equity instruments issued (shares & options) (note 13)	1,607,720
- Convertible notes issued (note 13)	2,376,895
- Loan note issued (note 12)	<u>1,792,918</u>
Fair value of the total consideration:	5,777,533

The fair value of equity instruments issued has been determined based on a price of \$0.40 per share, being the most recent equity raising price, which is considered to be representative of fair value at the acquisition date.

**Notes to the condensed consolidated financial statements**  
for the half year ended 31 December 2025

**Directors' declaration**

The Directors of the Company declare that:

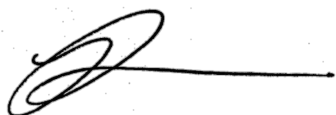
1. The condensed financial statements and notes are in accordance with the Corporations Act 2001 (Cth) and:

(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 2025 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

## 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 2025, 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 the Consolidated Entity 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 2025 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 \$10,507,001 during the half year ended 31 December 2025. 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.

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### 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 2025 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 this 9<sup>th</sup> day of April 2026  
Perth, Western Australia

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 for the half year ended 31 December 2025, 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 this 9<sup>th</sup> day of April 2026  
Perth, Western Australia

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