

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER  
PURSUANT TO RULE 13a-16 OR 15d-16 OF THE  
SECURITIES EXCHANGE ACT OF 1934

For the month of, September 2025

Commission File Number 001-40848

**GUARDFORCE AI CO., LIMITED**  
(Translation of registrant's name into English)

**10 Anson Road, #28-01 International Plaza**  
**Singapore 079903**  
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F: Form 20-F  Form 40-F

EXPLANATORY NOTE

Guardforce AI Co., Limited (the "Company") is furnishing this Form 6-K to provide the unaudited consolidated financial statements for the six months ended June 30, 2025 and 2024 and incorporate such financial statements into the Company's registration statements referenced below.

This report on Form 6-K and the attached Exhibits 99.1, 99.2 and 99.3 are incorporated by reference into (i) the prospectus contained in the Company's registration statement on [Form F-3](#) (SEC File No. 333-261881) declared effective by the Securities and Exchange Commission on January 5, 2022, (ii) the prospectus dated February 9, 2022 contained in the Company's registration statement on [Form F-3](#) (SEC File No. 333-262441) declared effective by the Securities and Exchange Commission on February 9, 2022, and (iii) the prospectus dated June 14, 2022 contained in the Company's post-effective Amendment No. 1 to the [Form F-1](#) registration statement on [Form F-3](#) (SEC File No. 333-258054) declared effective by the Securities and Exchange Commission on June 14, 2022 and (iv) the prospectus contained in the Company's registration statement on Form underlying F-3 (SEC [File No. 333-284261](#)) declared effective by the Securities and Exchange Commission (the "Commission") on January 24, 2025.

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FORWARD-LOOKING INFORMATION

This Report on Form 6-K contains forward-looking statements and information relating to us that are based on the current beliefs, expectations, assumptions, estimates and projections of our management regarding our company and industry. When used in this report, the words "may", "will", "anticipate", "believe", "estimate", "expect", "intend", "plan" and similar expressions, as they relate to us or our management, are intended to identify forward-looking statements. These statements reflect management's current view of us concerning future events and are subject to certain risks, uncertainties and assumptions, including among many others: our negative operating profits may raise substantial doubt regarding our ability to continue as a going concern, our substantial customer concentration, with a limited number of customers accounting for a substantial portion of our recent revenues, our subsidiaries' ability to distribute dividends to us may be subject to restrictions under the laws of their respective jurisdictions, the emergence of additional competing technologies, changes in domestic and foreign laws, regulations and taxes, political and social events in Thailand, the volatility of the securities markets, and other risks and uncertainties which are generally set forth under the heading, "Key information - Risk Factors" and elsewhere in our Annual Report on Form 20-F filed on April 28, 2025 (the "Annual Report"). Should any of these risks or uncertainties materialize, or should the underlying assumptions about our business and the commercial markets in which we operate prove incorrect, actual results may vary materially from those described as anticipated, estimated or expected in the Annual Report.

All forward-looking statements included herein attributable to us or other parties or any person acting on our behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. Except to the extent required by applicable laws and regulations, we undertake no obligations to update these forward-looking statements to reflect events or circumstances after the date of this report or to reflect the occurrence of unanticipated events.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: September 23, 2025

**Guardforce AI Co., Limited**

By: /s/ Lei Wang  
Lei Wang  
Chief Executive Officer

## EXHIBIT INDEX

<b>Exhibit Number</b>	<b>Description</b>
99.1	<a href="#">Unaudited Interim Consolidated Financial Statements as of June 30, 2025 and for the six months ended June 30, 2025 and 2024</a>
99.2	<a href="#">Operating and Financial Review and Prospects in Connection with the Interim Consolidated Financial Statements for the six months ended June 30, 2025</a>
99.3	<a href="#">Press Release titled "Guardforce AI Reports Positive Adjusted Net Income for the First Half of 2025" dated September 23, 2025</a>
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File – the cover page interactive data file does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document

**GUARDFORCE AI CO., LIMITED AND SUBSIDIARIES**  
**UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED June 30, 2025 and 2024**

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**Guardforce AI Co., Limited and Subsidiaries**  
**Unaudited Interim Condensed Consolidated Balance Sheets**  
**(Expressed in U.S. Dollars)**

	<u>Note</u>	<u>As of June 30, 2025</u>	<u>As of December 31, 2024</u>
		(Unaudited)	
<b>Assets</b>			
Current assets:			
Cash and cash equivalents	3	\$ 23,452,268	\$ 21,936,422
Restricted cash	3	7,059	27,642
Trade receivables, net		5,002,723	5,922,345
Other current assets		2,684,427	2,291,439
Withholding tax receivable, net		416,975	393,960
Inventories		287,812	274,854
Other financial assets at amortized cost		76,440	-
<b>Total current assets</b>		<u>31,927,704</u>	<u>30,846,662</u>
Non-current assets:			
Restricted cash	3	1,517,155	1,432,738
Property, plant and equipment		3,282,609	3,183,856
Right-of-use assets		2,448,872	2,268,022
Intangible assets, net	4	2,125,975	2,300,951
Goodwill		411,862	411,862
Withholding tax receivable, net		2,460,829	1,967,826
Deferred tax assets, net		1,305,423	1,281,531
Other non-current assets		2,028,231	998,971
<b>Total non-current assets</b>		<u>15,580,956</u>	<u>13,845,757</u>
<b>Total assets</b>		<u>\$ 47,508,660</u>	<u>\$ 44,692,419</u>
<b>Liabilities and Equity</b>			
Current liabilities:			
Trade payables and other current liabilities		\$ 4,527,716	\$ 4,549,364
Borrowings		-	44,232
Current portion of operating lease liabilities		1,432,441	1,574,537
Current portion of finance lease liabilities, net		105,314	96,372
<b>Total current liabilities</b>		<u>6,065,471</u>	<u>6,264,505</u>
Non-current liabilities:			
Operating lease liabilities		1,085,675	768,174
Finance lease liabilities, net		302,863	121,746
Provision for employee benefits		5,830,087	5,548,726
<b>Total non-current liabilities</b>		<u>7,218,625</u>	<u>6,438,646</u>
<b>Total liabilities</b>		<u>13,284,096</u>	<u>12,703,151</u>
<b>Equity</b>			
Ordinary shares – par value \$0.12 authorized 300,000,000 shares, issued and outstanding 21,821,589 shares at June 30, 2025; issued and outstanding 17,808,974 shares at December 31, 2024	5	2,618,626	2,137,108
Subscription receivable		(50,000)	(50,000)
Additional paid in capital		96,363,125	93,102,042
Legal reserve	7	223,500	223,500
Warrants reserve		251,036	251,036
Accumulated deficit		(66,440,917)	(64,204,840)
Accumulated other comprehensive income		1,310,798	590,981
<b>Capital &amp; reserves attributable to equity holders of the Company</b>		<u>34,276,168</u>	<u>32,049,827</u>
Non-controlling interests		(51,604)	(60,559)
<b>Total equity</b>		<u>34,224,564</u>	<u>31,989,268</u>
<b>Total liabilities and equity</b>		<u>\$ 47,508,660</u>	<u>\$ 44,692,419</u>

*The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.*

**Guardforce AI Co., Limited and Subsidiaries**  
**Unaudited Interim Condensed Consolidated Statements of Profit or Loss**  
(Expressed in U.S. Dollars)

	Note	For the six months ended	
		June 30,	
		2025	2024
		(Unaudited)	(Unaudited)
Revenue	9	\$ 18,207,186	\$ 17,566,844
Cost of sales		(15,252,223)	(14,327,094)
<b>Gross profit</b>		<b>2,954,963</b>	<b>3,239,750</b>
Stock-based compensation expenses		(149,595)	(172,655)
(Provision for) Recovery of withholding tax receivable		(40,984)	32,980
Provision for expected credit loss on trade and other receivables		(15,986)	(184,180)
Impairment loss on goodwill		-	(30,467)
Research and Development expenses		(522,503)	(106,835)
Selling, general and administrative expenses	6	(4,706,656)	(4,860,455)
<b>Operating loss from continuing operations</b>		<b>(2,480,761)</b>	<b>(2,081,862)</b>
Other income, net		70,548	50,881
Foreign exchange losses, net		(19,066)	(49,041)
Finance income, net		250,334	179,927
<b>Loss before income tax from continuing operations</b>		<b>(2,178,945)</b>	<b>(1,900,095)</b>
Provision for income tax (expense) benefit		(48,177)	22,949
<b>Net loss for the period from continuing operations</b>		<b>(2,227,122)</b>	<b>(1,877,146)</b>
<b>Discontinued operations:</b>			
Net gain for the period from discontinued operations		-	38,719
<b>Net loss for the period</b>		<b>(2,227,122)</b>	<b>(1,838,427)</b>
Less: net profit attributable to non-controlling interests		8,955	9,167
<b>Net loss attributable to equity holders of the Company</b>		<b>\$ (2,236,077)</b>	<b>\$ (1,847,594)</b>
<b>Loss per share</b>			
Basic and diluted loss attributable to the equity holders of the Company		\$ (0.11)	\$ (0.18)
<b>Loss per share from continuing operations</b>			
Basic and diluted loss attributable to the equity holders of the Company		\$ (0.11)	\$ (0.19)
<b>Weighted average number of shares used in computation:</b>			
Basic and diluted		19,996,747	9,991,600

*The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.*

**Guardforce AI Co., Limited and Subsidiaries**  
**Unaudited Interim Condensed Consolidated Statements of Comprehensive Loss**  
(Expressed in U.S. Dollars)

	For the six months ended	
	June 30,	
	2025	2024
	(Unaudited)	(Unaudited)
<b>Net loss for the period</b>	\$ (2,227,122)	\$ (1,838,427)
Currency translation differences	719,817	(775,698)
<b>Total comprehensive loss for the period</b>	<b>\$ (1,507,305)</b>	<b>\$ (2,614,125)</b>
<b>Attributable to:</b>		
Equity holders of the Company	\$ (1,512,947)	\$ (2,631,861)
Non-controlling interests	5,642	17,736
	<b>\$ (1,507,305)</b>	<b>\$ (2,614,125)</b>

*The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.*

**Guardforce AI Co., Limited and Subsidiaries**  
**Unaudited Interim Condensed Consolidated Statement of Changes in Equity**  
(Expressed in U.S. Dollars)

	Number of Shares	Amount (\$0.12 par)	Subscription Receivable	Additional Paid-in Capital	Legal Reserve	Warrants Reserves	Accumulated Other Comprehensive Income	Accumulated Deficit	Non- controlling Interests	Total Equity
<b>Balance as of December 31, 2023</b>	9,830,373	\$ 1,179,680	\$ (50,000)	\$ 80,983,164	\$ 223,500	\$ 251,036	\$ 985,120	\$ (58,340,675)	\$ (79,050)	\$ 25,152,775
Currency translation adjustments	-	-	-	-	-	-	(775,698)	-	-	(775,698)
Disposal of a subsidiary (Note 5)	(1,091)	(131)	-	(2,651)	-	-	-	-	(974)	(3,756)
Issuance of ordinary shares for stock-based compensation (Note 5)	408,000	48,960	-	1,031,394	-	-	-	-	-	1,080,354
Net loss for the period	-	-	-	-	-	-	-	(1,847,594)	9,167	(1,838,427)
<b>Balance as of June 30, 2024 (Unaudited)</b>	<u>10,237,282</u>	<u>\$ 1,228,509</u>	<u>\$ (50,000)</u>	<u>\$ 82,011,907</u>	<u>\$ 223,500</u>	<u>\$ 251,036</u>	<u>\$ 209,422</u>	<u>\$ (60,188,269)</u>	<u>\$ (70,857)</u>	<u>\$ 23,615,248</u>
<b>Balance as of December 31, 2024</b>	17,808,947	\$ 2,137,108	\$ (50,000)	\$ 93,102,042	\$ 223,500	\$ 251,036	\$ 590,981	\$ (64,204,840)	\$ (60,559)	\$ 31,989,268
Foreign currency translation difference	-	-	-	-	-	-	719,817	-	-	719,817
Stock-based compensation (Note 5)	1,457,756	174,931	-	50,069	-	-	-	-	-	225,000
Issuance of ordinary shares through At the Market Offering (Note 5)	2,554,886	306,587	-	3,211,014	-	-	-	-	-	3,517,601
Net loss for the period	-	-	-	-	-	-	-	(2,236,077)	8,955	(2,227,122)
<b>Balance as of June 30, 2025 (Unaudited)</b>	<u>21,821,589</u>	<u>\$ 2,618,626</u>	<u>\$ (50,000)</u>	<u>\$ 96,363,125</u>	<u>\$ 223,500</u>	<u>\$ 251,036</u>	<u>\$ 1,310,798</u>	<u>\$ (66,440,917)</u>	<u>\$ (51,604)</u>	<u>\$ 34,224,564</u>

*The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements*

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**Guardforce AI Co., Limited and Subsidiaries**  
**Unaudited Interim Condensed Consolidated Statements of Cash Flows**  
(Expressed in U.S. Dollars)

	For the six months ended June 30,	
	2025 (Unaudited)	2024 (Unaudited)
<b>Cash flows from operating activities</b>		
Net loss from continuing operations	\$ (2,227,122)	\$ (1,877,146)
Net gain from discontinued operations	-	38,719
Net loss	(2,227,122)	(1,838,427)
Adjustments for:		
Depreciation and Amortization of fixed and intangible assets	1,700,784	1,556,922
Stock-based compensation expenses	149,595	172,655
Provision for (Recovery of) withholding tax receivable	40,984	(32,980)
Provision for expected credit loss on trade and other receivables, net	15,986	184,180
Impairment loss on goodwill	-	30,467
Netting off related parties' balances	-	(690,487)
Finance income, net	(250,334)	(179,263)
Deferred income taxes	48,177	(101,998)
Loss (Gain) from assets disposal	231	(31,577)
Gain from disposal of a subsidiary	-	(3,607)
Changes in operating assets and liabilities:		
Decrease (Increase) in trade and other receivables	1,193,423	(90,891)
Increase in other assets	(1,144,739)	(1,005,338)
Decrease in inventories	42,872	114,223
Decrease in restricted cash	20,275	186,971
Decrease in Trade and other payables and other current liabilities	(182,399)	(437,966)
(Increase) Decrease in withholding tax receivable	(407,260)	227,903
(Decrease) Increase in provision for employee benefits	(41,570)	13,428
<b>Net cash used in operating activities</b>	<u>(1,041,097)</u>	<u>(1,925,785)</u>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(482,658)	(34,442)
Proceeds from sale of property, plant and equipment	1,405	27,805
Acquisition of intangible assets	-	(114,224)
Disposal of a subsidiary, net of cash disposed	-	(28,186)
Interest received	331,762	283,750
Payments for financial assets at amortized cost	(76,440)	-
<b>Net cash (used in) generated from investing activities</b>	<u>(225,931)</u>	<u>134,703</u>
<b>Cash flows from financing activities</b>		

Proceeds from issue of shares	3,491,850	-
Repayment of related party borrowings	-	(3,304,787)
Repayment of bank borrowings	(45,296)	(252,717)
Payment of lease liabilities	(877,856)	(877,553)
<b>Net cash generated from (used in) financing activities</b>	<b>2,568,698</b>	<b>(4,435,057)</b>
Net increase (decrease) in cash and cash equivalents,	1,301,670	(6,226,139)
Effect of movements in exchange rates on cash held	214,176	(58,513)
Cash and cash equivalents at January 1	21,936,422	20,263,869
<b>Cash and cash equivalents at June 30</b>	<b>\$ 23,452,268</b>	<b>\$ 13,979,217</b>

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

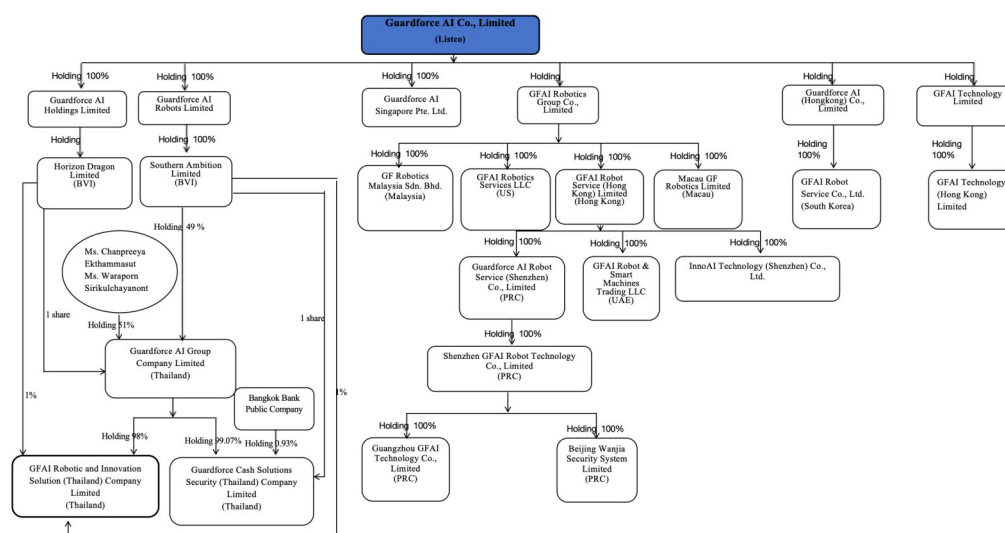
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**Guardforce AI Co., Limited and Subsidiaries**  
**Notes to the Unaudited Interim Condensed Consolidated Financial Statements**  
**(Expressed in U.S. Dollars)**

**1. NATURE OF OPERATIONS**

Guardforce AI Co., Limited ("Guardforce") is a company that was incorporated, and is domiciled, in the Cayman Islands under the Cayman Islands Companies Act on April 20, 2018. The Company's ordinary shares and warrants are listed under the symbol "GFAT" and "GFAIW", respectively, on the Nasdaq Capital Market upon the completion of an initial public offering on September 28, 2021.

The following diagram illustrates the Company's legal entity ownership structure as of June 30, 2025:



**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**2.1 Basis of presentation**

The accompanying interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, "Interim Financial Reporting". These statements should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2024, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The accounting policies applied for the six months ended June 30, 2025 and 2024 are consistent with those of the audited consolidated financial statements for the years ended December 31, 2024 and 2023, as described in those audited consolidated financial statements. The interim condensed consolidated financial statements have been prepared on a historical cost basis. In the opinion of management, all adjustments necessary for a fair presentation have been included in the accompanying unaudited condensed consolidated financial statements. The results of operations for the six months ended June 30, 2025 are not necessarily indicative of the results that may be expected for the full year ended December 31, 2025.

All amounts are presented in United States dollars ("USD") and have been rounded to the nearest USD.

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*Going Concern basis*

As of June 30, 2025, the Company has incurred an accumulated deficit of \$66.4 million. For the six months ended June 30, 2025, the Company had a net loss from continuing operations of \$2.2 million and net operating cash outflow of \$1.0 million. The principal sources of funding have historically been cash contributions from equity and debt financings. For the six months ended June 30, 2025, the Company issued 2.6 million Ordinary Shares pursuant to the 2024 at the market offering (the "ATM offering") for gross proceeds of \$3.7 million. As of June 30, 2025, the Company had cash and cash equivalents of approximately \$23.5 million. Taking this into consideration, the Company believes it will have sufficient available financial resources to meet its obligations and working capital requirements for at least in the next twelve months from the date of issuance of these financial statements. Accordingly, the Company considers that it is appropriate to prepare the consolidated financial information on a going concern basis.

## 2.2 Basis of consolidation

The consolidated statements of profit or loss and other comprehensive loss, statements of changes in equity and statements of cash flows of the Company for the relevant periods include the results and cash flows of all companies now comprising the Company from the earliest date presented or since the date when the subsidiaries and/or businesses first came under the common control of the controlling shareholders, wherever the period is shorter.

The interim condensed consolidated balance sheet of the Company as of June 30, 2025 has been prepared to present the assets and liabilities of the subsidiaries under the historical cost convention.

Equity interests in subsidiaries held by parties other than the controlling shareholders are presented as non-controlling interests in equity.

All intra-group and inter-company transactions and balances have been eliminated on consolidation.

## 2.3 Critical accounting estimate and judgements

The preparation of the consolidated financial statements in conformity with IFRS requires management to make estimates and judgments that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from these estimates.

In preparing the interim condensed consolidated financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended December 31, 2024.

On September 23, 2025, the interim condensed consolidated financial statements were approved by the audit committee and board of directors.

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## 2.4 Foreign currency translation

The consolidated financial statements are prepared in USD, which is the reporting currency. The functional currency of significant subsidiaries are as follows, the subsidiaries located in Thailand is Thai Baht ("Baht" or "THB"), the functional currency of subsidiaries located in Hong Kong is Hong Kong dollar ("HKD") and the functional currency of subsidiaries located in mainland China is Chinese Renminbi ("RMB").

The currency exchange rates and the entities that significantly impact our business are shown in the following table:

	Period End Rate		Average Rate	
	June 30,	December 31,	For the six months ended	
	2025	2024	June 30,	2024
Thai Baht	0.0308	0.0291	0.0299	0.0275
Hong Kong Dollar	0.1274	0.1287	0.1282	0.1279
Chinese Renminbi	0.1396	0.1370	0.1382	0.1386

## 2.5 New and amended accounting standards

All new standards and amendments that are effective for annual reporting period commencing January 1, 2025 have been applied by the Company for the six months ended June 30, 2025. The adoption of these new and amended standards did not have material impact on the interim condensed consolidated financial statements of the Company. A number of new standards and amendments to standards have not come into effect for the year beginning January 1, 2025, and they have not been early adopted by the Company in preparing these interim condensed consolidated financial statements. None of these new standards and amendments to standards is expected to have a significant effect on the interim condensed consolidated financial statements of the Company.

## 2.6 Other financial assets at amortized cost

Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in "other gains/(losses)" together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of profit or loss.

## 3. CASH, CASH EQUIVALENTS AND RESTRICTED CASH

	As of June 30, 2025	As of December 31, 2024
	(Unaudited)	
Cash on hand	\$ 584,556	\$ 541,937
Cash in bank	22,867,712	21,394,485
Subtotal	23,452,268	21,936,422
Restricted cash – current	7,059	27,642
Restricted cash – non-current	1,517,155	1,432,738
Cash, cash equivalents, and restricted cash	\$ 24,976,482	\$ 23,396,802

## 4. INTANGIBLE ASSETS

During the six months ended June 30, 2025 and 2024, no impairment loss related intangible assets was recognized by the Company.

## 5. SHAREHOLDERS' EQUITY

Equity transactions during the six months ended June 30, 2025:

On March 31, 2025, the Company entered into a Marketing Services Agreement (the "Marketing Services Agreement") with Outside the Box Capital Inc. ("OTB"),

pursuant to which the Company agreed to issue \$150,000 of restricted Ordinary Shares of the Company, calculated at the closing price as of March 31, 2025, to OTB as consideration for its services provided under the Marketing Services Agreement. On March 31, 2025, the Company issued 151,256 restricted Ordinary Shares of the Company to OTB.

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On April 11, 2025, the Company issued an aggregate number of 1,306,500 restricted ordinary shares to officers and certain employees for their service performed in 2024.

For the six months ended June 30, 2025, the Company issued 2,554,886 Ordinary Shares pursuant to the 2024 ATM offering for gross proceeds of \$3,742,326. The Ordinary Shares were sold at prevailing market prices, for an average price per share of \$1.46. Pursuant to the At the Market Offering Agreement ("ATM Agreement"), a cash commission of \$93,558 on the aggregate gross proceeds raised was paid to H.C. Wainwright & Co., LLC (the "Sales Agent") in connection with its services under the ATM Agreement.

Equity transactions during the six months ended June 30, 2024:

The Company completed the separation with Handshake by returning 1,091 restricted ordinary shares which were canceled on March 4, 2024.

On March 6, 2024, the Company issued an aggregate number of 120,000 restricted ordinary shares to three independent directors on the Board of Directors, representing 60,000 restricted ordinary shares for their service performed in 2023 and 60,000 restricted ordinary shares for their service to be performed in 2024. The fair value for the 60,000 restricted ordinary shares for 2024 full-year service was \$155,400. The Company recorded stock-based compensation expense of \$77,700 for the six months ended June 30, 2024 and prepayments for independent directors' fee of \$77,700 as of June 30, 2024.

On May 7, 2024, the Company issued an aggregate number of 288,000 restricted ordinary shares to officers and certain employees for their service performed in 2023. Fair value for the 288,000 restricted ordinary shares for 2023 full-year service was \$924,955. As of December 31, 2023, the Company made a provision for stock-based compensation of \$830,000. For the six months ended June 30, 2024, the Company recorded the under-provided amount of \$94,955.

## 6. SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

	For the six months ended	
	June 30,	
	2025	2024
	(Unaudited)	(Unaudited)
Staff expense	\$ 2,722,106	\$ 3,180,497
Professional fees	569,064	582,489
Depreciation and amortization expense	501,330	452,299
Rental expense	177,086	173,246
Other service fees	114,659	187,858
Travelling and entertainment expense	101,403	170,596
Other expenses*	521,008	113,470
	<u>\$ 4,706,656</u>	<u>\$ 4,860,455</u>

\* Other expenses mainly comprised of utilities expense, repairs and maintenance, cleaning expense, office expenses, stamp duties, training costs, etc.

## 7. LEGAL RESERVE

### Thailand

Under the provisions of the Civil and Commercial Code, GF Cash (CIT) is required to set aside as a legal reserve at least 5% of the profits arising from the business of the Company at each dividend distribution until the reserve is at least 10% of the registered share capital. The legal reserve is non-distributable. The Company's reserve has met the legal reserve requirement of \$223,500 as of June 30, 2025 and December 31, 2024.

### The PRC

Pursuant to the laws applicable to the PRC's Foreign Investment Enterprises, the Company must make appropriations from after-tax profit to non-distributable reserve funds. Subject to certain cumulative limits, the general reserve requires annual appropriations of 10% of after-tax profits as determined under the PRC laws and regulations at each year-end until the balance reaches 50% of the PRC entity registered capital; the other reserve appropriations are at the Company's discretion. These reserves can only be used for specific purposes of enterprise expansion and are not distributable as cash dividends. For the six months ended June 30, 2025 and 2024, the Company did not accrue any legal reserve.

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## 8. RELATED PARTY TRANSACTIONS

The principal related party balances as of June 30, 2025 and December 31, 2024 are nil.

The principal related party transactions for the six months ended June 30, 2025 and 2024 are as follows:

### **Related party transactions:**

Nature	For the six months ended	
	June 30,	
	2025	2024
	(Unaudited)	(Unaudited)
<b>Service/ Products received from related parties:</b>		
Guardforce Security (Thailand) Company Limited	(a) \$ -	\$ 431,193
Guardforce Aviation Security Company Limited	(b) -	925

\$ - \$ 432,118

**Service/ Products delivered to related parties:**

Shenzhen Kewei Robot Technology Co., Limited	(c)	\$ -	\$ 4,652
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Nature of transactions:

- (a) Guardforce Security (Thailand) Company Limited provided security guard services to the Company;
- (b) Guardforce Aviation Security Company Limited provided escort services to the Company;
- (c) The Company rented robots to Shenzhen Kewei Robot Technology Co., Limited.

**9. REVENUE AND CONSOLIDATED SEGMENT DATA**

The Company generates its revenue primarily from three service lines: (1) Secured Logistics; (2) AI&Robotics Solution; and (3) General Security Solutions.

Each service line primarily renders the following services:

- (1) Secure Logistics
  - (i) Cash-In-Transit – Non-Dedicated Vehicle (CIT Non-DV); (ii) Cash-In-Transit – Dedicated Vehicle (CIT DV); (iii) ATM management; (iv) Cash Processing (CPC); (v) Cash Center Operations (CCT); (vi) Consolidate Cash Center (CCC); (vii) Express Cash; (viii) Coin Processing Service; and (ix) Cash Deposit Management Solutions (GDM).
- (2) AI&Robotics Solution
  - (i) Sale and Rental of AI&Robotics Solution; (ii) Advertising Service; and (iii) Solution Provider
- (3) General Security Solutions
  - (i) Smart retail solution and (ii) Security engineering and maintenance

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Disaggregation information of revenue by service type which was recognized based on the nature of performance obligation disclosed above is as follows:

Service Type	For the six months ended June 30,			
	2025	Percentage of Total	2024	Percentage of Total
	\$ (Unaudited)	Revenue	\$ (Unaudited)	Revenue
Cash-In-Transit – Non-Dedicated Vehicles (CIT Non-DV)	\$ 6,297,955	34.6%	\$ 6,016,286	34.2%
Cash-In-Transit – Dedicated Vehicle to Banks (CIT DV)	1,914,764	10.5%	1,765,869	10.1%
ATM Management	3,349,420	18.4%	3,293,725	18.7%
Cash Processing (CPC)	2,133,633	11.7%	1,710,792	9.7%
Cash Center Operations (CCT)	903,368	5.0%	857,109	4.9%
Consolidate Cash Center (CCC)	285,110	1.6%	276,137	1.6%
Cash Deposit Management Solutions (GDM)	2,176,285	12.0%	1,842,026	10.5%
AI&Robotics Solution	107,470	0.6%	131,142	0.8%
General Security Solutions	1,039,181	5.6%	1,673,758	9.5%
<b>Total</b>	<b>\$ 18,207,186</b>	<b>100.0%</b>	<b>\$ 17,566,844</b>	<b>100.0%</b>

Selected information by segment is presented in the following tables for the six months ended June 30, 2025 and 2024:

Revenues <sup>(1)</sup>	For the six months ended June 30,	
	2025	2024
	\$ (Unaudited)	\$ (Unaudited)
Secured Logistics	\$ 17,060,535	\$ 15,761,944
AI&Robotics Solution	107,470	131,142
General Security Solutions	1,039,181	1,673,758
<b>Total</b>	<b>\$ 18,207,186</b>	<b>\$ 17,566,844</b>

(1) The Company has no intersegment revenues.

Operating profit (loss)	For the six months ended June 30,	
	2025	2024
	\$ (Unaudited)	\$ (Unaudited)
Secured Logistics	\$ 541,031	\$ 770,737
AI&Robotics Solution	(1,109,880)	(504,612)
General Security Solutions	(193,447)	(109,979)
Corporate and others <sup>(1)</sup>	(1,718,465)	(2,238,008)
<b>Operating loss from continuing operations</b>	<b>(2,480,761)</b>	<b>(2,081,862)</b>
Total other income from four segments	70,548	50,881

Foreign exchange (gain) losses, net:		
- Secured Logistics	(4,793)	(1,544)
- AI&Robotics Solution	1,865	(30,030)
- Corporate and others	(16,138)	(17,467)
Finance income (costs), net:		
- Secured Logistics	(56,670)	(41,598)
- AI&Robotics Solution	(6,153)	(16,462)
- General Security Solutions	131	(1,877)
- Corporate and others	313,026	239,864
<b>Loss before income tax from continuing operations</b>	<b>(2,178,945)</b>	<b>(1,900,095)</b>
Provision for income tax (expense) benefit	(48,177)	22,949
<b>Net loss for the period from continuing operations</b>	<b>(2,227,122)</b>	<b>(1,877,146)</b>
<b>Net profit for the period from discontinued operations</b>	<b>-</b>	<b>38,719</b>
<b>Net loss for the period</b>	<b>(2,227,122)</b>	<b>(1,838,427)</b>
Less: net profit attributable to the non-controlling interest	8,955	9,167
<b>Net loss attributable to equity holders of the Company</b>	<b>\$ (2,236,077)</b>	<b>\$ (1,847,594)</b>

(1) Includes impairment of goodwill on acquired subsidiaries, non-cash compensation, legal and professional fees and consultancy fees for the Company.

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Total assets by segment as of June 30, 2025 and December 31, 2024 are as follows:

	As of June 30, 2025	As of December 31, 2024
<b>Total assets</b>	(Unaudited)	
Secured Logistics	\$ 23,740,122	\$ 21,448,136
AI&Robotics Solution	2,317,646	1,979,695
General Security Solutions	3,379,623	3,837,511
Corporate and others	18,071,269	17,427,077
	<u>\$ 47,508,660</u>	<u>\$ 44,692,419</u>

Total non-current assets by geographical segment as of June 30, 2025 and December 31, 2024 are as follows:

	As of June 30, 2025	As of December 31, 2024
<b>Total non-current assets</b>	(Unaudited)	
The PRC (including Hong Kong and Macau)	\$ 3,073,099	\$ 3,147,912
Thailand	12,466,694	10,528,245
Other countries	41,163	169,600
	<u>\$ 15,580,956</u>	<u>\$ 13,845,757</u>

## 10. COMMITMENTS AND CONTINGENCIES

### *Executives/directors agreements*

The Company has several employment agreements with executives and directors with the latest expiring in May 2028. All agreements provide for automatic renewal options with varying terms of one year or three years unless terminated by either party. Future payments for employment agreements as of June 30, 2025, are as follows:

	Amount
Twelve months ending June 30:	
2026	\$ 485,000
2027	256,667
2028	165,000
Total minimum payment required	<u>\$ 906,667</u>

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### *Contracted expenditure commitments*

The Company's contracted expenditures commitments as of June 30, 2025 but not provided in the interim condensed consolidated financial statements are as follows:

Contractual Obligations	Nature	Payments Due by Period			
		Total	Less than 1 year	1-2 years	3-5 years
Service fee commitments	(a)	\$ 91,562	\$ 91,562	\$ -	\$ -
Operating lease commitments	(b)	217,539	155,970	41,824	19,745
		<u>\$ 309,101</u>	<u>\$ 247,532</u>	<u>\$ 41,824</u>	<u>\$ 19,745</u>

(a) The Company has engaged Stander Information Company Limited ("Stander") to provide technical services relating to the cash management systems and Cauley International

(Thailand) Co., Ltd. ("Cauley") to provide maintenance service relating to counting machines for the Company's Secure Logistics business. The service agreements with Stander and Cauley are comprised of a monthly fixed service fee and certain other fees as specified in the agreements, which will expire in August 2025 and December 2025, respectively.

- (b) From time to time, the Company entered into various short-term lease agreements to rent warehouses and offices. In addition, the Company has various low value items with various lease terms that the Company is committed to pay in the future.

***Bank guarantees***

As of June 30, 2025, the Company had no commitments with banks for bank guarantees in favor of government agencies and others.

**11. SUBSEQUENT EVENTS**

The Company has evaluated and determined that there are no material subsequent events that require disclosure or adjustment to the financial statements.

For the period from July 1, 2025 to September 23, 2025, the Company issued 2,086,913 Ordinary Shares pursuant to the 2024 ATM offering for gross proceeds of \$2,607,126. The Ordinary Shares were sold at prevailing market prices, for an average price per share of \$1.25. Pursuant to the ATM Agreement, a cash commission of \$65,178 on the aggregate gross proceeds raised was paid to the Sales Agent in connection with its services under the ATM Agreement.

## OPERATING AND FINANCIAL REVIEW AND PROSPECTS

IN CONNECTION WITH THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE  
SIX MONTHS ENDED June 30, 2025

In this report, as used herein, and unless the context suggests otherwise, the terms “GFAL,” “Company,” “we,” “us” or “ours” refer to the combined business of Guardforce AI Co., Limited, its subsidiaries and other consolidated entities. References to “dollar” and “\$” are to U.S. dollars, the lawful currency of the United States. References to “THB” are to the legal currency of Thailand. References to “RMB” are to the legal currency of the People’s Republic of China. References to “SEC” are to the Securities and Exchange Commission.

You should read the following discussion and analysis of our financial condition and results of operations in conjunction with our unaudited consolidated financial statements and the related notes included elsewhere in this Report on Form 6-K and with the discussion and analysis of our financial condition and results of operations contained in our Annual Report on Form 20-F for the fiscal year ended December 31, 2024 filed with the Securities and Exchange Commission on April 28, 2025 (the “2024 Form 20-F”). This discussion may contain forward-looking statements based upon current expectations that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including those identified elsewhere in this report on Form 6-K, and those listed in the 2024 Form 20-F under “Item 3. Key Information-D. Risk Factors” or in other parts of the 2024 Form 20-F.

## Overview

Our businesses are categorized into three business units:

- [i] Secured Logistics Business;
- [ii] AI&Robotics Solution Business; and
- [iii] General Security Solutions Business.

### Secured Logistics Business

We conduct business mainly through Guardforce Cash Solutions Security Thailand Co., Limited, or GF Cash (CIT), our subsidiary, which provides Secured Logistics solutions in Thailand. This includes the following services:

#### (i) Cash-In-Transit – Non-Dedicated Vehicles (Non-DV):

CIT (Non-DV) includes the secure transportation of cash and other valuables between commercial banks and the Bank of Thailand, Thailand’s central bank. CIT (Non-DV) also includes the transportation of coins between the commercial banks, the Thai Royal Mints and the Bank of Thailand. As such, the main customers for this service are the local commercial banks. Charges to the customers are dependent on the value of the consignment; condition of the cash being collected (for example, seal bag collection, piece count collection, bulk count collection, or loose cash collection); and the volume of the transaction. Vehicles used for the delivery of this service are not dedicated to specific customers.

#### (ii) Cash-In-Transit – Dedicated Vehicle to Banks (DV):

CIT (DV) includes the secure transportation of cash and other valuables between commercial banks. As part of this service, dedicated vehicles are assigned specifically to the contracted customer for their dedicated use between the contracted designated bank branches. As this is a dedicated vehicle service, customers will submit direct schedules to our CIT teams for the daily operational arrangements and planning. Charges to the customers are on a per vehicle per month basis.

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#### (iii) ATM Management Services:

ATM management includes cash replenishment services and first and second line of maintenance services for the ATM machines. First line of maintenance services (FLM) includes rectification of issues related to jammed notes, dispenser failures and transaction record print-out issues. Second line of maintenance services (SLM) includes all other issues that cannot be rectified under the FLM. SLM includes, for example, complete machine failure, and damage to hardware and software, among other things.

#### (iv) Cash Processing (CPC):

Cash processing (CPC) services include counting, sorting, counterfeit detection and vaulting services. We provide these services to commercial banks in Thailand.

#### (v) Cash Center Operations (CCT):

Cash Center Operations (CCT) is an outsourced cash center management service. We operate the cash center on behalf of the customer, which includes note counting, sorting, storage, inventory management and secured transportation of the notes and coins to the various commercial banks in Thailand.

#### (vi) Consolidated Cash Center (CCC)

Consolidate Cash Center (CCC) is a new business commencing in 2021 to provide an outsourced cash center management service. We operate the cash center which includes note counting, sorting, storage, inventory management and secured transportation of the notes and coins on behalf of for Bank of Thailand (BOT). As of the date of this report, we operate four Consolidate Cash Centers in Khon Kean, Hadyai, Phitsanulok and Ubon Ratchathani and Chiang Mai.

#### (vii) Cash Deposit Management Solutions (GDM):

Cash Deposit Management Solutions are currently delivered by our Guardforce Digital Machine. Our GDM product is deployed at customer sites to provide secured retail cash deposit services. Customers use our GDM product to deposit daily cash receipts. We then collect the daily receipts from our GDM in accordance with agreed schedules. All cash receipts are then securely collected and delivered to our cash processing center for further handling and processing.

### AI&Robotics Solution Business

Our AI&Robotics Solutions business was established in 2020 as part of our revenue diversification efforts. Currently, we offer Robotic solutions with AI integration and we are developing web-based AI solutions to help with personalized decision making.

The Guardforce AI Intelligent Cloud Platform (GFAI ICP) forms a foundation of our AI&Robotics Solution since the launch in 2021. In 2022, we partnered with Shenzhen Kewei to enhance GFAI ICP, upgrading it to GFAI ICP 2.0 and introducing advertising capabilities that supported the launch of the AIoT Robot Advertising business in Macau. This upgrade also included a mobile-app, enabling customers to directly manage and place advertisements through their phones. During the same year, we launched the Tech Service Platform (TS) and Robot Operation Management Platform (ROMP) to improve the management of robot functionalities and address operational issues.

In 2023, we expanded our operations in mainland China by acquiring the Cloud Technology Platform (CTP) from Shenzhen Kewei. Building on this momentum, in 2024, we launched GFAI ICP 3.0, integrating more large language models and an AI Agent system. This version also incorporated CTP under the framework of GFAI ICP 3.0 by reorganizing the ICP function sections for enhanced efficiency and scalability.

By the date of the report, GFAI ICP now provides functionalities including but not limited to, robotic management, robot advertising, AI integration (including large language models such as Google Gemini, ChatGPT etc.), API integration, robot advertising, data processing and AI agent analysis.

### Web-based AI solution

Building on our robust robotic solutions, started in early 2024, we have been investing in the development of sophisticated web-based AI solutions focused on solving specific problems in travel planning, especially providing personalized trip planning. This strategic initiative represents a natural evolution of our technology stack, addressing the growing consumer demand for customized travel experiences.

This web-based AI solution leverages an advanced AI Agent system built on GFAI ICP 3.0 and large language model (LLM) technology. This system is designed to handle complex tasks, including understanding customer travel requests, identifying and verifying various travel spots (such as restaurants and scenic spots), delivering personalized trip recommendations, and quickly forming a well-crafted customized trip agenda that is adjustable to customer requests. Currently in the development phase, we plan to launch this solution in regions beyond the Asia Pacific in the near future. To support this effort, we have also established a dedicated R&D team committed to continuous platform enhancements, ensuring that GFAI ICP 3.0 remains the foundation for our next generation of AI-driven solutions.

In 2024, we further established a strategic partnership with Librum Technologies, Inc., a Boston-based company comprised of professors and researchers in the AI field. This collaboration aims to fine-tune our AI agent system, further enhancing its capabilities to meet the evolving needs of travelers. By combining our technological expertise with Librum's research prowess, we are well-positioned to deliver innovative, personalized travel solutions that exceed customer expectations.

In April 2025, we launched the beta version of the web-based AI solution, DeepVoyage Go (DVGO) and made it officially available to all in May 2025. This is our first AI agent implementation in the travel industry, aiming at helping travelers and travel advisors with personalized trip planning.

### General Security Business

We began operating our General Security Solutions service through the acquisition of the 100% equity interest in Beijing Wanjia on June 22, 2022. Our services include the provision of Smart Retail Operation Management, CCTV and Security Alarm Operation, Security Engineering and Maintenance.

### Results of Operations

The following table sets forth a summary of our unaudited interim condensed consolidated results of operations and the amounts as a percentage of total revenues for the periods indicated. This information should be read together with our unaudited interim condensed consolidated financial statements and related notes included elsewhere in this prospectus. Our historical results presented below are not necessarily indicative of the results that may be expected for any future period.

	For the six months ended			
	June 30,			
	2025		2024	
	\$	% of Revenue	\$	% of Revenue
<b>Revenue</b>	18,207,186	100.0%	17,566,844	100.0%
Cost of sales	(15,252,223)	(83.8)%	(14,327,094)	(81.6)%
<b>Gross profit</b>	2,954,963	16.2%	3,239,750	18.4%
Stock-based compensation expenses	(149,595)	(0.8)%	(172,655)	(1.0)%
(Provision for) Recovery of withholding tax receivable	(40,984)	(0.2)%	32,980	0.2%
Provision for expected credit loss on trade and other receivables	(15,986)	(0.1)%	(184,180)	(1.0)%
Impairment loss on goodwill	-	-%	(30,467)	(0.2)%
Research and Development expenses	(522,503)	(2.9)%	(106,835)	(0.6)%
Selling, general and administrative expenses	(4,706,656)	(25.9)%	(4,860,455)	(27.7)%
<b>Operating loss from continuing operations</b>	<b>(2,480,761)</b>	<b>(13.7)%</b>	<b>(2,081,862)</b>	<b>(11.9)%</b>
Other income, net	70,548	0.4%	50,881	0.3%
Foreign exchange losses, net	(19,066)	(0.1)%	(49,041)	(0.3)%
Finance income, net	250,334	1.4%	179,927	1.1%
<b>Loss before income tax from continuing operations</b>	<b>(2,178,945)</b>	<b>(12.0)%</b>	<b>(1,900,095)</b>	<b>(10.8)%</b>
Provision for income tax (expense) benefit	(48,177)	(0.2)%	22,949	0.1%
<b>Net loss for the period from continuing operations</b>	<b>(2,227,122)</b>	<b>(12.2)%</b>	<b>(1,877,146)</b>	<b>(10.7)%</b>
<b>Discontinued operations:</b>				
Net gain for the period from discontinued operations	-		38,719	
<b>Net loss for the period</b>	<b>(2,227,122)</b>		<b>(1,838,427)</b>	
<b>Net loss attributable to:</b>				
Non-controlling interests	8,955		9,167	
Equity holders of the Company	<b>(2,236,077)</b>		<b>(1,847,594)</b>	

## Comparison of six months ended June 30, 2025, and 2024

### Revenue.

For the six months ended June 30, 2025, our revenue was \$18,207,186, an increase of \$640,342, or 3.6%, compared to \$17,566,844 for the six months ended June 30, 2024. The growth was driven primarily by the Secured Logistics business, and partially offset by the decline in the General Security Solutions business.

- (i) Revenue from the Secured Logistics business increased by \$1,298,591, or 8.2%, to \$17,060,535 for the six months ended June 30, 2025, compared to \$15,761,944 for the six months ended June 30, 2024. This increase was largely attributable to favorable foreign currency translation, as the average THB to USD exchange rate appreciated by approximately 8.7% for the six months ended June 30, 2025 at 0.0299, compared to 0.0275 during the six months ended June 30, 2024. In local currency terms, Secured Logistics revenue decreased slightly by THB3.5 million or 0.6%, compared to the corresponding period in 2024. This decrease was attributable to lower volumes in traditional Cash-in-Transit (CIT) and ATM servicing business with banking customers, reflecting structural shifts in cash usage patterns, reduced physical bank branch presence, and lower demand for ATM services.

This slight local-currency decline reflects a significant shift in business mix. Since commencing our transformation strategy in 2022, we have prioritized developing our retail client base, particularly in the Guardforce Digital Machine (GDM), CIT-Non DV, and Cash Processing (CPC) service lines. This focus has delivered strong results, GDM revenue increased by \$334,259, or 18.1%, from \$1,842,026 in the interim period 2024 to \$2,176,285 in the interim period 2025. Similarly, CPC revenue increased by \$422,841, or 24.7%, from \$1,710,792 in interim period 2024, to \$2,133,633 in interim period 2025.

- (ii) The revenue from General Security Solutions business which is operated by our Beijing Wanjia subsidiary decreased by \$634,577, or 37.9%. The decrease was primarily attributable to certain key clients strategically deferring their expansion plans to the second half of the year. For the six months ended June 30, 2025 and 2024, revenue derived from our General Security Solutions segment was \$1,039,181 and \$1,673,758, respectively.

### Cost of sales.

Cost of revenue consists primarily of labor cost and related benefits, and other overhead costs that are directly attributable to services provided.

For the six months ended June 30, 2025, our cost of revenue was \$15,252,223, an increase of \$925,129, or 6.5%, compared to \$14,327,094 for the six months ended June 30, 2024. Cost of revenue as a percentage of our revenues increased from 81.6% for the six months ended June 30, 2024, to 83.8% for the six months ended June 30, 2025. The increase in costs is mainly attributable to the continued rise in labor expenses and related employee benefits driven by inflation.

### Gross profit.

Gross profit decreased by \$284,787, or 8.8%, from \$3,239,750 for the six months ended June 30, 2024 to \$2,954,963 for the six months ended June 30, 2025. The decrease in gross profit is primarily due to the increase in costs outpacing the growth in revenue during this interim period.

### Stock-based compensation expenses.

For the six months ended June 30, 2025, we recorded stock-based compensation expenses of \$149,595, primarily related to 120,000 shares granted on December 17, 2024 to independent directors for their 2025 service, and 151,256 shares issued on March 31, 2025, to an external marketing agent for its services provided.

### (Provision for) Recovery of withholding tax receivable.

For the six months ended June 30, 2025, we recorded a provision for withholding tax receivable of \$40,984 and recovery of withholding tax receivable of \$32,980 for the six months ended June 30, 2024.

At the end of each reporting period, the Company evaluates the collectability of the withholding taxes receivable balance to write-off any difference between the receivable recorded and the amount of refund actually received from the Thai Revenue Department and to estimate and record the provision for withholding taxes receivable based on the amount historically refunded.

### Provision for expected credit loss on trade and other receivables.

For the six months ended June 30, 2025 and 2024, we recorded provision for expected credit loss on trade and other receivables amounting to \$15,986 and \$184,180, respectively. As each reporting period, we estimated the potential credit losses through a comprehensive assessment of credit risk, probability of default and scenario analysis and recorded a provision or recovery to reflect the true value of our receivables on the financial statements.

### Impairment loss on goodwill.

For the six months ended June 30, 2025, we did not recognize any impairment losses of goodwill. For the six months ended June 30, 2024, we recognized \$30,467 of impairment loss on goodwill. The amount of the impairment losses recognized reflects the excess of the carrying value of goodwill over its estimated recoverable amount.

### Research & Development expenses.

For the six months ended June 30, 2025, our research & development expenses were \$522,503, an increase of \$415,668, or 389.1%, compared to \$106,835 for the six months ended June 30, 2024. The increase is primarily driven by our investments in R&D and the continuous platform enhancements for our AI&Robotics Solutions.

### Selling, general and administrative expenses.

The Company's total selling, general and administrative expenses ("SGA" expenses) are comprised of staff expense, professional fees, depreciation and amortization expense, rental expense, travelling and entertainment expense, and other service expense.

For the six months ended June 30, 2025, our total SGA expenses were \$4,706,656, a meaningful decrease of \$153,799, or 3.2%, compared to \$4,860,455 for the six months ended June

30, 2024. The decrease was mainly driven by the decrease in staff expenses and travelling and entertainment expense which resulting from the reduction of existing management team and sales headcount. Our SGA expenses for the six months ended June 30, 2025 primarily consisted of (i) staff expense of \$2,722,106, representing 57.8% of our total SGA expenses, (ii) professional fees of \$569,064, representing 12.1% of our total SGA expenses, and (iii) depreciation and amortization expense of \$501,330, representing 10.7% of our total SGA expenses.

*Other income, net.*

Other income, net is comprised mainly of miscellaneous income and gain or loss from disposal of fixed assets. For the six months ended June 30, 2025 and 2024, other income was \$70,548 and \$50,881, respectively.

*Finance income, net.*

Finance income, net are comprised of short-term fixed deposits with banks offset with finance charges for leases and interest expense on interest-bearing bank borrowings. For the six months ended June 30, 2025, finance income, net was \$250,334, an increase of \$70,407, or 39.1%, as compared to \$179,927 for the six months ended June 30, 2024. The increase was mainly due to higher interest income from short-term fixed deposits with banks and offset by the reduced interest expense from interest-bearing bank borrowings.

*Provision for income tax (expense) benefit.*

For the six months ended June 30, 2025, our income tax expense was \$48,177, as compared to income tax benefit of \$22,949 for the six months ended June 30, 2024. During the interim period 2025, we recognized an income tax expense related to the temporary difference on our deferred tax assets arising from our Secured Logistics business. We operate in different countries that we file separate tax returns in. The tax returns in these countries are subject to examination by the foreign tax authorities.

*Net loss for the period from continuing operations.*

For the six months ended June 30, 2025, our net loss for the period from continuing operations was \$2,227,122, an increase of \$349,976, or 18.6%, as compared to net loss for the period from continuing operations of \$1,877,146 for the six months ended June 30, 2024. This was mainly due to the sustained investment in research & development expenses and the decline in gross profit.

Although we still incurred a net loss for the interim period 2025, we expect to see a positive trend in our future results.

*Net gain from discontinued operations*

We completed the separation with Handshake on February 6, 2024. For the six months ended June 30, 2025 and 2024, the net profit was \$nil and \$38,719, respectively. The divestiture with Handshake did not materially affect our liquidity, financial condition, or results of operations through the separation date.

*Net profit attributable to non-controlling Interests.*

Net profit attributable to non-controlling interests was \$8,955 and \$9,167 for the six months ended June 30, 2025 and 2024, respectively.

*Net loss attributable to equity holders of the Company.*

For the six months ended June 30, 2025, and 2024, our net losses attributable to equity holders of the Company were \$2,236,077 and \$1,847,594, respectively.

***Inflation.***

Our operating results for the six months ended June 30, 2025, were negatively affected by the recent inflationary cost pressures. The higher overhead costs and higher wage rates impact the profitability of our business. We will develop operational strategies to mitigate the inflation which involve a combination of cost-cutting measures and adjustments to pricing.

***Foreign Currency Fluctuations.***

Our activities expose it to a variety of financial risks: foreign exchange risk, interest rate risk and liquidity risk. Our overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on our financial performance.

***Critical Accounting Estimates.***

Our Interim Financial Statements have been prepared in accordance with IFRS Accounting Standards as issued by the IASB. The preparation of our financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses. We base our estimates on historical experience and on various other assumptions that we believe are reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions.

See “Critical Accounting Estimates” in our Item 5 “Operating and Financial Review and Prospects - E. Critical Accounting Estimates” within the fiscal 2024 Annual Report for detailed information.

**Non-IFRS Financial Measures**

To supplement our unaudited interim condensed consolidated financial statements, which are prepared and presented in accordance with IFRS, we use the non-IFRS adjusted EBITDA as financial measures for our consolidated results.

We believe that adjusted EBITDA helps identify underlying trends in our business that could otherwise be distorted by the effect of certain income or expenses that we include in loss from operations and net loss. We believe that these non-IFRS measures provide useful information about our core operating results, enhance the overall understanding of our past performance and future prospects and allow for greater visibility with respect to key metrics used by our management in its financial and operational decision-making. We present the non-IFRS financial measures in order to provide more information and greater transparency to investors about our operating results.

**EBITDA** represents net loss before (i) finance income, net, provision for income tax expense (benefit), depreciation and amortization of fixed assets and intangible assets, which we do not believe are reflective of our core operating performance during the periods presented.

**Non-IFRS adjusted EBITDA** represents net loss from continuing operations before(i) finance income, net, income tax expense (benefit) and depreciation and amortization of fixed assets and intangible assets, (ii) certain non-cash expenses, consisting of stock-based compensation expenses, provision for expected credit loss on trade receivables and other receivables, impairment loss on goodwill, (recovery of) provision for withholding tax receivables, and foreign exchange losses, net.

**Non-IFRS loss per share** represents non-IFRS net loss attributable to ordinary shareholders divided by the weighted average number of shares outstanding during the periods.

**Non-IFRS diluted loss per share** represents non-IFRS net loss attributable to ordinary shareholders divided by the weighted average number of shares outstanding during the periods on a diluted basis.

The table below is a reconciliation of our net loss from continuing operations to EBITDA and non-IFRS adjusted EBITDA from continuing operations for the periods indicated:

	<b>For the six months ended June 30,</b>	
	<b>2025</b>	<b>2024</b>
Net loss from continuing operations - IFRS	\$ (2,227,122)	\$ (1,877,146)
Finance income, net	(250,334)	(179,507)
Provision for income tax expense (benefit)	48,177	(22,949)
Depreciation and amortization expense of fixed and intangible assets	1,700,784	1,556,922
<b>EBITDA</b>	<b>(728,495)</b>	<b>(522,680)</b>
Stock-based compensation expenses	149,595	172,655
(Recovery of) provision for withholding taxes receivable	40,984	(32,980)
Provision for expected credit loss on trade and other receivables	15,986	184,180
Impairment loss on goodwill	-	30,467
Foreign exchange losses, net	19,066	49,041
<b>Adjusted EBITDA (Non-IFRS)</b>	<b>\$ (502,864)</b>	<b>\$ (119,317)</b>
<b>Non-IFRS loss per share</b>		
Earnings Loss per share attributable to equity holders of the Company		
Basic and diluted	\$ (0.03)	\$ (0.01)
<b>Weighted average number of shares used in computation:</b>		
Basic and diluted	19,996,747	9,991,600

We recorded non-IFRS adjusted EBITDA of negative \$0.5 million and negative \$0.1 million for the six months ended June 30, 2025 and 2024, respectively. The widened loss was primarily attributable to a sustained investment in research & development expenses and a decline in gross profit. We are committed to improving our financial performance to achieve long-term financial stability.

#### Liquidity and Capital Resources

Our principal sources of liquidity and capital resources have been, and are expected to continue to be, cash flow from operations, bank borrowings and issuances of ordinary shares. Our principal uses of cash have been, and we expect will continue to be, for working capital to support a reasonable increase in our scale of operations as well as for business expansion investments.

As of June 30, 2025 and 2024, we had cash and cash equivalents of approximately \$23.5 million and \$14.0 million, respectively.

The following table summarizes the key cash flow components from our unaudited interim condensed consolidated statements of cash flows for the periods indicated.

	<b>For the six months ended June 30,</b>	
	<b>2025</b>	<b>2024</b>
Net cash used in operating activities	\$ (1,041,097)	\$ (1,925,785)
Net cash (used in) provided by investing activities	(225,931)	134,703
Net cash generated from (used in) financing activities	2,568,698	(4,435,057)
Effect of exchange rate changes on cash held	214,176	(58,513)
Net (decrease) increase in cash and cash equivalents,	1,515,846	(6,284,652)
Cash and cash equivalents at January 1	21,936,422	20,263,869
Cash and cash equivalents at June 30	<b>\$ 23,452,268</b>	<b>\$ 13,979,217</b>

#### Research and Development, Patents and Licenses, Etc.

We have outlined our research and development plans to foster innovation and drive technology advancements within our AI&Robotics Solutions business. We plan to collaborate with business partners and develop our internal R&D team's capabilities. We have budgeted approximately \$3 million for research and development expenditures in fiscal year 2025 and approximately \$25 million from 2026 through 2029.

We incurred \$522,503 and \$106,835 research and development expense during the six months ended June 30, 2025 and 2024, respectively. The company has registered several intellectual property rights to the date of this report.

## Trend Information

Other than as disclosed elsewhere in this annual report, we are not aware of any trends, uncertainties, demand, commitments, or events that are reasonably likely to have a material effect on our net revenues and income from operations, profitability, liquidity, capital resources, or would cause reported financial information not to be indicative of future operation results or financial condition.

## Off-Balance Sheet Arrangements

We do not have off balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial position, revenues or expenses, results of operations, liquidity, capital expenditures, or capital resources that are material.

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## Tabular Disclosure of Contractual Obligations

### Executives/directors agreements

The Company has several employment agreements with executives and directors with the latest expiring in May 2028. All agreements provide for automatic renewal options with varying terms of one year or three years unless terminated by either party. Future payments for employment agreements as of June 30, 2025, are as follows:

	<u>Amount</u>
Twelve months ending June 30:	
2026	\$ 485,000
2027	256,667
2028	165,000
Total minimum payment required	<u>\$ 906,667</u>

\*: On September 1, 2025, the Company entered into a renewed employment agreement with its Chief Executive Officer, Ms. Lei Wang. The agreement was previously disclosed in Form 6-K furnished to the SEC on September 23, 2025, which included the full text of the agreement.

### Contracted expenditure commitments

The Company's contracted expenditures commitments as of June 30, 2025 but not provided in the interim condensed consolidated financial statements are as follows:

<u>Contractual Obligations</u>	<u>Nature</u>	<u>Total</u>	<u>Less than 1 year</u>	<u>1-2 years</u>	<u>3-5 years</u>
Service fee commitments	(a)	\$ 91,562	\$ 91,562	\$ -	\$ -
Operating lease commitments	(b)	217,539	155,970	41,824	19,745
		<u>\$ 309,101</u>	<u>\$ 247,532</u>	<u>\$ 41,824</u>	<u>\$ 19,745</u>

(a) The Company has engaged Stander Information Company Limited ("Stander") to provide technical services relating to the cash management systems and Cauley International (Thailand) Co., Ltd. ("Cauley") to provide maintenance service relating to counting machines for the Company's Secure Logistics business. The service agreements with Stander and Cauley are comprised of a monthly fixed service fee and certain other fees as specified in the agreements, which will expire in August 2025 and December 2025, respectively.

(b) From time to time, the Company enters into various short-term lease agreements to rent warehouses and offices. In addition, the Company has various low value items with various lease terms that the Company is committed to pay in the future.

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## Guardforce AI Reports Interim Financial Results for the First Half of 2025, and Provides Business Update

*Advancing proprietary multi-agent platform that integrates AI, robotics, and smart solutions to power sector-specific applications*

NEW YORK, NY / September 23, 2025 / Guardforce AI Co., Limited (“Guardforce AI” or the “Company”) (NASDAQ: GFAI, GFALW), an AI-driven technology company providing next-generation smart solutions and applications across cash management, retail automation, robotics, and Agentic AI, today announced financial results and provided a business update for the first half of 2025 (1H 2025) ended June 30, 2025.

### AI, Robotics & Smart Solutions Highlights

In the first half of 2025, Guardforce AI advanced its AI-first transformation strategy, demonstrating strong momentum in both multi-agent AI platform development and the commercialization of smart solutions across Thailand’s retail and banking sectors.

- Launched DeepVoyage Go (DVGO) on April 1, 2025, an AI-powered itinerary planner tailored for travel professionals. As the first commercial deployment of the Company’s multi-agent AI platform, DVGO enables faster itinerary planning, personalized recommendations, and more efficient workflows. Since launch, DVGO has received encouraging early feedback from users, validating its potential to enhance productivity in the travel sector. These initial results reinforce the Company’s confidence in expanding the multi-agent AI platform into additional verticals.
- Revenue from Guardforce Digital Machine (GDM) grew by \$ 0.3 million, or 18.1%, to \$2.2 million in 1H 2025, compared to \$1.8 million in 1H 2024, reflecting increasing adoption among banking and retail clients in Thailand. GDM solutions automate cash handling, enhance transparency, and reduce operational overhead.
- Further expanded smart retail solutions with AI-driven video analytics and real-time insights to optimize store layouts, manage inventory, and improve customer engagement. Several proof-of-concept projects were initiated during the period, with additional deployments underway.

### Secured Logistics Business and Operational Highlights

In the first half of 2025, Guardforce AI maintained its market-leading position in Thailand with in both secured logistics and cash management, underpinned by strong contract renewals, a resilient operational network, and continued evolution of its client portfolio.

- Secured multi-year contract renewals with major clients in June 2025, including Government Savings Bank (Thailand) and other top-tier financial and retail institutions.
- Continued to diversify client mix with retail clients contributing a growing share of overall revenue. Currently, approximately two thirds of the Company’s top 15 clients are retail customers.

“In the first half of 2025, we made significant progress advancing our AI-first strategy, designed to deliver solutions that are both cutting-edge and practical,” said Lei (Olivia) Wang, Chairwoman and Chief Executive Officer of Guardforce AI. “The launch of DVGO demonstrates our innovative ability to translate multi-agent AI into real-world applications that enhance productivity, while our smart solutions are already delivering measurable impact across the banking and retail sectors. With a strong balance sheet, we remain well positioned to execute on our AI-first strategy that builds product ecosystems to enhance operational intelligence, drive efficiency, and create lasting value across sectors.”

### Financial Overview

Revenue increased by approximately \$0.6 million, or 3.6%, to approximately \$18.2 million for 1H 2025, compared to 1H 2024. Gross profit decreased to approximately \$3.0 million for 1H 2025, compared to approximately \$3.2 million for 1H 2024. Gross profit margin decreased to 16.2% for 1H 2025, from 18.4% for 1H 2024, primarily due to costs outpacing the growth in revenue during this interim period.

For 1H 2025, selling, general, and administrative expenses decreased to approximately \$4.7 million, compared to approximately \$4.9 million for 1H 2024, representing a 3.2% decrease. For 1H 2025, net loss from continuing operations was \$2.2 million, compared to net loss from continuing operations of \$1.9 million for 1H 2024. This was mainly due to the sustained investment in research & development and the decline in gross profit. As of June 30, 2025, and December 31, 2024, the Company had cash, cash equivalents and restricted cash of approximately \$25.0 million and \$23.4 million, respectively.

### About Guardforce AI Co., Ltd.

Guardforce AI (Nasdaq:GFAI/ GFALW) is an AI-driven technology company with a solid operational foundation in the cash logistics and retail sectors. Through its proprietary Intelligent Cloud Platform (ICP), GFAI delivers next-generation smart solutions and AI applications spanning cash management, retail automation, robotics, and Agentic AI. Expanding into areas such as travel planning, the Company is demonstrating how scalable AI can drive industry transformation, balancing stable, recurring revenues with high-growth, future-ready innovations. For more information, visit [www.guardforceai.com](http://www.guardforceai.com) Twitter: @Guardforceai.

### Safe Harbor Statement

*This press release contains statements that do not relate to historical facts but are "forward-looking statements" within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. These statements can generally (although not always) be identified by their use of terms and phrases such as anticipate, appear, believe, continue, could, estimate, expect, indicate, intend, may, plan, possible, predict, project, pursue, will, would and other similar terms and phrases, as well as the use of the future tense. Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based only on current beliefs,*

expectations and assumptions regarding the future of the business of the Company, future plans and strategies, projections, anticipated events and trends, the economy and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict and many of which are outside of our control, including the risks described in our registration statements and annual reports under the heading "Risk Factors" as filed with the Securities and Exchange Commission. Actual results and financial condition may differ materially from those indicated in the forward-looking statements. Therefore, you should not rely on any of these forward-looking statements. Forward-looking statements in this press release speak only as of the date hereof. Unless otherwise required by law, we undertake no obligation to publicly update or revise these forward-looking statements, whether because of new information, future events or otherwise.

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(tables follow)

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**Guardforce AI Co., Limited and Subsidiaries**  
**Unaudited Interim Condensed Consolidated Statements of Profit or Loss**  
**(Expressed in U.S. Dollars)**

	For the six months ended	
	June 30,	
	2025	2024
	(Unaudited)	(Unaudited)
Revenue	\$ 18,207,186	\$ 17,566,844
Cost of sales	(15,252,223)	(14,327,094)
<b>Gross profit</b>	<b>2,954,963</b>	<b>3,239,750</b>
Stock-based compensation expenses	(149,595)	(172,655)
(Provision for) Recovery of withholding tax receivable	(40,984)	32,980
Provision for expected credit loss on trade and other receivables	(15,986)	(184,180)
Impairment loss on goodwill	-	(30,467)
Research and Development expenses	(522,503)	(106,835)
Selling, general and administrative expenses	(4,706,656)	(4,860,455)
<b>Operating loss from continuing operations</b>	<b>(2,480,761)</b>	<b>(2,081,862)</b>
Other income, net	70,548	50,881
Foreign exchange losses, net	(19,066)	(49,041)
Finance income, net	250,334	179,927
<b>Loss before income tax from continuing operations</b>	<b>(2,178,945)</b>	<b>(1,900,095)</b>
Provision for income tax (expense) benefit	(48,177)	22,949
<b>Net loss for the period from continuing operations</b>	<b>(2,227,122)</b>	<b>(1,877,146)</b>
<b>Discontinued operations:</b>		
Net gain for the period from discontinued operations	-	38,719
<b>Net loss for the period</b>	<b>(2,227,122)</b>	<b>(1,838,427)</b>
Less: net profit attributable to non-controlling interests	8,955	9,167
<b>Net loss attributable to equity holders of the Company</b>	<b>\$ (2,236,077)</b>	<b>\$ (1,847,594)</b>
<b>Loss per share</b>		
Basic and diluted loss attributable to the equity holders of the Company	\$ (0.11)	\$ (0.18)
<b>Loss per share from continuing operations</b>		
Basic and diluted loss attributable to the equity holders of the Company	\$ (0.11)	\$ (0.19)
<b>Weighted average number of shares used in computation:</b>		
Basic and diluted	19,996,747	9,991,600

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**Guardforce AI Co., Limited and Subsidiaries**  
**Unaudited Interim Condensed Consolidated Balance Sheets**  
**(Expressed in U.S. Dollars)**

As of  
June 30,                      As of  
December 31,

	<u>2025</u> (Unaudited)	<u>2024</u>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 23,452,268	\$ 21,936,422
Restricted cash	7,059	27,642
Trade receivables, net	5,002,723	5,922,345
Other current assets	2,684,427	2,291,439
Withholding tax receivable, net	416,975	393,960
Inventories	287,812	274,854
Other financial assets at amortized cost	76,440	-
Total current assets	<u>31,927,704</u>	<u>30,846,662</u>
Non-current assets:		
Restricted cash	1,517,155	1,432,738
Property, plant and equipment	3,282,609	3,183,856
Right-of-use assets	2,448,872	2,268,022
Intangible assets, net	2,125,975	2,300,951
Goodwill	411,862	411,862
Withholding tax receivable, net	2,460,829	1,967,826
Deferred tax assets, net	1,305,423	1,281,531
Other non-current assets	2,028,231	998,971
Total non-current assets	<u>15,580,956</u>	<u>13,845,757</u>
<b>Total assets</b>	<b><u>\$ 47,508,660</u></b>	<b><u>\$ 44,692,419</u></b>
<b>Liabilities and Equity</b>		
Current liabilities:		
Trade payables and other current liabilities	\$ 4,527,716	\$ 4,549,364
Borrowings	-	44,232
Current portion of operating lease liabilities	1,432,441	1,574,537
Current portion of finance lease liabilities, net	105,314	96,372
Total current liabilities	<u>6,065,471</u>	<u>6,264,505</u>
Non-current liabilities:		
Operating lease liabilities	1,085,675	768,174
Finance lease liabilities, net	302,863	121,746
Provision for employee benefits	5,830,087	5,548,726
Total non-current liabilities	<u>7,218,625</u>	<u>6,438,646</u>
Total liabilities	<u>13,284,096</u>	<u>12,703,151</u>
<b>Equity</b>		
Ordinary shares – par value \$0.12 authorized 300,000,000 shares, issued and outstanding 21,821,589 shares at June 30, 2025; issued and outstanding 17,808,974 shares at December 31, 2024	2,618,626	2,137,108
Subscription receivable	(50,000)	(50,000)
Additional paid in capital	96,363,125	93,102,042
Legal reserve	223,500	223,500
Warrants reserve	251,036	251,036
Accumulated deficit	(66,440,917)	(64,204,840)
Accumulated other comprehensive income	1,310,798	590,981
Capital & reserves attributable to equity holders of the Company	<u>34,276,168</u>	<u>32,049,827</u>
Non-controlling interests	(51,604)	(60,559)
Total equity	<u>34,224,564</u>	<u>31,989,268</u>
<b>Total liabilities and equity</b>	<b><u>\$ 47,508,660</u></b>	<b><u>\$ 44,692,419</u></b>

**Guardforce AI Co., Limited and Subsidiaries**  
**Unaudited Interim Condensed Consolidated Statements of Cash Flows**  
**(Expressed in U.S. Dollars)**

	<b>For the six months ended</b>	
	<b>June 30,</b>	
	<u>2025</u> (Unaudited)	<u>2024</u> (Unaudited)
<b>Cash flows from operating activities</b>		
Net loss from continuing operations	\$ (2,227,122)	\$ (1,877,146)
Net gain from discontinued operations	-	38,719
Net loss	<u>(2,227,122)</u>	<u>(1,838,427)</u>
Adjustments for:		
Depreciation and Amortization of fixed and intangible assets	1,700,784	1,556,922
Stock-based compensation expenses	149,595	172,655
Provision for (Recovery of) withholding tax receivable	40,984	(32,980)
Provision for expected credit loss on trade and other receivables, net	15,986	184,180
Impairment loss on goodwill	-	30,467
Netting off related parties' balances	-	(690,487)
Finance income, net	(250,334)	(179,263)
Deferred income taxes	48,177	(101,998)

Loss (Gain) from assets disposal	231	(31,577)
Gain from disposal of a subsidiary	-	(3,607)
<b>Changes in operating assets and liabilities:</b>		
Decrease (Increase) in trade and other receivables	1,193,423	(90,891)
Increase in other assets	(1,144,739)	(1,005,338)
Decrease in inventories	42,872	114,223
Decrease in restricted cash	20,275	186,971
Decrease in Trade and other payables and other current liabilities	(182,399)	(437,966)
(Increase) Decrease in withholding tax receivable	(407,260)	227,903
(Decrease) Increase in provision for employee benefits	(41,570)	13,428
<b>Net cash used in operating activities</b>	<b>(1,041,097)</b>	<b>(1,925,785)</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(482,658)	(34,442)
Proceeds from sale of property, plant and equipment	1,405	27,805
Acquisition of intangible assets	-	(114,224)
Disposal of a subsidiary, net of cash disposed	-	(28,186)
Interest received	331,762	283,750
Payments for financial assets at amortized cost	(76,440)	-
<b>Net cash (used in) generated from investing activities</b>	<b>(225,931)</b>	<b>134,703</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	3,491,850	-
Repayment of related party borrowings	-	(3,304,787)
Repayment of bank borrowings	(45,296)	(252,717)
Payment of lease liabilities	(877,856)	(877,553)
<b>Net cash generated from (used in) financing activities</b>	<b>2,568,698</b>	<b>(4,435,057)</b>
Net increase (decrease) in cash and cash equivalents,	1,301,670	(6,226,139)
Effect of movements in exchange rates on cash held	214,176	(58,513)
Cash and cash equivalents at January 1	21,936,422	20,263,869
<b>Cash and cash equivalents at June 30</b>	<b>\$ 23,452,268</b>	<b>\$ 13,979,217</b>

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#### Non-IFRS Financial Measures

To supplement our unaudited interim condensed consolidated financial statements, which are prepared and presented in accordance with IFRS, we use the non-IFRS adjusted EBITDA as financial measures for our consolidated results.

We believe that adjusted EBITDA helps identify underlying trends in our business that could otherwise be distorted by the effect of certain income or expenses that we include in income (loss) from operations and net income (loss). We believe that these non-IFRS measures provide useful information about our core operating results, enhance the overall understanding of our past performance and future prospects and allow for greater visibility with respect to key metrics used by our management in its financial and operational decision-making. We present the non-IFRS financial measures in order to provide more information and greater transparency to investors about our operating results.

**EBITDA** represents net (loss) income before (i) finance costs, income tax benefit and depreciation of fixed assets and amortization of intangible assets, which we do not believe are reflective of our core operating performance during the periods presented.

**Non-IFRS adjusted EBITDA** represents net (loss) income before (i) finance costs, income tax benefit and depreciation of fixed assets and amortization of intangible assets, (ii) certain non-cash expenses, consisting of stock-based compensation expense, allowance for and write off of withholding tax receivables, provision for obsolete inventory and impairment loss on fixed assets.

**Non-IFRS (loss) earnings per share** represents non-IFRS net (loss) income attributable to ordinary shareholders divided by the weighted average number of shares outstanding during the periods.

**Non-IFRS diluted earnings per share** represents non-IFRS net (loss) income attributable to ordinary shareholders divided by the weighted average number of shares outstanding during the periods on a diluted basis.

The table below is a reconciliation of our net loss to EBITDA and non-IFRS adjusted EBITDA for the periods indicated:

	For the six months ended	
	June 30,	
	2025	2024
Net loss from continuing operations - IFRS	\$ (2,227,122)	\$ (1,877,146)
Finance income, net	(250,334)	(179,507)
Provision for income tax expense (benefit)	48,177	(22,949)
Depreciation and amortization expense of fixed and intangible assets	1,700,784	1,556,922
<b>EBITDA</b>	<b>(728,495)</b>	<b>(522,680)</b>
Stock-based compensation expenses	149,595	172,655
(Recovery of) provision for withholding taxes receivable	40,984	(32,980)
Provision for expected credit loss on trade and other receivables	15,986	184,180
Impairment loss on goodwill	-	30,467
Foreign exchange losses, net	19,066	49,041
<b>Adjusted EBITDA (Non-IFRS)</b>	<b>\$ (502,864)</b>	<b>\$ (119,317)</b>
<b>Non-IFRS loss per share</b>		
Earnings Loss per share attributable to equity holders of the Company		
Basic and diluted	\$ (0.03)	\$ (0.01)

**Weighted average number of shares used in computation:**

Basic and diluted

19,996,747

9,991,600