

ASX RELEASE

15 July 2025

Q4 FY2025 Trading Update

Ava Risk Group Limited (ASX: AVA) ("Ava Risk Group" or "the Company") is pleased to provide the following update on its Q4 FY2025 trading performance:

- Sales order intake during Q4 of **\$7.1 million**, resulting in **full year sales order intake for FY2025 of \$29.9 million**.
- Sales order backlog of **\$6.4 million** including \$2.6 million in contracted annual recurring revenue. The order backlog consists of equipment orders and multi-year service contracts.
- Expected FY2025 revenue of **\$31.6 million**, below the guidance range. This is the result of a number of key orders expected in Q4 which have been delayed to H1 FY2026.
- Expected FY2025 EBITDA of around **\$2.0 million**, up from EBITDA loss of \$0.9 million in the previous year.
- Expected cash balance at 30 June 2025 of **\$5.4 million**, up from \$5.0 million at the end of FY2024.
- Continued progress on key projects including in the telecommunication, transportation and aviation sectors.

Ava Risk Group CEO Mal Maginnis commented: "Our Q4 sales order intake and resultant revenue were softer than expected as a few key orders we expected to close in the quarter were delayed due to external factors. These are expected to close and convert to revenue during H1 FY2026. Notwithstanding this timing issue, there is good momentum across the business and our sales pipeline is healthy."

"We continue to make significant progress in our target sectors. We successfully completed the installation of Aura Ai-X to a subsea telecommunication cable operated by Telstra and the system has performed strongly. We are now in discussions with other international telecommunications providers. In the aviation sector we received an order to deploy our technology for perimeter protection at another international airport and expect to commence paid trials for our technology at two Australian airports during H1 FY2026."

Expected financial results for FY2025 are summarised below:

For personal use only

\$m	FY2024	FY2025*	Movement
Total Revenue	30.2	31.6	1.4
Gross Profit	18.1	20.3	2.2
GM%	60%	64%	4%
Op Costs	19.0	18.3	(0.7)
EBITDA**	(0.9)	2.0	2.9

*FY2025 is based on unaudited financial results

**EBITDA is profit before tax adjusted for depreciation and amortisation, impairment of goodwill, finance expense and foreign exchange movements

Comparison to previous revenue guidance

Expected revenue for FY2025 is approx. \$31.6 million, up 5% on the previous year. Revenue guidance for FY2025 was \$35 million – \$38 million, the shortfall driven by a few key projects expected to close in Q4 but delayed until H1 FY2026:

- Sydney infrastructure project (\$1.2 million) pending finalisation of some contractual arrangements between the prime contractor and its client;
- Indian pipeline protection project (\$1.5 million) impacted by a recent territorial conflict; and
- A number of U.S. based orders (\$1.2 million) subject to tariff related delays in H2 FY2025.

For all these orders the Company has been selected as the preferred supplier and has passed all design and other critical milestones. It is expected that these orders will be received and fulfilled during H1 FY2026.

For FY2025, Ava Risk Group's gross margin is expected to be 64% based on stronger performance in Detect. Operating costs have stabilised at approx. \$18.3 million resulting in expected EBITDA of \$2.0 million compared to a loss of \$0.9 million in the previous year. The cash balance at 30 June 2025 is approx. \$5.4 million compared to \$5.0 million at the end of FY2024.

FY2025 confirmed sales orders

Sales during Q4 of \$7.1 million resulted in full year sales order intake of \$29.9 million, compared to \$35.3 million in the previous year.

- **Detect:** Full year sales order intake of \$18.9 million, down from \$23.3 million in the previous year as a result of delays to several significant orders which are expected to be received in H1 FY2026. The value of recurring service contracts grew to \$2.6 million at the end of Q4 driven by the continued deployment of Aura Ai-X, the Company's market leading, data-driven fibre sensing technology.

Key highlights in Q4 include:

- Successful installation of Aura Ai-X on a Telstra subsea cable to provide infrastructure protection at a critical landing site in Australia. The system has performed strongly and the telecommunications sector remains an attractive segment both in Australia and internationally to drive growth in FY2026;
- Successful deployment of Aura Ai-X to Sydney Metro via UGL is nearly complete and additional opportunities have been identified in the sales pipeline for rail infrastructure protection;
- An additional order was received for the deployment of Aura Ai-X to an international airport in Morocco, building on the earlier successful deployment in Dubai. The Company is also engaged in some preparatory work to trial its technology at a number of Australian airports to drive further orders in the aviation segment during FY2026.
- **Access:** Full year sales order intake of \$4.3 million, down from \$5.7 million in the prior year which included an initial stocking order from dormakaba under its global framework agreement. The focus in the Access segment is increasing demand in the U.S. to drive reordering using the dormakaba distribution network.
- **Illuminate:** Full year sales order intake of \$6.7 million, up 4% on the prior year. The focus in the Illuminate segment is growing the distribution network, particularly in new markets such as North America and Asia Pacific as well as complementing Detect technology in key projects.

At the end of Q4 FY2025, the Company carried an order backlog of \$6.4 million which represents sales orders received that are still to be fulfilled. The backlog includes \$2.6 million of annual recurring revenue associated with multi-year service contracts.

Strategy & Outlook

Ava Risk Group is focused on growing revenue to leverage its prior investment in technology and its scalable cost base to drive stronger earnings growth. This is underpinned by:

- Growth in sales order intake, particularly in key industry segments;
- Growth in sales order backlog including recurring revenue;
- Maintaining high gross margins of 60 – 65%; and
- Continued investment in its technology to build on its market leadership.

FY2025 Financial Results

Ava Risk Group will release its financial results for the year ending 30 June 2025 on Wednesday 27 August 2025. Details of an investor webcast will be provided to the market in due course.

ENDS

For further information, please contact:

Investor Enquiries

Alexandra Abeyratne

Sodali & Co

alexandra.abeyratne@sodali.com

+61 438 380 057

About Ava Risk Group

Ava Risk Group is a global leader in providing technologies and services to protect critical and high value assets and infrastructure. It operates three business segments – Detect, Access and Illuminate. The Detect segment manufactures and markets ‘smart’ fibre optic sensing systems for security and condition monitoring for a range of applications including perimeters, pipelines, conveyors, power cables and data networks. Access is a specialist in the development, manufacture and supply of high security biometric readers, security access control and electronic locking products. Illumination specialises in the development and manufacture of illuminators, ANPR cameras and perimeter detectors. Ava Risk Group products and services are trusted by some of the most security conscious commercial, industrial, military and government clients in the world. www.avariskgroup.com

For personal use only