

30 January 2024

Q2 FY2024 Trading Update

Ava Risk Group Limited (ASX: AVA) (“Ava Risk Group” or “the Company”) is pleased to provide the following update on its Q2 FY2024 trading performance:

- Record Q2 sales order intake of **\$12.0 million**, resulting in **H1 sales order intake of \$19.7 million**, up **37%** on the prior year.
- Strategically important orders received in Q2 relating to major infrastructure projects in Australia and Latin America, and strong growth in new verticals in North America.
- Confirmed sales order backlog of **\$8.9 million**, reflecting strong Q2 sales order intake. Most of the sales order backlog is expected to convert to revenue through calendar year 2024 as key projects are delivered.
- Expected H1 FY2024 revenue of **\$14.2 million**, within the guidance range. Second half revenue is expected to be substantively stronger than the first half.

Ava Group CEO Mal Maginnis commented: “Our record sales performance in Q2 which gives us great confidence in the outlook for FY2024 and beyond. We are particularly pleased to have secured significant orders during Q2 on major infrastructure projects in Australia and Latin America, demonstrating the versatility of our market-leading fibre sensing technology.”

“Coupled with the strong performance in the Access segment during Q1, we are demonstrating the benefit of the changes made to our commercial team and product offering over the past year to drive growth. While there is a lag in the conversion of sales orders to revenue, we are building a very solid confirmed sales order backlog in the Detect business which will improve the predictability of future revenue. I believe we are well placed to continue our growth trajectory during H2 FY2024.”

Q2 FY2024 confirmed sales orders

Sales performance during Q2 was extremely strong with confirmed orders of \$12.0 million. The resultant sales order intake for the first half of \$19.7 million represents growth of 37% on the prior year. Pleasingly this includes significant growth in both the Detect and Access segments of 39% and 80% respectively, highlighting the progress on Ava’s strategy of expanding the sales pipeline in key markets and improving conversion rates.

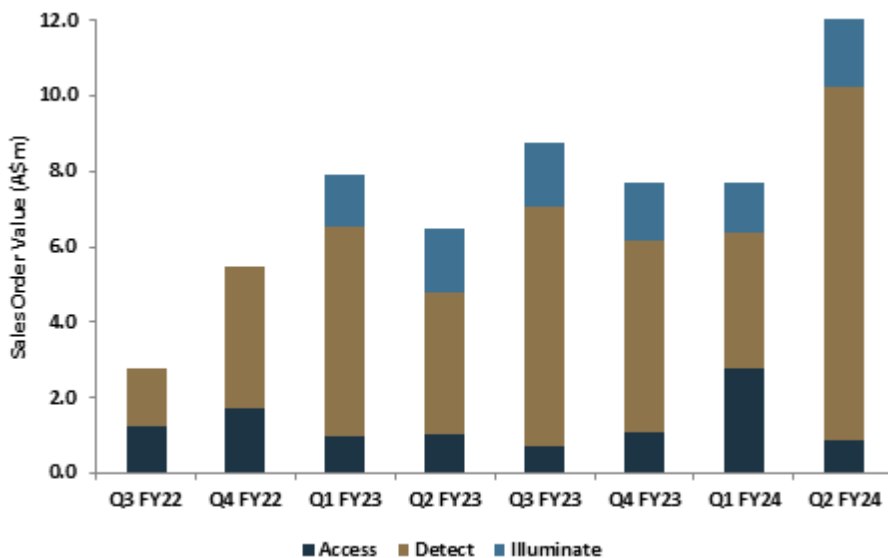
- **Detect:** Q2 sales order intake of \$9.4 million, first-half order intake of \$12.9 million, up 39% on the previous year. The strong performance was underpinned by significant orders including a major Australian transport infrastructure project (\$2.3 million), protection of a key pipeline at one of the world’s largest copper mines in Chile (\$2.7million) and a number of orders across multiple market verticals in North America (\$1.8 million)

including securing correctional facilities and energy infrastructure. All orders are for the deployment of Aura Ai-X, demonstrating the versatility of the Company’s market leading, data-driven fibre sensing technology.

- **Access:** Total Q2 order intake of \$0.9 million, first-half order intake of \$3.7 million, up 80% on the same period last year. The significant increase is driven by stocking orders from dormakaba under its global framework agreement following the successful completion of product certifications for the Cobalt series locks in Q1. The fulfilment of existing orders was completed in early January and we are working with dormakaba to ensure that the current orders move efficiently through their distribution network to drive further orders during H2 FY2024.
- **Illuminate:** Q2 order intake of \$1.8 million, resulting in first-half order intake of \$3.1 million, in line with the prior year. Order intake in Q2 was 30% higher than Q1 and reflects improved in domestic orders in the U.K. and the continued focus on new export markets leveraging the Company’s sales capability in Australia and North America. The Company remains confident of growing orders in this segment during H2 FY2024.

At the end of Q2 FY2024, the Company carried an order backlog of \$8.9 million which represents sales orders received that are still to be fulfilled. Of the backlog, \$6.8 million relates to project delivery and is expected to convert to revenue during calendar year 2024. The remainder of the backlog relates to the provision of related services and multi-year service contracts.

Chart 1 – Sales Order Intake



H1 FY2024 Results

Ava Risk Group will release its financial results for the half year ending 31 December 2023 on Monday 26 February 2024. Details of an investor webcast will be provided to the market in due course.

ENDS

Approved for release by the Board of Directors.

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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