ASX RELEASE

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Q1 FY2025 Trading Update

Ava Risk Group Limited (ASX: AVA) ("Ava Risk Group" or "the Company") is pleased to provide the following update on its Q1 FY2025 trading performance:

- Sales order intake during Q1 of **$8.9 million**.
- Strong sales order backlog of **$8.5 million** (including $2.3 million in contracted ARR) to support revenue growth in FY2025 consisting of equipment orders and multi-year service contracts.
- Continued progress on key projects and industry sectors - UGL, Telstra and the Australian Oil and Gas sector.
- First half revenue guidance of **$16.5 million to $17.5 million**. Second half revenue is expected to be substantially stronger than the first half.

During Q1, Ava Risk Group reported strong sales order intake of $8.9 million, with stronger year on year growth in both the Detect (+85%) and Illuminate (+9%) segments. Access, recorded its strongest quarter since the Q1 FY2024, when the initial orders were received from dormakaba.

The Company commenced the commissioning of detection systems on the Sydney Metro project with UGL during the first quarter, which is expected to be completed over the coming months. It is well positioned to expand the product footprint on this project by offering Illuminate products to provide platform detection capability on the rail corridor. This demonstrates the benefit of establishing relationships with key infrastructure partners such as UGL and highlights the complementary nature of Ava's products for large scale infrastructure projects.

Ava Risk Group also received multiple orders from the Australian oil & gas sector during Q1 and the Australian commercial team has actively cultivated sales pipeline opportunities resulting in new orders.

Ava Group CEO Mal Maginnis commented: "Sales order intake during Q1 FY2025 was strong, particularly given the usual seasonal softness in northern hemisphere markets during their summer holiday period in July and August. Order intake grew in both Detect and Illuminate compared to the same period last year, while Access recorded its strongest quarter since receiving initial stocking orders from dormakaba a year ago."

"Further progress was made on our key projects and partner relationships during the quarter. We are actively engaged with Telstra on several opportunities for the protection of their infrastructure assets. We expect some of these initiatives to proceed during Q2 and are confident this will lead to commercial orders during FY2025."

"Additionally there is significant further opportunity for us in the oil and gas sector. Our global sales pipeline has continued to grow and I expect very strong sales order intake during Q2."

Q1 FY2025 confirmed sales orders

The Company received sales orders of $8.9 million during Q1. Highlights from Q1 include:

- **Detect:** Total Q1 sales order intake of $6.2 million, is an increase of 85% on the same period last year. The improved result compared to the prior year is driven by further Aura Ai-X orders for an Eastern European border and significant orders from several customers in the Australian Oil & Gas sector ($0.9 million). These orders are primarily for Aura Ai-X and importantly support a traditionally softer period in the northern hemisphere summer holidays. The Detect pipeline remains very strong and we expect further growth in sales order intake in Q2.
- **Access:** Total Q1 order intake of $1.3 million (whilst lower than the same period last year) was the segment's strongest quarterly performance since Q1 FY2024 when the Company received initial stocking orders from dormakaba under its global framework agreement. Sales order intake was supported by demand in both the Asia Pacific and European markets. Importantly, order intake improved in the U.S. in September driven by orders from dormakaba. The focus in the U.S. remains on driving end user demand for the Cobalt series locks to drive further re-ordering.
- **Illuminate:** Total Q1 order intake is $1.4 million, up 9% on the prior year. Q1 orders were well supported by several orders with key customers such as Bosch which offset lower domestic U.K. distributor sales. The LoRa product was launched during the quarter and is a key driver of growth over the remainder of FY2025.

At the end of Q1 FY2025, the Company carried an order backlog of $8.5 million which represents sales orders received that are still to be fulfilled. Of the backlog, $4.9 million relates to equipment for project delivery which is anticipated to be fulfilled across Q2 and Q3 of FY2025. The balance of the backlog relates to commissioning services and multi-year support contracts. Importantly, the backlog includes multiyear recurring revenue contracts of $2.3 million.

Chart 1 – Sales Order Intake
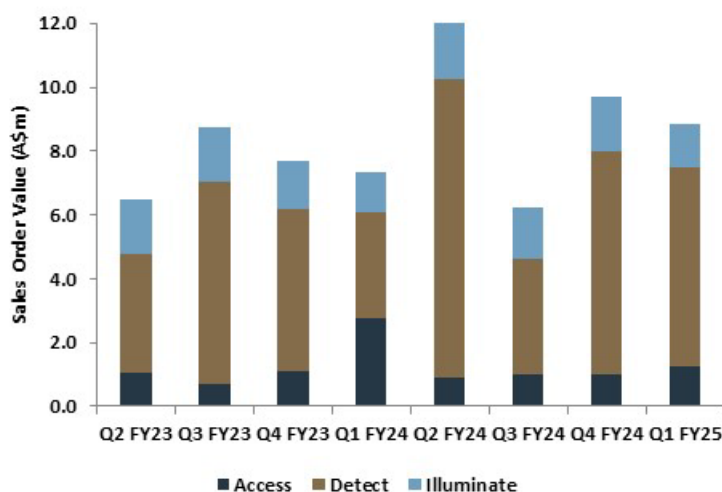
Expansion in the Australian Oil & Gas sector

Underpinned by the deployment of its market leading Aura Ai-X fibre-optic detection technology, the Detect segment has identified a number of opportunities in the oil & gas industry, particularly in the Asia-Pacific region. During Q1 multiple orders were received from several customers in this segment worth $0.9 million which are expected to be fulfilled in H1 FY2025. Woodside Energy placed multiple orders for the upgrade of their core sites to Aura Ai-X. The Company also received orders from Santos and Exxon PNG for security at their critical sites. The Company continues to build strong relationships with key industry participants to drive additional growth, particularly in Australia.

Contract with UGL Limited on major Sydney transportation project

As announced on 7 December 2023, Ava Risk Group was awarded a contract from UGL Limited to deploy its fibre optic sensing systems on a Sydney transportation project with a contract value of $3 million. During Q1 FY2025 the Company commenced the commissioning of its Aura Ai-X controllers on newly deployed fences on the railway corridor to prevent intrusions and detect objects on the track. In addition to the existing contract, the Company may deploy its LoRa systems to provide better visibility of the gap between trains and platforms at a number of stations on the railway corridor. Delivery of this contract remains an important milestone in expanding Ava Risk Group's position in the transport sector.

Update on supply agreement with Telstra Group

As announced on 9 February 2024, Ava Risk Group signed a preferred supplier agreement with Telstra Group for the provision of goods and services to Telstra from each of the Company's operating segments. During Q1 the Company progressed several important opportunities with Telstra under this agreement:

- The Company has been engaged by Telstra to provide a new Aura Ai-X option for the monitoring of subsea cables as they come ashore, a key point of vulnerability to their fibre optic network. Detailed evaluation and trial of this technology will commence in Q2.
- Using its LoRa system, the Company is currently conducting a paid trial on pit lid intrusion detection and tampering in Western Australia. This trial is expected to conclude in Q2.
- The Company is also in discussion with Telstra for use of our products to provide enhanced security and detection for mobile network towers, infrastructure that is increasingly exposed to malicious damage and vandalism.

The relationship with Telstra provides significant benefit to the Company in terms of technology development and products that will generate long-term global revenue opportunities. As the existing opportunities mature it is expected that the supply agreement will deliver revenue over the remainder of FY2025 and beyond.

Outlook

Based on the existing order intake and expected sales pipeline conversion, management provides revenue guidance for the first half year in the range of **$16.5 million - $17.5 million**. Based on this revenue guidance the Company expects to be EBITDA positive in the first half of FY2025.

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