

ASX RELEASE

30 January 2026

Q2 FY2026 Trading Update

Ava Risk Group Limited (ASX: AVA) ("Ava Risk Group" or "the Company") provides the following update on its Q2 FY2026 trading performance:

- Q2 sales order intake of **\$6.6 million**, resulting in H1 sales order intake of **\$15.6 million**.
- Expected H1 FY2026 revenue of **\$14.0 million**, below the guidance range. The shortfall in forecast revenue is due to the delay in a number of orders now expected to be received in Q3 FY2026.
- H2 revenue guidance of **\$23.0 to \$26.0 million**, resulting in full year revenue of **\$37.0 to \$40.0 million**. The significant increase in H2 revenue is due to the expected fulfilment of orders delayed from H1 and some key large program orders expected in H2.
- Sales order backlog of **\$7.8 million** including \$2.6 million in contracted annual recurring revenue. The order backlog consists of equipment orders and multi-year service contracts.
- Execution of binding agreements with Hale Capital to secure a strategic investment in the Company of up to \$7.0 million via a Convertible Loan Note and up to \$5.6 million via associated Warrants. The investment provides the Company growth capital with a highly aligned strategic partner to supporting U.S. expansion.

Ava Risk Group Acting CEO Neville Joyce commented: "Revenue in H1 was softer than expected driven by delays to some key orders that are now expected in H2. While these delays are frustrating, we remain confident of the underlying demand and expect these orders to be received and fulfilled in H2. Additionally, we made some significant progress on a number of large program tenders which are expected to translate to orders during H2. With a robust sales pipeline, including a number of large program opportunities, we are well positioned for a significant improvement in H2 revenue."

Comparison to previous Revenue Guidance

Expected revenue for H1 FY2026 is approximately \$14.0 million, lower than previous revenue guidance of \$17.0 – \$18.2 million. The shortfall is driven by delayed orders for a number of key programs:

- Program for deployment of Aura Ai-X to corrections facilities in the U.S. - \$1.0 million in revenue.
- Two orders for deployment of detection systems to U.S. government sites, delayed in part due to U.S. government shutdown earlier in H1 which has impacted the timing of procurement decisions - \$0.7 million.
- Additional systems expected to be deployed to a major Australian transport infrastructure project - \$0.6 million.
- Two programs for the deployment of detection systems to energy infrastructure in the U.S. and Asia now expected in H2 - \$0.7 million

- Initial order for some equipment as part of a broader border protection project in the Middle East. Both the initial order and the larger program order are now expected in H1 - \$0.4 million.

The Company expects to receive and fulfill these orders in H2 FY2026.

Additionally, the Company has progressed a number of large program tenders which are expected to be finalised as sales orders in H2. The Company expects to fulfill these programs in H2, a key driver of the forecast improvement in H2 revenue.

- Sovereign border protection program in the Middle East - \$2.5 million.
- Oil and Gas infrastructure protection in the Middle East, building on the Company's previous successful deployment of systems to this customer - \$2.2 million.
- Oil and Gas infrastructure protection to a new customer in the Middle East - \$1.0 million
- Australian transport infrastructure program, building on the Company's success on the Sydney Metro project - \$0.8 million.
- Solar farm perimeter protection in Latin America - \$0.4 million.

Update on binding Agreements with Hale Capital for strategic investment

As announced on 31 December 2025, Ava Risk Group entered into binding agreements with Hale Capital to secure a strategic investment of up to \$7.0 million via a Convertible Loan Note and up to \$5.6 million via associated Warrants. The funding will be used to provide growth capital including support for the Company's expansion in the U.S., AVA's largest and most attractive addressable market.

During January the Company has been working with Hale Capital to satisfy the conditions precedent to the financial close of the transaction. Upon financial close, the Company will have immediate access to \$2.98 million via the issue to Hale Capital of convertible notes, referenced in the Agreements as Tranche 1 Commitment. The Company expects to achieve financial close and receive Tranche 1 funding during January.

Subject to shareholder approval, the Company will have access to a further \$4.02 million of funding via the issue to Hale Capital of convertible notes, referenced as Tranche 2 Commitment. The Company expects to convene a special meeting of shareholders in March (date to be confirmed) seeking shareholder approval for the Tranche 2 Commitment.

H1 FY2026 Financial Results

Ava Risk Group will release its financial results for the half year ending 31 December 2025 on Wednesday 25 February 2026. Details of an investor webcast will be provided to the market in due course.

ENDS

Approved for release by Board of Directors

For further information, please contact:

Investor Enquiries

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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

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