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ASX RELEASE

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Q4 FY2026 Trading Update

Ava Risk Group Limited (ASX: AVA) ("Ava Risk Group" or "the Company") provides the following update on its Q4 FY2026 trading performance and expected financial performance for the year ended 30 June 2026 (FY2026).

As previously disclosed in the Company's Q3 FY2026 Trading Update released on 1 May 2026, the Company highlighted uncertainty regarding the timing of several significant orders, particularly within the Middle East, due to the ongoing regional conflict and customer project timing considerations.

While the FY2026 financial results are subject to finalisation and audit review, the Company currently expects FY2026 revenue to be approximately **$29.0 million**, below the previously advised guidance range of $34 million to $37 million. The Company achieved sales order intake of approximately **$29.4 million**, exceeding FY2026 revenue and providing a foundation for FY2027.

The primary reason for the lower-than-expected revenue outcome is the delay in receiving and delivering some key orders (approximately $6.0 million) that had been anticipated to contribute to FY2026 revenue. Importantly, these opportunities remain active and are expected to convert in FY2027. The Company confirms that no material contracts have been lost or cancelled. These opportunities include:

- The most significant delayed project relates to sovereign border protection in the Middle East ($2.8 million). The project has been impacted by the ongoing regional conflict, resulting in delays to customer procurement activity, site access and logistics planning. While some other orders in the region have progressed, this project has been delayed to FY2027. Ongoing engagement with the customer indicates that the project is expected to proceed though the timing remains subject to the customer's final procurement and operational conditions.
- Some North American based orders ($1.9 million) relating to system upgrades for an existing oil and gas customer and some planned orders for U.S. government sites. These orders are expected to close in H1 FY2027.

Despite the revenue timing impacts, the Company expects to finish FY2026 with:

- Sales order backlog of **$6.8 million** including $2.6 million in contracted annual recurring revenue. The order backlog consists of equipment orders and multi-year service contracts.
- Approximately **$4.2 million** of the backlog to be delivered as revenue during H1 FY2027.
- Expected gross margins maintained at **60% to 64%**.
- Modest positive underlying EBITDA for FY2026.
- Expected cash balance at 30 June 2026 of **$6.7 million**.

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The Company's strong gross margin profile and disciplined cost base provide significant operational leverage as delayed projects convert into revenue.

The Company notes that the delayed sales opportunities represents ~18% of expected FY2026 revenue, and accordingly the timing of a relatively small number of large projects had a disproportionate impact on the Company's revenue outcome.

Operationally, the Company continued to strengthen its commercial capability in FY2026. Three of its senior sales leaders in the United States, Asia-Pacific and Europe individually contributed annual sales order intake ranging from $3.9 million to $5.0 million, validating the Company's strategy of investing in senior sales leadership. The Company has recently recruited additional experienced sales executives in the United States, South East Asia and India. These individuals bring significant industry expertise and established customer relationships which provides the Board with confidence that the enhanced commercial organisation is well positioned to support improved performance in FY2027.

While the Company sees a clear pathway to improved revenue and EBITDA performance in FY2027, given the timing sensitivity of several significant opportunities and the early stage of the financial year, the Company does not intend to provide formal revenue guidance at this time.

Ava Risk Group Acting CEO Neville Joyce commented: "I am disappointed that some major orders, particularly in the Middle East, were delayed by factors beyond our control as the planning and product build for these orders was completed to enable shipment in Q4. Nonetheless, these remain active opportunities and, coupled with our sales opportunity pipeline, provide the Company with a strong platform for growth in FY2027. The fundamentals of the business continue to improve – sales order intake exceeding revenue, strong gross margins, positive underlying EBITDA, and a solid cash position."

"We continue to strengthen our commercial team across several key markets, including the recent recruitment of sales executives in the United States and Asia Pacific. Combined with our sales order backlog and expected conversion of delayed opportunities, we believe the Company is well positioned to drive revenue growth in FY2027."

Update on key industry segments and geographies in Q4 FY2026

- **Australian Aviation Sector**: Ava Risk Group has been involved in a number of paid trials at Australian Airports for enhanced Perimeter Intrusion Detection System (PIDS), supporting the Department of Home Affairs' nationwide perimeter security directive. During H2 FY2026 the Company successfully completed trials at both Canberra and Cairns airports, and during Q4 commenced comprehensive trials at both Melbourne and Perth Airports. These trials are expected to successfully conclude during Q1 FY2027. Success in these trials creates a path for implementation of the Company's advanced fibre optic sensing technology in the Australian aviation sector. Identified sales pipeline opportunities in this sector expected to close during FY2027 exceed $2.0 million.

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- **Transportation:** Ava Risk Group expects to conclude the deployment of its fibre sensing technology to the Sydney Metro project during Q1 FY2027 in partnership with UGL. During Q4, the Company successfully tested its object detection technology on the rail corridor, a critical milestone in enabling the project to be finalised. Successful completion of this project is a key prerequisite to other Australian rail infrastructure opportunities to progress in FY2027.

- **India:** Building on its previous success in the Indian defence industry, the Company successfully fulfilled a contract for the deployment of its fibre sensing technology to a critical pipeline within the Indian energy sector ($2.7 million). Final commissioning of the systems by the end user will occur during H1 FY2027. India remains a strong market for the Company's fibre sensing technology with significant pipeline opportunities in FY2027 in both the energy and defence sectors.

- During Q4, the Company closed numerous orders for **U.S. government sites** ($1.1 million) in the corrections and other security sectors. Full year order intake for FY2026 in the Americas was $6.2 million, though a number of significant pipeline opportunities relating to upgrades in the energy sector and other government sites ($1.9 million) remain open and have been carried into FY2027. The North American market remains a key focus for FY2027 and the Company has strengthened its commercial team to accelerate growth.

- Ava Risk Group was appointed as a prequalified supplier to the Australia Department of Home Affairs, Border Protection Technologies Panel (BPTP), recognising the Company's fibre optic sensing solutions as suitable for government border security applications. The panel appointment is for an initial five year term from 1 July 2026. This positions the Company to access a broad and recurring pipeline of Commonwealth contracts, enabling streamlined procurement and faster deployment of its intrusion detection systems across critical infrastructure. Beyond immediate revenue potential, panel membership strengthens the Company's visibility with key government stakeholders.

- The focus in Access remains on growing **U.S. distribution** using the dormakaba network. The Company is actively pursuing end user engagement opportunities stemming from dormakaba's PRO-Alliance, dormakaba's largest U.S. based marketing event which the Company participated in March 2026. Development of the Company's updated reader range in Access remains on track for market launch / distribution in H1 FY2027.

Update on CEO search:

The Company continues to progress its CEO search, working closely with Hale Capital to identify and evaluate a shortlist of high-quality candidates. The Board is actively engaged with shortlisted candidates and will update the market once the appointment process has concluded.

FY2026 Financial Results:

The Company expects to release its financial results for the year ending 30 June 2026 in late August 2026. Further details will be provided to the market in due course.

ENDS

Approved for release by 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