

ASX RELEASE

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Q3 FY2025 Trading Update

Ava Risk Group Limited (ASX: AVA) (“Ava Risk Group” or “the Company”) is pleased to provide the following update on its Q3 FY2025 trading performance:

- Sales order intake during Q3 of **\$6.5 million**, resulting in **year-to-date sales order intake of \$22.8 million**.
- Strong sales opportunity pipeline to support acceleration in growth in Q4 sales order intake. A number of significant orders expected to close in Q3 are now expected to close in Q4.
- Continued focus and progress on key projects including in the transportation and telecommunication sectors (see Q4 order received below).
- Confirmed sales order backlog of **\$7.4 million**, including \$2.5 million in contracted annual recurring revenue. The order backlog consists of equipment orders and multi-year service contracts.

Ava Group CEO Mal Maginnis commented: “Sales order intake during Q3 was solid though slightly softer than expected as a number of significant orders were delayed reflecting, in part, some geopolitical instability in key markets such as North America and Europe. The sales opportunity pipeline remains strong and I am optimistic about Q4 activity, particularly as key markets settle.”

“During Q3 we continued to support UGL with the Sydney Metro project. There are a number of other transport infrastructure projects that we expect to close in Q4 based on the strong performance of Aura Ai-X on the Sydney Metro project.”

Q3 FY2025 confirmed sales orders

Sales performance during Q3 of \$6.5 million represents growth of 4% on the prior year. Year to date (“YTD”) sales order intake of \$22.8 million is lower than the prior year order intake of \$25.6 million which included a significant pipeline order at a Chile copper mine for \$2.7 million.

- **Detect:** Q3 sales order intake of \$3.8 million, up 18% on the previous year. YTD sales order intake of \$14.8 million, down \$1.5 million on the previous year which included an order of \$2.7 million for pipeline protection at a Chile copper mine.

The sales opportunity pipeline in Detect remains strong and is expected to accelerate growth in Q4. During Q3 the Company invested in the continued development of its technology to meet requirements in the telecommunications sector. The sales pipeline contains material telecommunication sector opportunities, and this segment remains an important driver of growth in both Australia and internationally.

In the transport vertical, it is anticipated that opportunities for the deployment of Aura Ai-X systems to rail infrastructure will be awarded during Q4. Sovereign border protection remains a significant segment for further growth. It is also expected that a number of security applications in North America which were delayed in Q3 due to political uncertainty will be finalised during Q4.

The value of recurring service contracts grew to \$2.5 million at the end of Q3 driven by the continued deployment of Aura Ai-X, the Company's market leading, data-driven fibre sensing technology.

- **Access:** Sales order intake in Q3 of \$0.8 million, with YTD order intake of \$3.1 million. YTD order intake was \$1.6 million lower than the prior year which included an initial stocking order from dormakaba under its global framework agreement. Growth in the Access segment will be driven by increased demand in the U.S. using the dormakaba distribution network.
- **Illuminate:** Strong Q3 order intake of \$1.8 million, up 17% on the previous year. YTD order intake of \$5.0 million, up 7% 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 Q3 FY2025, the Company carried an order backlog of \$7.4 million which represents sales orders received that are still to be fulfilled. The backlog includes \$2.5 million of annual recurring revenue associated with multi-year service contracts.

Q4 order received in the telecommunications sector

Following development work undertaken in Q3, the Company is pleased to advise that it has received an order in Q4 from Telstra Corporation Limited ("Telstra") for an Aura Ai-X system which will be deployed to protect a subsea cable in Australia. The value of the order is \$0.3 million and is expected to be delivered in Q4 FY2025. There are no material conditions precedent to completion of the order.

The order represents a major milestone in the Company's strategy to grow revenue, increase market share and expand into new market adjacencies. Ava has invested significantly in its commercial capability and technology including collaboration with Telstra to successfully address technology challenges associated with the deployment of sensing solutions over critical subsea cables. The performance of the Aura Ai-X solution has resulted in the award of the first meaningful order received under the Supply Agreement that the Company has with Telstra.

The world's subsea cable network is vital to global digital infrastructure, facilitating international communications and data exchange. However, these cables are susceptible to threats such as accidental damage from maritime activities, deliberate sabotage, and unauthorized data interception. Implementing Ava's Aura Ai-X Distributed Acoustic Sensing (DAS) technology can significantly enhance the security and resilience of these critical assets, particularly in vulnerable near-shore areas and at landing stations.

Ava CEO Mal Maginnis said: "Our focus on key industry segments remains a priority. During Q3 FY2025 we further developed our Aura Ai-X technology to meet some specific requirements in the telecommunications sector. Pleasingly this has culminated in an order for an Aura Ai-X system in Q4 from Telstra under our Supply Agreement. Telstra will deploy this system to an international subsea cable to provide monitoring and protection on the cable as it comes ashore in shallow waters in Australia. It represents an exciting example of deploying our technology to new industry verticals and I am very confident that the telecommunications sector will provide significant growth, both in Australia and internationally."

Outlook

The Company is confident in delivering solid growth in revenue and EBITDA in FY2025. Management provides revenue guidance for the second half year in the range of **\$18 million - \$21 million** (range dependent on the timing of project delivery).

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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