

ASX RELEASE

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Ava Risk Group announces H1 FY2026 Results

Ava Risk Group Limited (ASX: AVA) (“Ava” or “the Company”) announces its half year results for the six months ended 31 December 2025.

Highlights

- Group revenue of **\$14.1 million**, down from \$17.1 million in the previous corresponding period (pcp), reflecting delays in major Detect segment projects now expected in H2 FY2026
- Sales order intake of **\$15.6 million** with continued progress in key verticals – sovereign border protection, airport perimeter protection, and transportation
- Group Underlying EBITDA of (\$0.2 million), driven by the shortfall in revenue, expected to improve in H2
- Sales order backlog of **\$7.8 million**, including \$2.6 million in contracted annual recurring revenue.
- Cash balance of \$2.7 million at 31 December 2025
- Secured strategic investment from Hale Capital, of up to \$7.0 million via Convertible Loan Note and up to \$5.6 million via associated warrants, providing the Company with growth capital to support U.S. expansion.

Revenue was softer than expected driven by delays to some key orders that are now expected to be received in H2 FY2026. The Company remains focused on developing its sales opportunity pipeline in key industry verticals and growing its recurring revenue base.

Acting CEO Neville Joyce said: “While trading conditions in the first half remained challenging, we have continued to make considerable progress across our strategic industry segments and are confident of improved performance in the second half as a number of projects are delivered.

“The result highlights the importance of major programs in our Detect segment, given we saw the delivery of more key projects in the previous financial year. These projects enable the Company to better leverage its stable cost base and technology footprint to grow earnings. We have progressed a number of large program tenders expected to finalise during H2 to drive revenue growth, and also remain focused on growing our recurring revenue.

“Our recent strategic investment partnership with Hale Capital supports our growth ambitions, particularly in the U.S. market, and validates the strength of our technology platform and long-term strategy.”

Performance and Financial Overview

The Group’s revenue for the half was \$14.1 million, with the decline driven primarily by delays to several key Detect segment projects which are now expected to be realised in H2 FY2026.

Detect’s Aura Ai-X, the Company’s market leading, latest generation fibre sensing technology, remains at the forefront of supporting the sales opportunity pipeline, with progress in key segments during H1 FY2026:

- **Transport (rail infrastructure)** – \$1.2 million contract for Aura Ai-X detection systems to identify and monitor risks for new rail infrastructure, building on the previous success of the Sydney Metro project.
- **Transport (aviation)** – Ava won orders for airports in Morocco and Athens in H1. The Company also successfully trialled perimeter protection at airports in Australia and expects these trials to progress to orders during H2 FY2026 and beyond.
- **Sovereign border protection** – This segment continues to emerge as an area of focus with increasing government demand due to geopolitical instability in some regions. During H1, a contract for \$0.5 million was received for border protection in Latvia. This follows the successful deployment of Aura Ai-X detection technology to another Eastern European border, with further sales opportunities expected in H2.
- **Telecommunications** – We continue to mature our relationship with Telstra. Ava has been invited to participate in the *Telstra Together 26* roadshow across March and April 2026, one of eight experience “hubs” which will demonstrate Aura Ai-X’s ability to protect critical telecommunications infrastructure, including subsea cables. Our collaboration with Telstra has also created opportunities from international telecommunication operators.

Revenue in both Access and Illuminate is consistent with the previous year. In the **Access** segment we are maintaining our focus on increasing demand in the U.S. and Europe to drive reordering using the dormakaba distribution network. **Illuminate** has seen improved orders from key customers, as well as continued ordering from key distributors in North America, and we remain focused on growing our distribution network.

Financial overview

A\$m	H1 FY25	H1 FY26	Change
Revenue & Other Income	17.1	14.1	(3.0)
Underlying EBITDA*	1.7	(0.2)	(1.9)
Profit / (Loss) After Tax	(0.0)	(1.2)	(1.2)
Reconciliation of Underlying EBITDA:			
Underlying EBITDA	1.7	(0.2)	(1.9)
Foreign Exchange gain / (loss)	(0.1)	0.7	0.8
Reported EBITDA	1.6	0.5	(1.1)
Depreciation & Amortisation	(1.7)	(1.9)	(0.2)
Finance Expense	(0.1)	(0.1)	0.0
Tax (Expense) / Benefit	0.2	0.3	0.1
Loss After Tax	(0.0)	(1.2)	(1.2)

Consolidated gross margins remained steady at 64%, with operating costs remaining broadly consistent with the pcp. The resulting underlying EBITDA loss of \$0.2 million reflects the revenue shortfall and is expected to improve significantly in H2 FY2026.

Outlook

Ava expects performance in H2 FY2026 to be significantly improved on the first half. Several key orders which were delayed in H1 are expected to close in H2 FY2026. These include:

- Program for deployment in Aura Ai-X to corrections facilities in the U.S.: \$1.0 million in revenue

- Two U.S. government detection programs: \$0.7 million
- Australian transport infrastructure project: \$0.6 million
- Energy infrastructure programs in the US and Asia: \$0.7 million
- Middle East border protection: \$0.4 million initial order, plus a broader program award expected in H2 FY2026.

Additionally, the Company has progressed a number of large program tenders which are expected to finalise during H2 to drive revenue growth, including:

- Middle East sovereign border program: \$2.5 million in revenue
- Middle East oil and gas (existing customer): \$2.2 million
- Middle East oil and gas (new customer): \$1.0 million
- Australian transport infrastructure: \$0.8 million
- Latin America solar farm protection: \$0.4 million

Operating margins and the cost base are expected to remain stable, resulting in the expected revenue growth driving improved earnings.

Investor Webinar

Chairman David Cronin and Acting CEO Neville Joyce will host a webinar to present the results at 9:30am AEDT.

Date & Time: Wednesday 25 February at 9:30am AEDT

Zoom link: https://us06web.zoom.us/webinar/register/WN_2rJGbgFMRHSJEGhLZ_PD2Q

Approved for release by the Board of Directors.

For further information, please contact:

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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. Illuminate 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