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ASX RELEASE

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AVA Risk Group Announces FY2026 Results

AVA Risk Group Limited (ASX: AVA) ("AVA" or "the Company") announces its full year results for the financial year ended 30 June 2026.

Highlights

- Group revenue of **$28.8 million**, (FY25: $31.7 million) reflecting key project orders delayed into FY2027
- Sales order intake of **$29.4 million** (FY25: $29.9 million), with approximately $6.0 million of anticipated orders delayed into FY2027
- Positive Group Underlying EBITDA of **$0.1 million**, (FY25: $2.1 million), reflecting lower revenue
- Consolidated gross margin remained **stable at 63%**, with the operating cost base slightly lower than FY2025
- **Secured strategic investment from Hale Capital** of $7.0 million via Convertible Loan Note's, with associated warrants that could provide up to a further $5.6 million if exercised, supporting AVA's U.S. expansion
- Post year end, AVA appointed **Bryant Henson as Group Chief Executive Officer**, commencing 24 August 2026, bringing significant experience leading complex international technology businesses across defence, aerospace, government and critical infrastructure markets

Revenue for the year reflects the delay of a number of key orders into FY2027, primarily due to geopolitical factors impacting customer procurement processes. AVA continued to make significant strategic progress across its priority segments and geographies, and the Board sees a clear pathway to improved revenue, EBITDA and cash generation in FY2027 supported by new leadership.

Chairman David Cronin commented: "FY2026 did not deliver the financial outcome we expected. Several significant project orders moved into FY2027, constraining reported revenue and earnings. Importantly, the underlying strategic position strengthened materially during the year. The Board's focus has been to ensure the Company has the leadership, capital, commercial capability and market access required to convert its differentiated technology into sustainable growth.

"After an extensive global search, we were pleased to appoint Bryant Henson as Group Chief Executive Officer. Bryant's experience leading complex international technology businesses across defence, aerospace, government and critical infrastructure markets makes him well placed to drive our next phase of growth.

"Our strategic investment partnership with Hale Capital, together with the strengthening of our commercial team in the U.S., South-East Asia and India, provides a solid platform to support our growth ambitions. On behalf of the Board, I thank our shareholders for their continued support."

Performance overview

Group revenue for FY2026 was $28.8 million, $2.9 million lower than the prior year, reflecting a number of key projects delayed into FY2027. Consolidated gross margin remained stable at 63% and the operating cost base reduced slightly on the prior year, highlighting the leverage Available to the business as revenue grows.

Detect's Aura Ai-X, the Company's market leading fibre sensing technology, continues to be a key driver of the sales opportunity pipeline, with significant strategic progress made across priority segments and geographies during FY2026:

- **Australian aviation sector:** AVA completed Perimeter Intrusion Detection System (PIDS) trials at Canberra and Cairns airports and commenced trials at Melbourne and Perth airports. Trials are expected to conclude in Q1 FY2027, with identified pipeline opportunities exceeding $2.0 million.
- **Transportation:** The Company expects to complete deployment of its fibre sensing technology to the Sydney Metro project during Q1 FY2027, in partnership with UGL, following successful testing of its object detection technology on the rail corridor. Completion of this project is expected to make a broad set of Australian rail opportunities addressable and provides a valuable reference for international opportunities.
- **North America:** Full year order intake in the Americas was $6.2 million, driven by the corrections and government security sectors. Pipeline opportunities of $1.9 million relating to energy sector and government site upgrades were carried into FY2027. The Hale partnership, strengthened U.S. commercial capability, the appointment of Rear Admiral Terry McKnight to the Board and the appointment of Bryant Henson as Group CEO are deliberately aligned with building a more substantial position in this market.
- **Sovereign border protection:** AVA supplied detection systems for border protection in Latvia, building on earlier deployments to another Eastern European border. A $2.8 million Middle East opportunity was delayed by regional conflict and has been carried into FY2027.
- **India**: The Company fulfilled a $2.7 million contract for deployment of its fibre sensing technology to a critical pipeline in the Indian energy sector, with growing pipeline opportunities in both energy and defence.
- **Telecommunications:** AVA continues to develop its relationship with Telstra, participating in marketing initiatives to demonstrate Aura Ai-X's ability to protect critical telecommunications infrastructure.
- **Australian Department of Home Affairs:** AVA was appointed to the Border Protection Technologies Panel for an initial five-year term from 1 July 2026, providing a structured procurement pathway to compete for relevant Commonwealth border-security and critical-infrastructure opportunities.

In **Access**, the focus remains on growing U.S. distribution using the dormakaba network, including end user engagement opportunities from dormakaba's PRO-Alliance marketing event. Development of the Company's updated reader range remains on track for market launch in H1 FY2027. **Illuminate** continues to focus on growing revenue through closer alignment with Detect opportunities, particularly in North America, and OEM relationships.

Financial overview

A$m	FY26	FY25	Change
Revenue & Other Income	28.8	31.7	(2.9)
Underlying EBITDA*	0.1	2.1	(2.1)
Profit / (Loss) After Tax	(3.2)	(6.5)	3.3
Reconciliation of Underlying EBITDA:			

Underlying EBITDA	0.1	2.1	(2.1)
Impairment Charges	(1.1)	(5.6)	4.5
Depreciation & Amortisation	(3.8)	(3.5)	(0.3)
Finance Expense	(0.7)	(0.2)	(0.5)
Foreign Exchange Gain / (Loss)	0.7	0.1	0.6
Fair value gain on financial liabilities	1.8	0.0	1.8
Tax (Expense) / Benefit	0.0	0.7	(0.7)
Loss After Tax	(3.2)	(6.5)	3.3

(Totals may not add due to rounding)

*Underlying EBITDA is unaudited and is a non-IFRS financial measure.

Consolidated gross margin remained stable at 63%, and the operating cost base was slightly lower than FY2025, highlighting the operating leverage available to the business as revenue grows.

Outlook

The Company's focus in FY2027 is sales execution. AVA expects performance in FY2027 to be significantly stronger than FY2026, with management focused on converting existing opportunities and demonstrating the operating leverage in the business model. Key priorities are:

- Convert several key opportunities that were expected to close in FY2026 and were carried forward into FY2027;
- Accelerate the U.S. under new leadership, with particular focus on federal, defence, corrections, energy and other critical infrastructure customers;
- **Scale Detect** across six priority markets – U.S. Federal & Defence, telecommunications & subsea, aviation, rail and transportation, energy & critical infrastructure, and sovereign border protection;
- **Growth in Access** driven by the launch of a refreshed reader range, expansion of the existing dormakaba distribution agreement, and new distribution channels in Europe;
- **Growth in Illuminate** attributable to expansion in the U.S. and growth from OEM relationships;
- Stable gross margins across each operating segment, with consolidated gross margin anticipated to remain in the range of 60% – 64%;
- A **stable operating cost base** which is highly scalable as revenue grows.

Investor webinar

Chairman David Cronin, CFO Neville Joyce and newly appointed CEO Bryant Henson will host a webinar to present the results at 9.30am AEST today.

Date & Time:	Friday 28 August at 9:30am AEST
Zoom link:	https://us06web.zoom.us/webinar/register/WN_CIiQicuuQbux6plHIJ_h-Q

Approved for release by the Board of Directors.

For further information, please contact:

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About Ava Risk Group

AVA is a global provider of technologies and services that protect critical and high-value assets and infrastructure. The Company operates three business segments: Detect, Access and Illuminate.

Detect manufactures and markets smart fibre-optic sensing systems for security and condition monitoring across a range of applications, including perimeters, pipelines, conveyors, power cables and data networks. Access develops, manufactures and supplies high-security biometric readers, access-control and electronic locking products. Illuminate develops and manufactures illuminators, ANPR cameras and perimeter detectors.

AVA Risk Group's products and services are used by commercial, industrial, military and government customers around the world.

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