

24 October 2023

Q1 FY2024 Trading Update

Ava Risk Group Limited (ASX: AVA) ("Ava Risk Group" or "the Company") is pleased to provide the following update on its Q1 FY2024 trading performance:

- Sales order intake during Q1 of **\$7.7 million**.
- Strong performance in the Access segment with initial stocking orders for its new Cobalt series locks received from dormakaba under its global framework agreement.
- Lower order intake in the Detect segment due to the timing of a number of significant opportunities now expected to close in Q2.
- First half revenue guidance of **\$14.2 million to \$15.2 million**. Second half revenue is expected to be substantively stronger than the first half.

Ava Group CEO Mal Maginnis commented: "Sales order intake during Q1 was solid. It was pleasing to complete the product certification process for our Cobalt series locks in Access and receive significant stocking orders from dormakaba in both North America and Europe. Notably Q1 orders in the Access segment are already 72% of prior year orders, leaving Access well placed to accelerate its revenue growth throughout FY2024. The Detect business is more project based and whilst I would have liked to have seen more opportunities close in the quarter I note that the expected close dates for a number of opportunities are within Q2 thus I am confident that we will see a significant uplift in order intake for Detect in the next quarter."

Q1 FY2024 confirmed sales orders

The Company received sales orders of \$7.7 million during Q1, which was in line with the prior year corresponding period. Highlights from Q1 include:

- **Access:** Total Q1 order intake of \$2.7 million, an increase of almost 200% on the same period last year. Q1 sales orders represent 72% of total Access orders received in FY2023. The significant increase is driven by the completion of product certifications for the Cobalt series locks which has resulted in stocking orders from dormakaba under its global framework agreement. The initial orders are for delivery to dormakaba North America and Europe and are expected to be fulfilled during the first half. Our focus is on working with dormakaba to ensure that the current orders move efficiently through their distribution network to drive future orders.
- **Detect:** Total Q1 order intake of \$3.6 million, down 36% on the same period last year. The Company continues to receive orders for its recently launched Aura Ai-X product, its latest fibre sensing technology. It includes orders from new partners such as Siemen's Korea to support a Middle Eastern solar plant, and expansion to

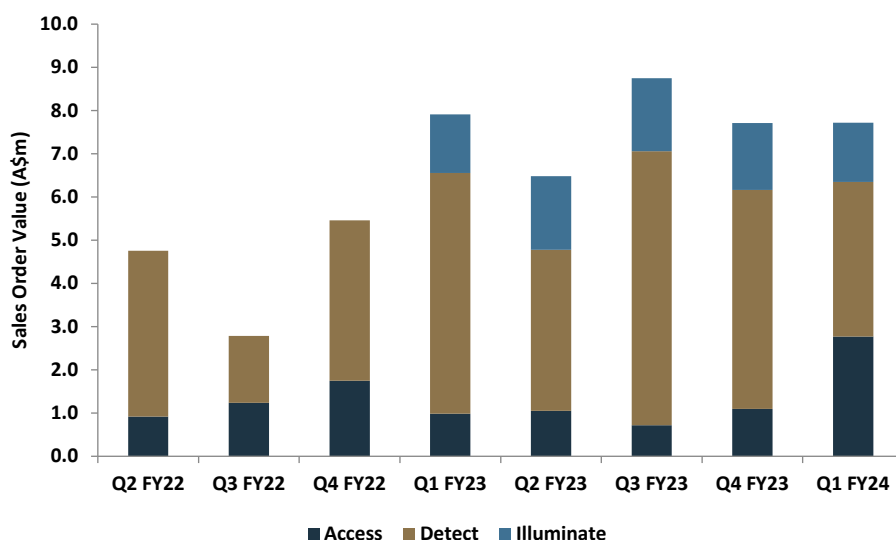
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two European airports. The decline compared to the prior year is attributable to a number of opportunities which are anticipated to close in Q2. It is expected that Q2 sales intake for Detect will be very strong.

- **Illuminate:** Total Q1 order intake of \$1.4 million, in line with the prior year. While domestic economic conditions in the U.K. remain challenging, a number of orders were received in new export markets including Australia and Eastern Europe leveraging the Company's sales capability in those jurisdictions. Forward orders for October and November have increased so we remain confident of growing orders in this segment during FY2024.

As at the end of FY2023, the Company carried an order backlog of \$5.2 million which represents sales orders received that are still to be fulfilled. These orders relate to equipment orders expected to be fulfilled in Q2 FY2024 and multi-year service contracts.

Chart 1 – Sales Order Intake



Outlook

Based on the existing order intake and expected sales pipeline conversion, management provides revenue guidance for the first half year in the range of **\$14.2 million - \$15.2 million**.

Revenue guidance has not been provided for the full year at this time due to the uncertainty on the timing of product orders. However, management expects that second half revenue will substantively exceed the first half.

ENDS

Approved for release by the 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

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