

22 December 2021

1H FY2022 Guidance and Business Update

Ava Risk Group Limited (ASX: AVA) (“Ava Risk Group” or “the Company”) today provides the following updates:

1H FY2022 Guidance and Outlook

Ava Risk Group is pleased to re-affirm the management guidance for 1H FY2022, subject to unrealised foreign exchange variances, provided in its announcement of 28 October 2021, Q1 FY2022 Trading Update and Outlook. It is noted that the 1H FY2022 guidance included an estimated contribution from the Services Division, Ava Global, prior to its divestment in October 2021.

Update on Return of Capital

The Company is still awaiting receipt of a draft Class Ruling from the Australian Taxation Office (“ATO”) prior to progressing the Return of Capital announced on 30 August 2021 and pursuant to Resolution 5 approved by the Shareholders at the Annual General Meeting on 28 October 2021. Additional information has been provided to the ATO in support of Ava Risk Group’s application and the ATO has indicated that it is likely to formally respond to the Company’s application before the end of January 2022.

The Company will provide a further update in respect of the Return of Capital and associated timetable upon receipt of the formal response from the ATO. The Company re-affirms its intention to distribute \$39.2 million (circa 16 cents per share) to its shareholders.

Aura IQ Update

The Company continues to pursue significant commercial opportunities for Aura IQ, a conveyor health monitoring solution for mining houses and bulk material handling facilities. Following completion of successful Proof of Value trials, key customers continue to progress internal approvals for the deployment of the technology. Due to delays in customer approvals, the Company now expects to sign multi-year contracts for Aura IQ in early calendar year 2022.

IMOD

Following the highly successful licencing program for the Indian Ministry of Defence’s (IMOD) initial data protection program during FY20 and FY21, the Company maintains order backlog for further systems and will also fulfill a 7 year maintenance program. Due to COVID-19 related impacts, effecting the timing of certain government programs as well as extending global procurement times, the Company is not at this stage forecasting any material contribution to revenues in FY22 from IMOD.

Q2 FY2022 Trading Update

Ava Risk Group CEO Rob Broomfield commented: “Following the successful divestment of Ava Global in October 2021, the technology division continues to focus on its sales pipeline development and conversion. Demand for FFT products in the current quarter remained strong and the easing of COVID-19 related restrictions in New South Wales has resulted in improved sales for BQT. We are seeing encouraging signs in the United States from the recent investments we have made in growing our sales capability, leaving the Company well placed to pursue growth in 2H FY2022.”

Ava Risk Group will provide a further Q2 FY2022 Trading Update on 20 January 2022.

ENDS

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 two business segments – Future Fibre Technology (FFT) and BQT Solutions (BQT). FFT 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. BQT is a specialist in the development, manufacture and supply of high security biometric readers, security access control and electronic locking products. 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
