Ava Risk Group Limited

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Ava Group Records Record $17.0m Revenue & $7.7m EBITDA for First Quarter FY2021 (unaudited)

Ava Risk Group Limited (ASX: AVA) (**Ava Group or Company**) is pleased to confirm continued strong growth in the first quarter of FY2021:

- Sales Revenues increased by 73% compared to the same period last year to $17.0 million
- EBITDA improved by 522% compared to the same period last year to $7.7 million
- Cash as at 30 September 2020 increased by 50% from 30 June 2020 balances to $11.6 million

Services Division – Q1 FY2021 Snapshot

- Revenue of $8.1 million
- EBITDA $1.6m
- Whilst there has been some normalisation of pricing due to the lifting of certain COVID-19 air freight restrictions, the underlying revenue trend remains very strong
- Industry consolidation continues to provide additional revenue opportunities
- Due to increasing economies of scale, Gross Margin improved to 33% on a YTD basis (vs. 25% for the whole of FY2020)
- New General Manager Asia, based in Singapore, appointed with further key appointments to be announced in Q2
- Management incentive scheme extended to the end of FY2021 (previously expired February 2021)

Technology Division – Q1 FY2021 Snapshot

- Revenue of $8.9 million
- EBITDA $6.1 million
- Despite Covid-19 restrictions continuing to delay certain orders due to travel restrictions and office shutdowns, our Technology Division has continued to operate and deliver systems to both current and new customers including deliveries for major defence programs
- Indian Ministry of Defence revenue for the large-scale data network protection program (FFT's SecureLink product) was $3.6 million for the quarter with $1.3 million cash received for payment of good delivered in prior periods
- Strong commercial interest in our new conveyor health monitoring solution (Aura IQ) with multiple Proof of Value trials completed and/or underway
- Increasing activity with our assurance sensing solutions for terrestrial and sub-sea power cables and roads infrastructure

- First shipment of the latest version of our FOSS platform – with Machine Learning software which is the completion of the first step in our roadmap of innovative solutions that will be offered to our customers on a SaaS revenue model.

Ava Group CEO, Rob Broomfield said “Our strong Q1 FY2021 results have demonstrated that our streamlined and highly scalable cost structure, along with our diverse customer base and revenue streams, are able to show continued growth even in times as disruptive as the current Covid-19 period”.

For further information, please contact:

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Please refer to Note 1 below.

Approved for release for and on behalf of the Board of Directors by:



Leigh Davis

Company Secretary

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About Ava Group

The Ava Group, comprising world leading technology divisions Future Fibre Technologies (FFT) and BQT Solutions (BQT), and international secure logistics services division Ava Global, is a market leader in the provision of risk management services and technologies, trusted by some of the most security conscious commercial, industrial, military and government clients in the world.

The Group features a range of complementary solutions including intrusion detection for perimeters, pipelines and data networks, biometric and card access control as well as the secure international logistics and storage of high value assets. Through decades of innovation, the Ava Group continues to build upon a comprehensive portfolio of premium services and technologies for the most complex and demanding markets.

Our business truly serves a global market, with our knowledgeable team spread across six continents, providing market and industry expertise directly to customers. With thousands of sites protected, the Ava Group is proven to deliver first class services and technologies that surpass the expectations of our partners and end users.

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Note 1

Forward Looking Statements

Information in this release is for general information purposes only. Certain statements in this document regarding the Company's financial position, business strategy and objectives, contain forward-looking statements (rather than being based on historical or current facts) and as such, are not able to be verified.

All forward-looking statements are based on the current views of the Company's management as well as reasonable assumptions made by, and information currently available to the Company's management. Forward-looking statements are inherently uncertain and must be read accordingly. There can be no assurance that some or all of the underlying assumptions will prove to be valid. If assumptions are invalid this is likely to have an impact on the accuracy of the statement itself.

All data presented in this document reflects the current views of the Company with respect to future events. Forward-looking statements are subject to a variety of risks, uncertainties and assumptions relating to the operations, results of operations, growth strategy and liquidity of the Company. Forward looking statements are also subject to external matters outside the control of the Company.

To the maximum extent permitted by law, the Company, its officers, employees and agents do not assume any obligation to release any updates or revisions to the information (including any forward looking statements) in this presentation to reflect any change to expectations or assumptions; and disclaim all responsibility and liability for any loss arising from reliance on this presentation or its content.

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