Ava Risk Group Limited

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ASX RELEASE

19 October 2021

Ava Risk Group Completes Divestment of Services Division

Ava Risk Group Limited (ASX: AVA) ("Ava Risk Group" or "the Company") today confirms that further to the announcement made on 17 August 2021, it has completed the sale of its non-core Services Division, Ava Global DMCC-LLC ("**Ava Global**") pursuant to a Sale and Purchase Agreement ("**SPA**") with TTG Bidco Limited ("**Buyer**"), an entity backed by funds advised by Phoenix Equity Partners Limited (United Kingdom) ("**Transaction**"):

- Sale price of US$46.4 million (A$62.6 million) with anticipated net cash proceeds of US$31.1 million (A$41.9 million) after closing adjustments, and payment of management incentives and FY2021 accrued bonuses
- Net cash investment return to Ava Risk Group of circa 587%
- Ava Risk Group now comprises of leading security sensing solution provider Future Fibre Technologies, and high security access control and electronic locking provider BQT Solutions

Ava Risk Group CEO Rob Broomfield said: "We are pleased to finalise the sale of Ava Global, and wish the new owners and their management team all the very best. Management is now fully focused on our world leading Technology Division which is experiencing solid growth as we continue to build on the momentum of Q4 FY21. With a growing pipeline of sales opportunities and orders received, we are well positioned for growth in current and future years."

As announced on 30 August 2021, following the completion of the Transaction Ava Risk Group is expected to hold $40.2 million in excess capital. The Board's intention is to use the excess capital to undertake the following capital management strategies:

1. Capital Return to Shareholders: $39.7 million (circa 16 cents per share); and
2. On-Market Buy Back: $1.0 million, which has commenced (refer to ASX announcements for updates)

The proposed capital return is subject to the Company obtaining a favourable Class Ruling from the Australian Taxation Office ("ATO") in respect of the classification of the proposed capital return and obtaining shareholder approval. The formal proposal for shareholder approval, and other important particulars, are contained in the Notice of Meeting that was released via the ASX on 27 September 2021. The Annual General Meeting ("AGM") is scheduled to be held at 11:00am (AEDT) on Thursday, 28 October 2021.

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 assets and infrastructure. Its Technology Division manufactures and markets 'smart' fibre optic sensing systems (Future Fibre Technologies) and high security access control and electronic locking products (BQT Solutions. Its products and services are trusted by some of the most security conscious commercial, industrial, military and government clients in the world.

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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