

30 October 2020

Indian MOD Data Network Protection Project Update

Ava Risk Group Limited (ASX: AVA) (Ava Group or Company) today provides the following market update and clarifications with respect to the large-scale supply of FFT's SecureLink technology to protect data communications cables for the Indian Ministry of Defence (IMOD):

- Large scale supply of FFT's SecureLink technology to protect more than 40,000kms of data communications cables for the Indian Ministry of Defence
- FFT licenced technology to in-country manufacturing partner SFO Technologies Private Limited (SFO)
- Total contract value estimated at US\$11.9M+
- SFO's Bank Guarantee to Ava for US\$2.1m (A\$3.0m), to cover the 120 days payment terms remains in place.
- Contract establishes FFT technology in growing cyber security market
- Fulfilment and licencing model providing low working capital, low risk and high margin GTM approach

FY2020 Recap:

- US\$3.2 (A\$4.8) million in revenue recognised
- US\$0.1 (A\$0.2) million in tax credits recognised
- US\$1.0 (A\$1.5) million in cash received

Q1 FY2021 (unaudited):

- US\$2.4 (A\$3.6) million in revenue recognised
- US\$0.3 (A\$0.4) million in tax credits recognised
- US\$1.0 (A\$1.3) million in cash received

Updated Forecast:

- Contract balance of circa US\$5.9 (A\$8.2) million (revenue and tax credits)
- Q2 FY2021 revenue expected to be A\$3.3 – A\$3.8 million
- US\$1.8 (A\$2.6) million in cash due to be received within Q2 FY2021
- Additional revenue from subsequent seven-year spares and maintenance contract with an estimated value of a further US\$3.4M (A\$4.8M)

Historical A\$ amounts are based on actual USD/AUD exchange rates achieved. Forecast \$A amounts are based on the current USD/AUD exchange rate at time of release. Actual final A\$ amounts achieved may differ depending on exchange rates achieved at the time.

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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 the Ava Group

The Ava Group, comprising world leading technology divisions Future Fibre Technologies (FFT) and BQT Solutions (BQT) 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 (Ava Global) 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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Further information on the IMOD project is available via previous market announcements (see www.asx.com.au)

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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.