

26 November 2019

Indian MOD Data Network Project Update: PO and Bank Guarantee received

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

- Ava has received and accepted a Purchase Order for US\$11.9m (A\$17.5m) of licencing income from its in-country manufacturing partner, SFO Technologies Private Limited (SFO).
- Ava has received a US\$2.1m (A\$3.1m) Bank Guarantee from SFO as security for SFO payment obligations to Ava under the contract.
- Manufacturing of the first batch of 600 systems, representing circa 25% of total contract volume, has commenced.
- IMOD Factory Acceptance Test (FAT) has been scheduled for the first 200 systems in mid December 2019. It is expected that deliveries of systems will commence within 30 days of successful completion of the FAT.
- Ava expects additional revenue from a subsequent 7-year spares and maintenance contract for this project, which has an estimated value of a further US\$3.4m (A\$5.0m).

Ava Group Chief Executive, Scott Basham said, *"The receipt of this A\$17.5m purchase order and A\$3.1m bank guarantee are fantastic milestones for Ava in relation to this large scale project, and we are pleased that the manufacturing is now well underway for the first significant portion of the program.*

Our production and engineering staff are working hand in glove with the SFO team, providing technical advice and guidance on site in India, as they ramp up production volumes for the first tranche of systems, to ensure the smoothest possible execution of the manufacturing plan, and the successful achievement of the first FAT with the end user in mid-December.

Ava's Future Fibre Technologies business is clearly a global leader in the provision of best practice cybersecurity solutions for the protection of critical national data network infrastructure, and this 40,000km data network project for the Indian MOD is a clear testament to that fact.

Ava remains on track to achieve our guidance of A\$9m or more for Q2, and A\$19m or better for H1 FY2020 for the underlying business – excluding any contribution from the Indian MOD project – and this purchase order and bank guarantee now lock us in for a fantastic FY2020 and beyond."

Please refer to Note 1 below.

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.

Note 1

Further information on the IMOD project is available via previous market announcements (see www.asx.com.au)

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.

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