

28 July 2020

Correction to Indian MOD Data Network Protection Project Update Announcement

Ava Risk Group Limited (ASX: AVA) (Ava Group or Company) today provides the following clarification to today's earlier announcement:

The statement "Balance of 400 units from the first tranche of 600 (25% of total order) have been shipped to the End User" should read "Balance of 200 units from tranche 1 and 200 units from tranche 2, a total of 400 units, have been shipped to the End User".

And the sentence "Confirmation that all 400 units from the last batch of Tranche 1 have been shipped to the End User is great news." should read "Confirmation that all units from the last batch of Tranche 1 have been shipped along with a further 200 units to the End User is great news."

Ava Group apologies for any confusion the earlier statement may have caused.

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 the Ava Group

The Ava Group, comprising world leading technology divisions Future Fibre Technologies (FFT), 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 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

IMOD Contract Background:

The total contract value to Ava for this project is estimated at **US\$11.9m (A\$16.7m)**.

All 600 units (~25% of project) have now been built by Ava's in-country partner SFO:

- The first 200 units passed FAT and shipped in late Dec 2019.
- The second 200 units passed FAT in late Jan 2020 and shipped in July 2020.
- The last 200 units of this batch passed FAT in July 2020 and shipped in July 2020.

In H1 FY2020, Ava recognised **~US\$1.0m (~A\$1.5m)** of the order, being **~US\$0.9m (~A\$1.3m)** as top line sales revenue, and **~US\$0.1m (~A\$0.2m)** as an income tax credit. In H2 FY2020 Ava recognised a further **~US\$2.3m (~A\$3.4m)** as top line sales revenue and **~US\$0.2m (~A\$0.3m)** as an income tax credit.

SFO's Bank Guarantee to Ava for **~US\$2.1m (~A\$2.9m)**, to cover the 120 days payment terms remains in place.

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

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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.