

30 July 2019

Ava Services Division Update

- YoY Strong revenue growth continues
- H2 FY2019 profitable
- Industry veteran, Mike McGeever, appointed non-executive Chairman of Ava Global DMCC LLC

Ava Risk Group Limited ("AVA") is pleased to announce the following update for its Services Division, Ava Global DMCC LLC ("**Ava Global**").

Ava Global started providing international valuables logistics services in August 2016 and has experienced significant growth since its inception. Key recent highlights include;

- FY2019 Services revenue was approximately \$16.0m, representing a 117% increase over prior year on a full year basis, having delivered 127% growth in FY2018 over previous year.
- EBITDA has improved by circa \$1.7m (on a full 12 month basis) compared to FY2018 following a similar improvement in the previous financial year. The division became profitable in H2 FY2019 and is expecting to continue its growth trajectory in FY2020.
- H2 FY2019 business development activity has resulted in an increase in the gross sales pipeline to over \$90m (previously \$70m) with a number of key tenders forecast to be awarded in Q1 FY2020. As well as growth from new accounts, Ava Global continues to experience growth across all of its key accounts on a quarterly basis, reflective of Ava Global's strong commitment to customer service and dedicated account management across the precious metals and banknote sectors.
- Ava Global has received third party approaches in respect of potential corporate development interest in acquiring an equity position within Ava Global. These discussions are not yet at a stage where further disclosure would be appropriate or required. The Company remains committed to grow the Services Division and will update on progress as appropriate.

The Ava Group continues to deliver secure services to international governmental agencies and corporate clients at the forefront of Security Technology and International Valuable Logistics through its Technology and Services Divisions. Having strengthened the Group's focus on Technology with the appointment of Group CEO, Scott Basham, it is clear with recent announcements that AVA possesses, and is in the vanguard of supplying, in-demand solutions.

Mike McGeever has been appointed non-executive Chairman of Ava Global and will continue to serve as a non-executive Director of AVA. This will bring additional hands on experience and an extended contact base to the Services Division whilst allowing Chris Fergus, CEO Services Division, to continue to grow the business from a profitable H2 FY2019 towards its aggressive growth targets for FY2020.

Mike's record of having grown UAE based Transguard Group into one of the largest Security and Cash Management businesses in the Region will ensure opportunities from within his extensive network of contacts will further enhance Ava Global's growing pipeline of opportunities.

Given the historical trends, improving pipeline and recurring business from existing clients, AVA has a strong outlook for the Services Division in FY2020.

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 and storage of high value assets via Ava Global. 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.

Contact

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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.

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