



AVA GROUP

SECURITY RISK MANAGEMENT

Investor Presentation – September 2020

Forward Looking Statements

This presentation is given on behalf of Ava Risk Group Limited (AVA)

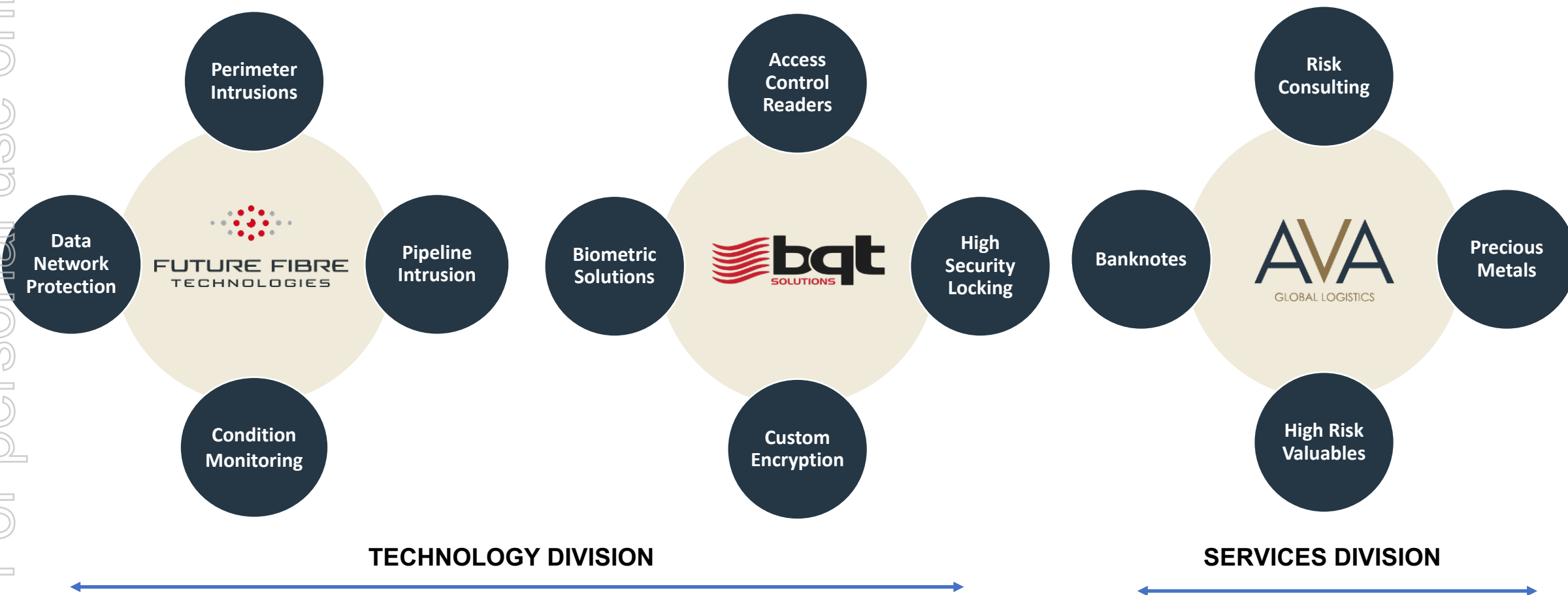
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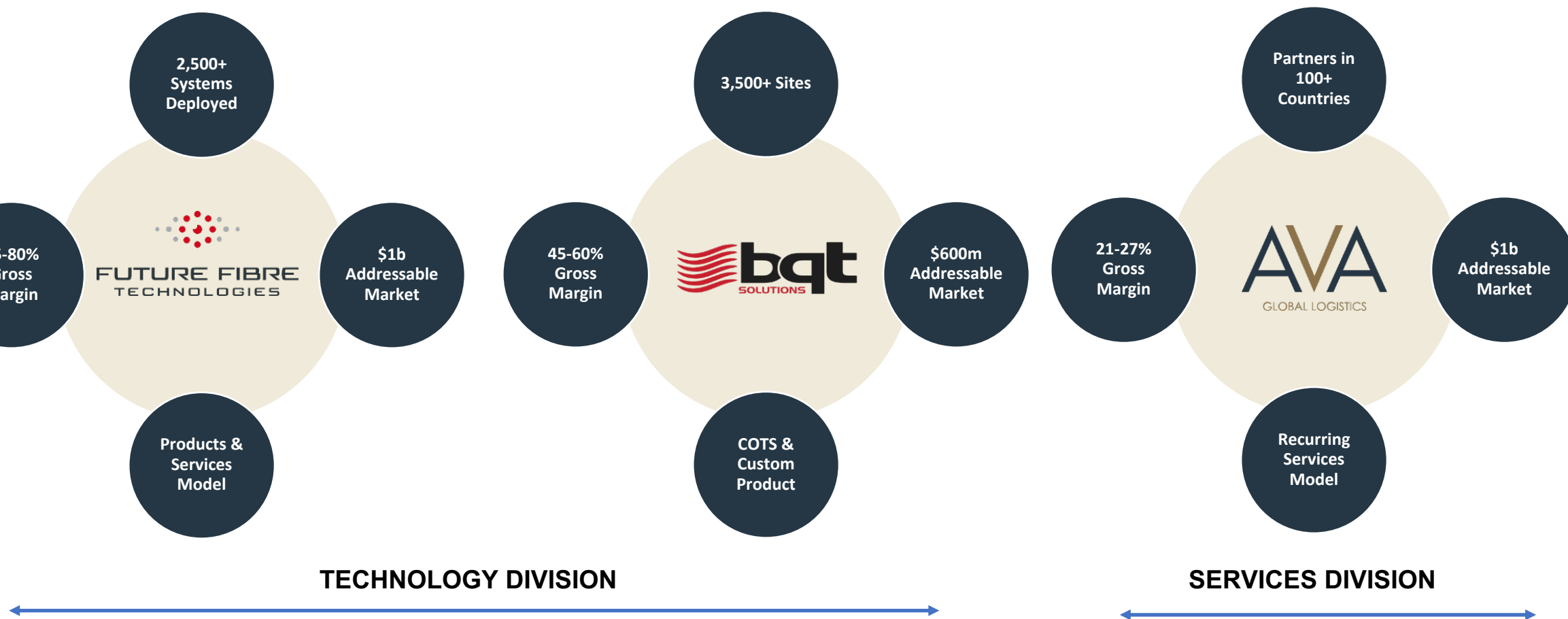
High Security & Sensing Experts

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Complimentary Mix of Revenue Streams & Margins

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FY2020 Highlights



STRONG REVENUE GROWTH

- FY2020 revenues \$46.1m, increased by 46% over PCP
- Services Division contributed \$25.1m, up 58% over PCP
- Technology Division contributed \$21.1m, up 34% over PCP



HIGHLY SCALABLE MODEL

- FY2020 generated \$6.0m net operating cashflow and Gross Margins increased by 5% to 48%, underpinning a highly scalable cost base with 'land and expand' revenue model
- Multiple new customer wins in both Services and Technology Divisions
- Significant conversion of repeat customers upgrading products on multiple sites



STRONG COMPETITIVE ADVANTAGE

- Highly defensible competitive position, breadth of product range, performance and blue-chip customer base
- Experienced leadership team, with broad global industry knowledge and deep market sector understanding



GLOBAL EXPANSION OPPORTUNITIES

- Expanding technology and services sales efforts into several new attractive markets globally
- Highly competent global sales force with significant pipeline of known technology projects, and increasing addressable customer spend for provision of valuable logistics services
- Thousands of products installed in more than 70 countries

PCP = Previous Corresponding Period

FY2020 Results & Growth Strategy



STRONG REVENUE GROWTH

- Continued strong revenue growth with large qualified sales pipeline and addressable client spend
- FY2020 revenues increased by more than 46% over PCP from \$31.6m to \$46.1m
- Well funded for growth with \$7.7m cash at bank



GROWING PROFITS

- FY2020 EBITDA \$7.4m from negative \$2.9m in PCP (\$10.3m improvement)
- FY2020 licensing contribution from IMOD contract \$4.8m, with a further circa \$11.7m+ licensing income to be delivered in FY2021



SUCCESSFUL NEW PRODUCT LAUNCHES

- \$49m+ qualified sales opportunities for our new Aura IQ conveyor health monitoring solution with multiple commercial “Proof of Value” (POV) deployments.
- Remote installation, commissioning, monitoring and upgrading product solutions to generate recurring revenue from FY2021 onwards



GROWTH STRATEGY

- Invest and continue to grow profitable sales and service channels globally
- Differentiate on product performance and expand solutions to address adjacent market segments
- Provide exceptional customer service to generate repeat and recurring revenue

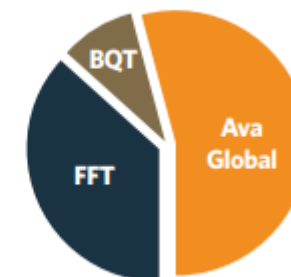
PCP = Previous Corresponding Period

FY2019 Financial Summary - P&L

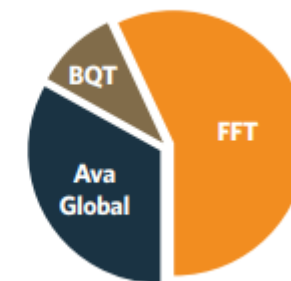
AUD\$M	FY2020	FY2019
Sales Revenue	46.1	31.6
COGS	(24.1)	(17.9)
Gross Profit	22.0	13.7
GP margin (%)	48%	43%
Operating Expenses	(15.1)	(16.6)
EBITDA*	7.4	(2.9)
Profit / (Loss) after tax	4.9	(4.7)

* Earnings before interest, taxes, depreciation and amortisation

2020 Revenue
by Segment



2020 EBITDA
by Segment



FY2019 Financial Summary - Balance Sheet

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AUD\$M	30 Jun 2020	30 Jun 2019
Cash and cash equivalents	7.7	3.1
Receivables	6.0	4.9
Inventories	3.9	4.5
Intangibles	12.0	12.7
Other assets	2.8	1.3
Total assets	33.7	26.5
Payables	5.4	4.0
Provisions	1.4	1.5
Borrowings	-	-
Other liabilities	1.5	0.8
Total liabilities	8.3	6.3
Total equity	25.4	20.2



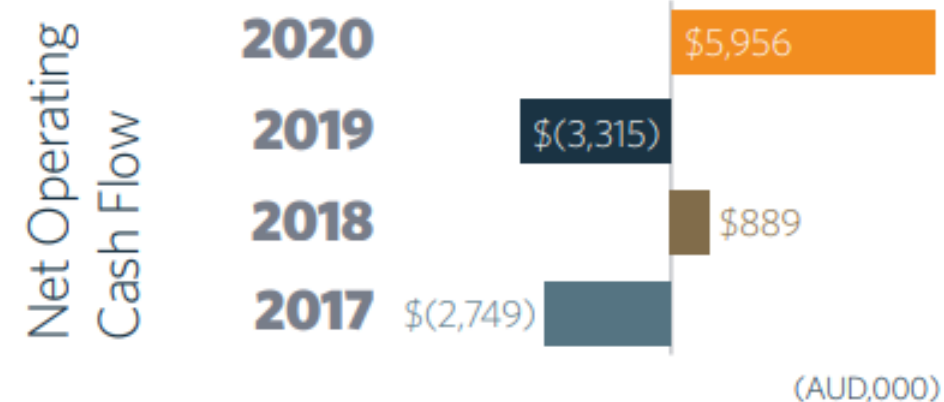
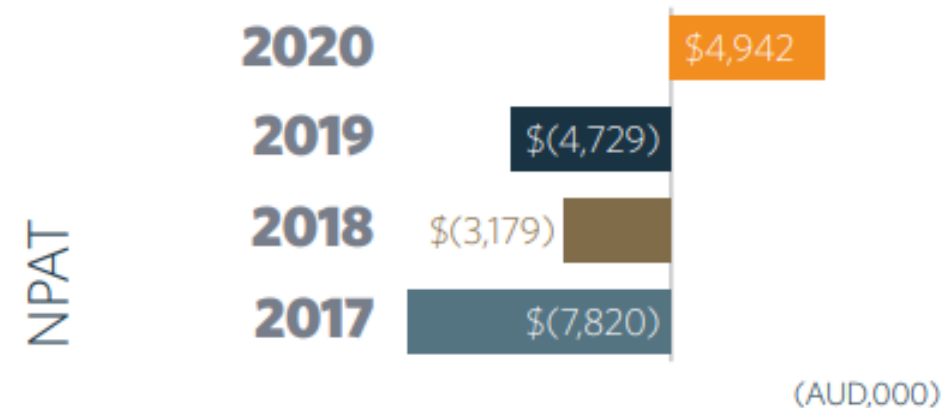
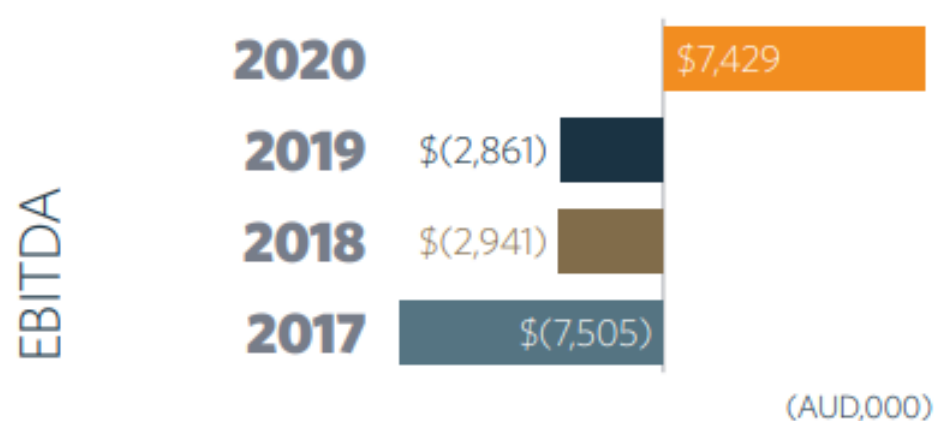
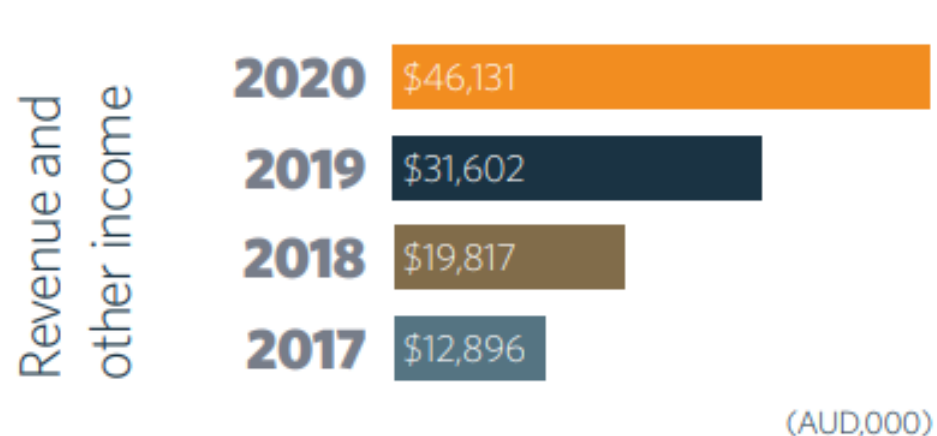
CASH BALANCE
\$7.7 million

FINANCIAL REVIEW
FAST100 2020
IN COOPERATION WITH **statista**



FY2020 Comparison Summary

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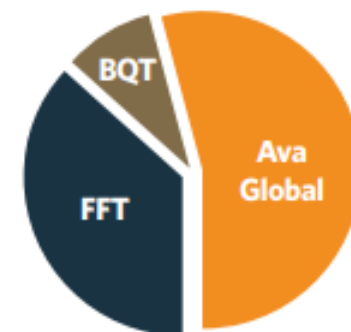


FY2020 Comparison Summary

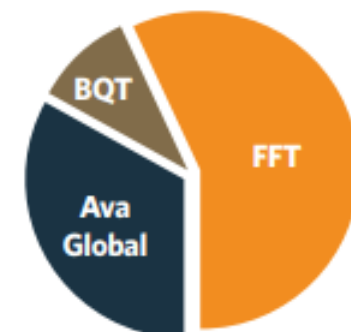
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2020 Revenue by Segment



2020 EBITDA by Segment



FY2021 Guidance & Growth Strategy



STRONG REVENUE GROWTH

- Continued strong revenue growth with large qualified sales pipeline and addressable client spend
- Q1 FY2021 revenues forecast to increase by more than 58% over PCP from \$9.8m to \$15.5m+
- Well funded for growth with \$7.7m cash at bank (as at 30 June 2020)



GROWING PROFITS

- Q1 FY2021 positive EBITDA forecast, and to grow over PCP
- FY2021 licensing contribution from IMOD contract forecast to be circa \$11.7m



SUCCESSFUL NEW PRODUCT LAUNCHES

- \$49m+ qualified sales opportunities for our new Aura IQ conveyor health monitoring solution, building on FY2020 completed commercial “Proof of Value” (POV) deployments another 6 POV deployments are currently underway.
- Extend remote installation, commissioning, monitoring and upgrading solutions producing recurring revenues from FY2021



GROWTH STRATEGY

- Invest and continue to grow profitable sales and service channels globally
- Extend product performance and expanded solutions to address adjacent market segments
- Provide exceptional customer service to generate repeat and recurring revenue

PCP = Previous Corresponding Period

Growth Outlook



WORLD LEADING

- World leading technology products installed in more than 70 countries with blue-chip user base
- Strong Intellectual Property portfolio with clear TCO and performance advantages
- Refer to ASX releases for COVID-19 related challenges



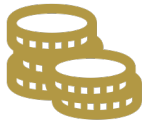
SECURITY CONCERNS

- Growing global security concerns driving increasing demand and rapid adoption of high security technology, secure remote diagnostics and support capabilities, and utilisation of our high security logistics services



LARGE ADDRESSABLE MARKETS

- Attractive industry fundamentals underpin future growth
- Strong pipeline of new technology projects, plus continued After Market sales focus of refresh/conversion of installed base with thousands of legacy systems
- Growing addressable client spend in Services Division



SOUND METRICS

- Improved Gross Margins, \$14.6m backlog (as at 30 June 2020) and right sized cost base provides good visibility to improved performance
- Strong lift in revenue and earnings as company executes on growth strategy

PCP = Previous Corresponding Period

The Team – Board & SMT

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David Cronin
Chairman



Rob Broomfield
Group CEO / Executive Director



Chris Fergus
CEO Services



Leigh Davis
Group CFO/Company Secretary



Mike McGeever
Non Executive Director



Mark Stevens
Non Executive Director



Stefan Dingeldein
Global S&M Director Services



James Alston
COO/ CFO Services



Matthew Nye-Hingston
Head of BQT Technology &
Director BQT Operations

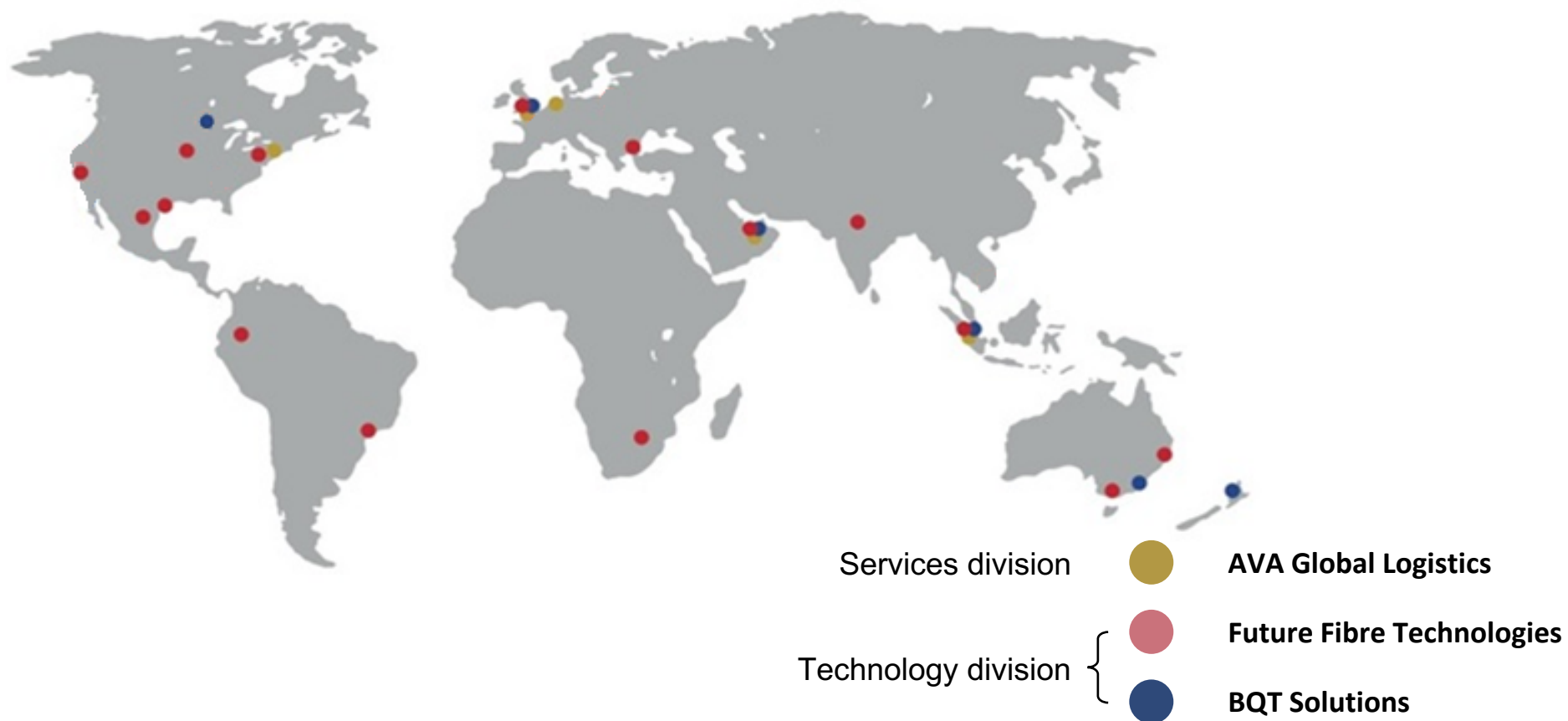
Appendix

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Global Footprint

AVA Group is a diversified risk management technology and services company operating around the globe



Large Addressable Markets

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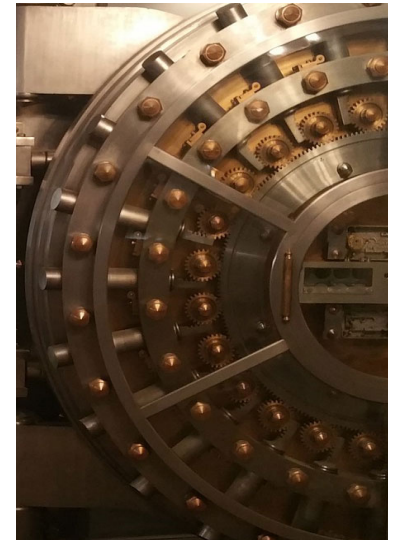
	Estimated Total Market Value	Current Estimated Addressable Market**
	Perimeter Security (sensors) US\$11bn (CAGR 13.6%)* Few key competitors Avg. Margin Range 65-80%	US\$1bn - \$2bn
	Access Control Systems US\$6.3bn (CAGR 12.2%)* Many key competitors Avg. Margin Range 45-60%	US\$0.6bn - \$1.5bn
	International Valuable Logistics US\$1.0bn - \$1.5bn Few key competitors Avg. Margin Range 21-27%	US\$0.6bn - \$1.0bn

* Markets and Markets: Perimeter Security Market Global Forecast to 2020.

** Ava Management assessment

Services Division – Ava Global Logistics

- Ava Global Logistics is a growing global provider of secure international logistics of high-risk valuables, precious metals and currency.
- Provides fully insured, door to door services, utilising a network of highly experienced service providers, freight forwarders, airlines and customs brokers, all operating under Ava's strict risk management guidelines.
- Unique Partner model: ability to provide service in 100+ countries.
- Blue chip client base.
- Global footprint with offices in New York, London, Frankfurt, Dubai & Singapore.



Services Division – Market Segment: Precious Metals

Mines



Refiners



Banks/Bullion Traders



- Full Lifecycle of ore from mine to consumer
- Global movement on behalf of international client base of mines, refiners, banks and bullion traders

Services Division – Market Segment: Currency

Banknote Printers



Central Banks



Bulk Commercial Banks



- Full lifecycle of transportation, aggregation and cash processing

Technology Division – Future Fibre Technologies

- FFT is a global leader in fibre optic intrusion detection systems, with a track record of delivering highly intelligent, reliable, and award-winning intrusion detection solutions for the protection of critical sites and infrastructures.
- FFT's advanced security systems detect and locate perimeter intrusions, oil and gas pipeline third-party interference and data network tapping and tampering.
- With thousands of systems deployed across 70 countries, FFT has established a solid reputation for delivering advanced and cost effective intrusion detection solutions for the Transport, Government, Military, Oil & Gas and Utility sectors.
- FFT's new Aura Ai platform uses the latest advanced optical designs and signal processing algorithms, extending its application fit into adjacent markets including condition monitoring (conveyor, road, rail, power cables).



FUTURE FIBRE
TECHNOLOGIES

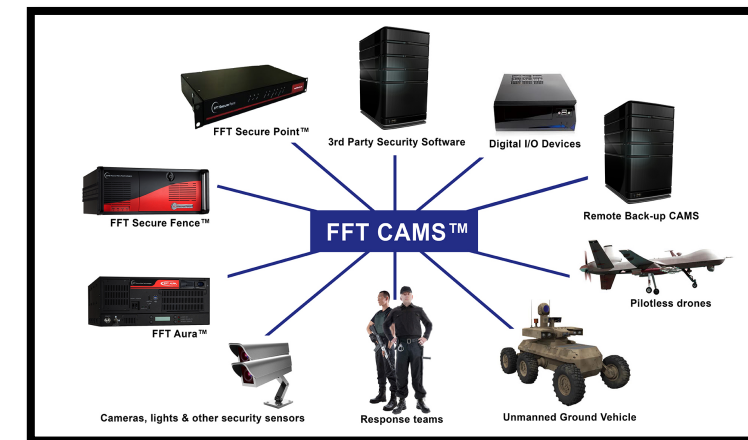
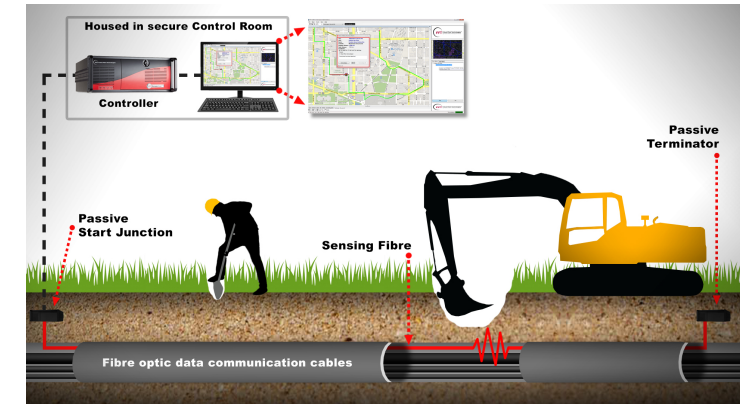
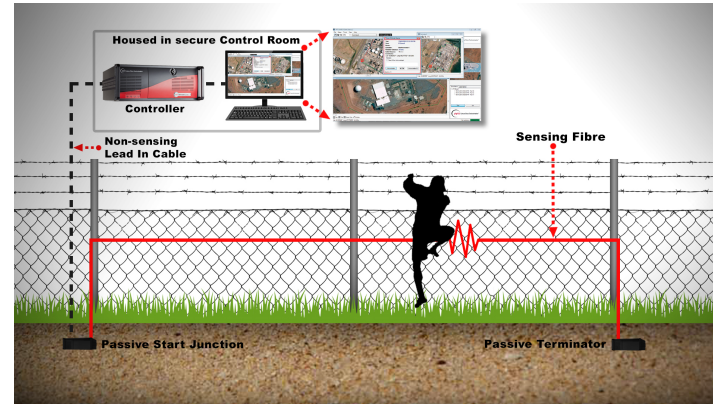
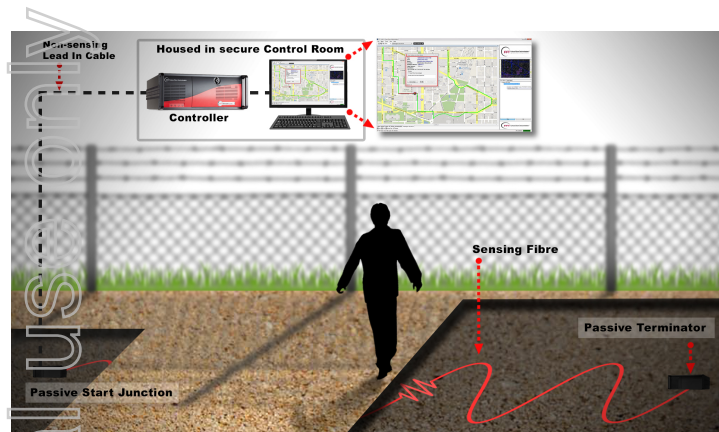


Technology Division – BQT Solutions

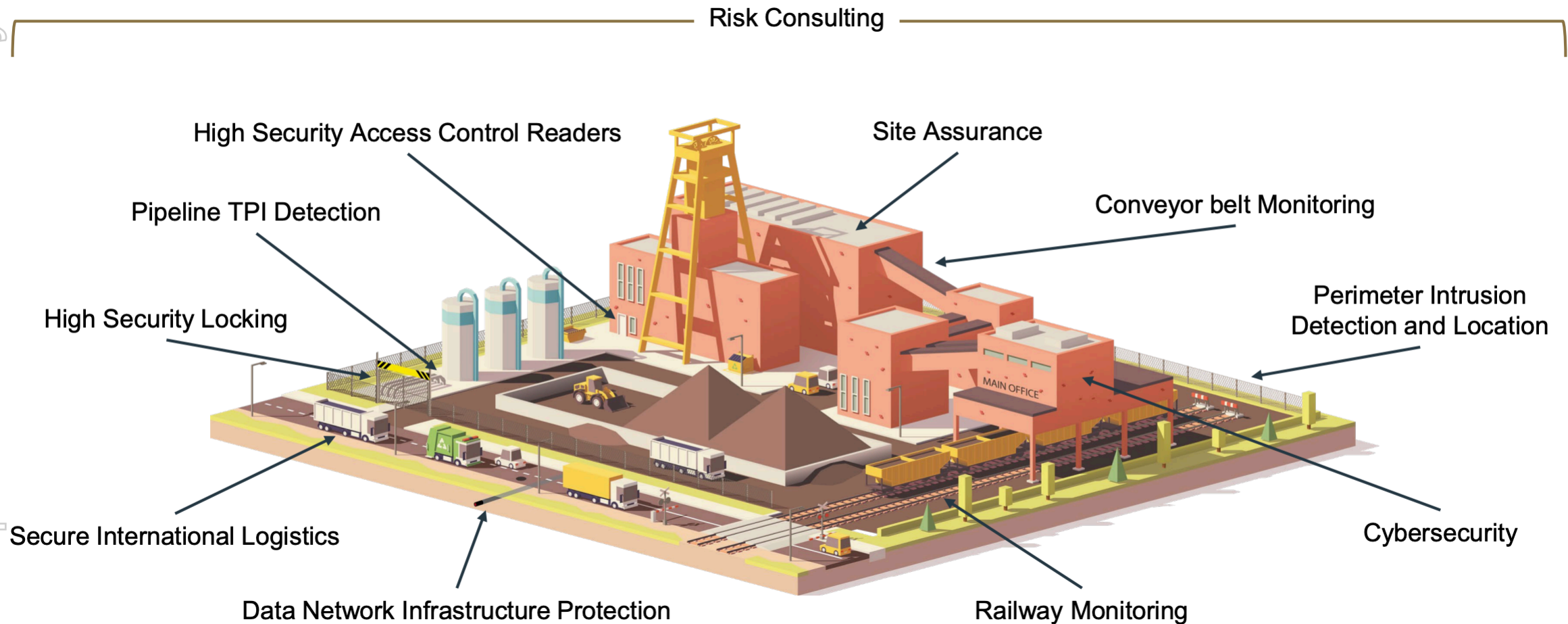
- BQT's secure, reliable smart reader and card systems, biometric solutions, electric locking, and access control products are utilised at thousands of sites in more than 50 countries.
- A leader in high security access control technology used in some of the most high security, critical applications in the world.
- Offers custom and “off the shelf” products to deliver market-wide access control security including military, critical infrastructure, commercial, industrial and residential applications.



Technology Division – Products



Integrated Solutions Example



Diverse Market Sectors

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UTILITIES



CHEMICAL, OIL, GAS & MINING



MILITARY



GOVERNMENT



TRANSPORTATION



COMMERCIAL & RESIDENTIAL



CORRECTION FACILITIES & BORDERS



Go To Market

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