

ersonal use only

# COFFEE MICROCAPS

27 MAY 2021



# PROTECTING HIGH VALUE ASSETS & CRITICAL INFRASTRUCTURE





# TWO DIVISIONS, THREE MISSION-CRITICAL BUSINESSES

## TECHNOLOGY DIVISION



**Global leader in fibre optic intrusion detection systems**

- Perimeter Intrusions
- Pipeline Intrusion
- Condition Monitoring
- Data Network Protection

- 2,500+ Systems Deployed

- Products & Services Model



**Leader in high security access control technology**

- Access Control Readers
- High Security Locking
- Custom Encryption
- Biometric Solutions

- 3,500+ Sites

- COTS<sup>1</sup> & Custom Product

## SERVICES DIVISION



**Global provider of secure international logistics**

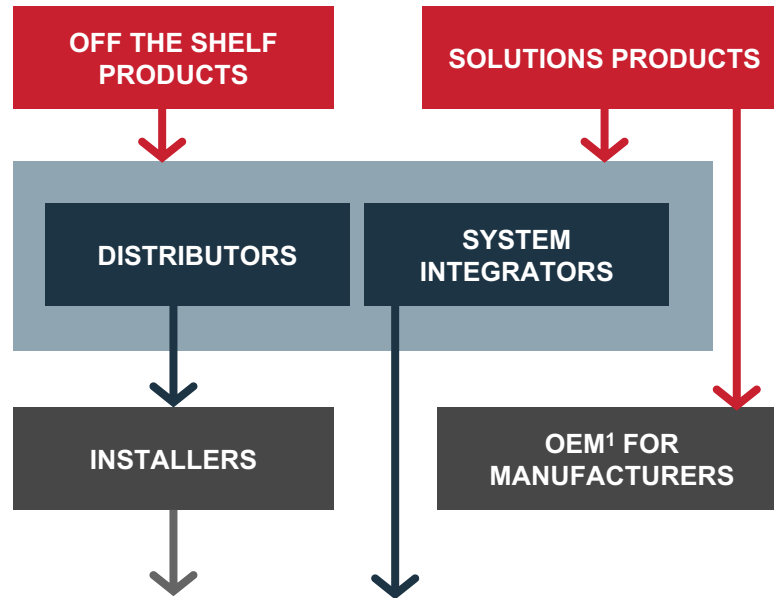
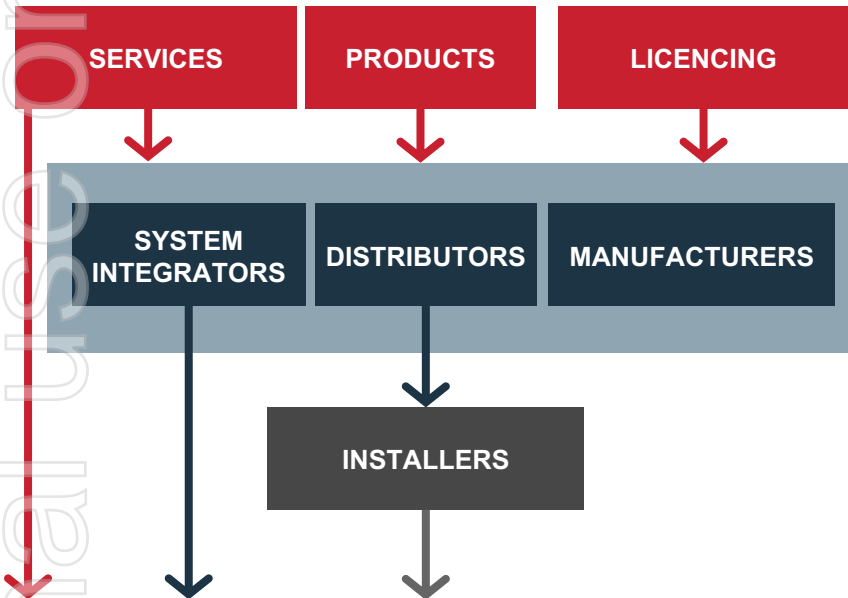
- Risk Consulting
- Precious Metals
- High Risk Valuables
- Banknotes

- Partners in 100+ Countries

- Recurring Services Model

1. Commercial off-the-shelf

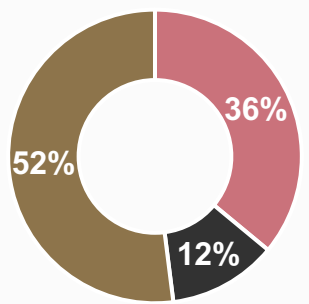
# PROVEN GO-TO-MARKET STRATEGIES



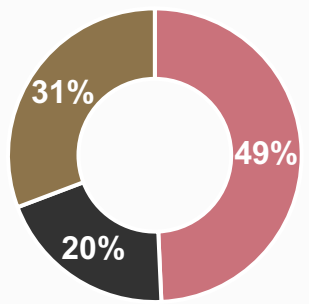
1. Original Equipment Manufacturer



H1 FY2021 REVENUE

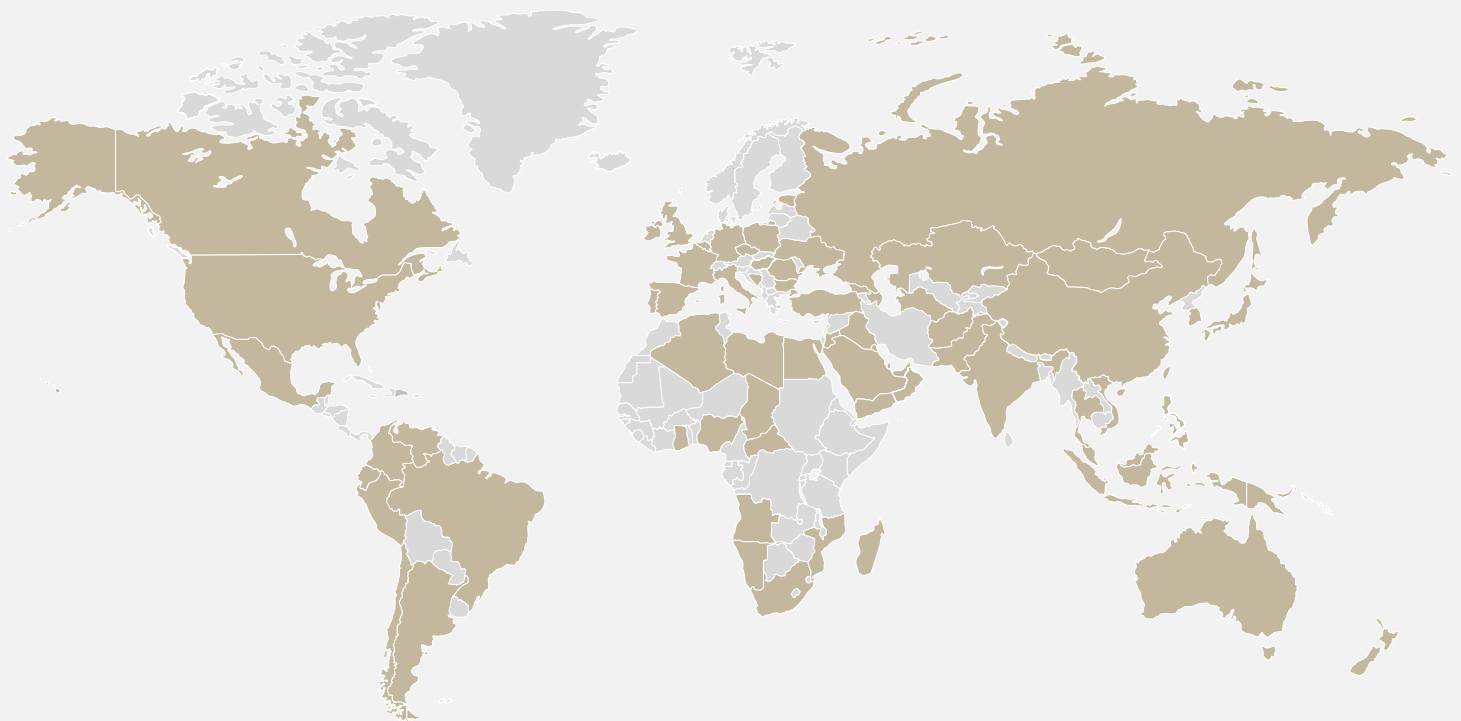


H1 FY2021 EBITDA



- AVA Global Logistics
- Future Fibre Technologies
- BQT Solutions

EXTENSIVE GLOBAL FOOTPRINT

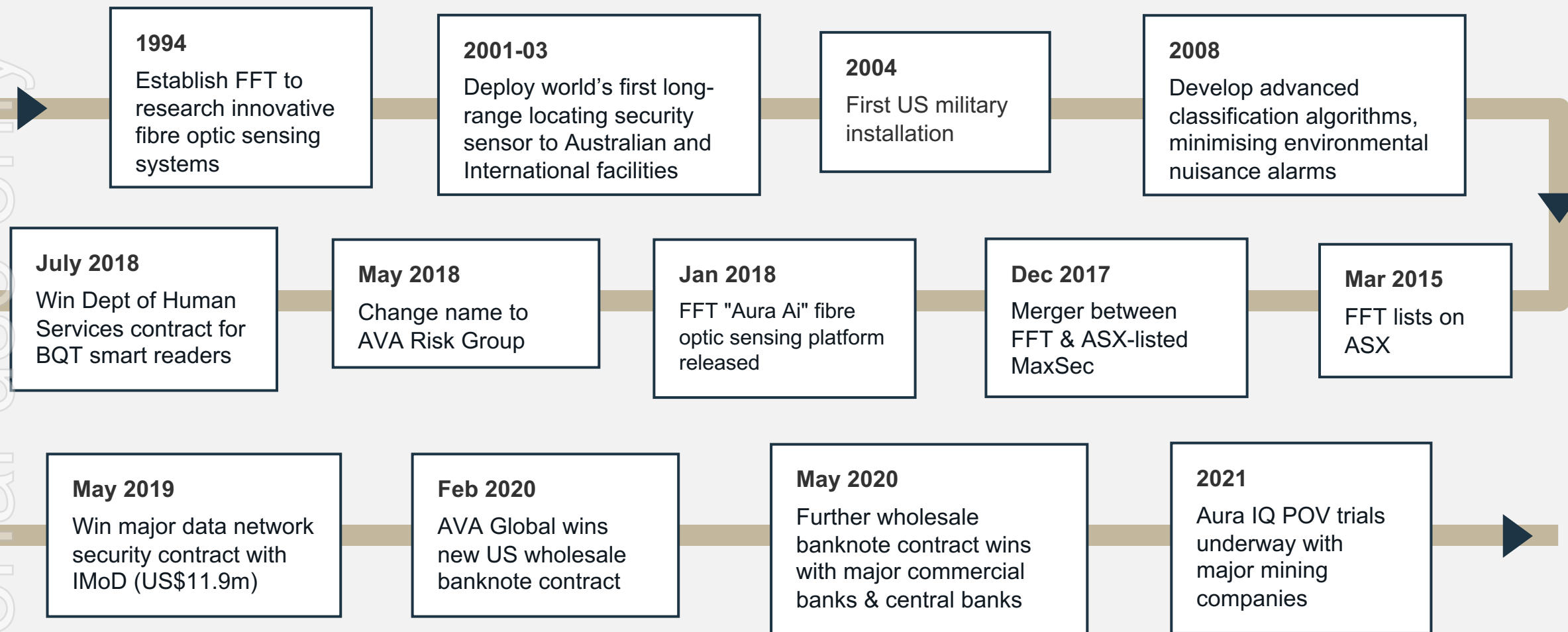


+100 countries

+2,500 systems deployed

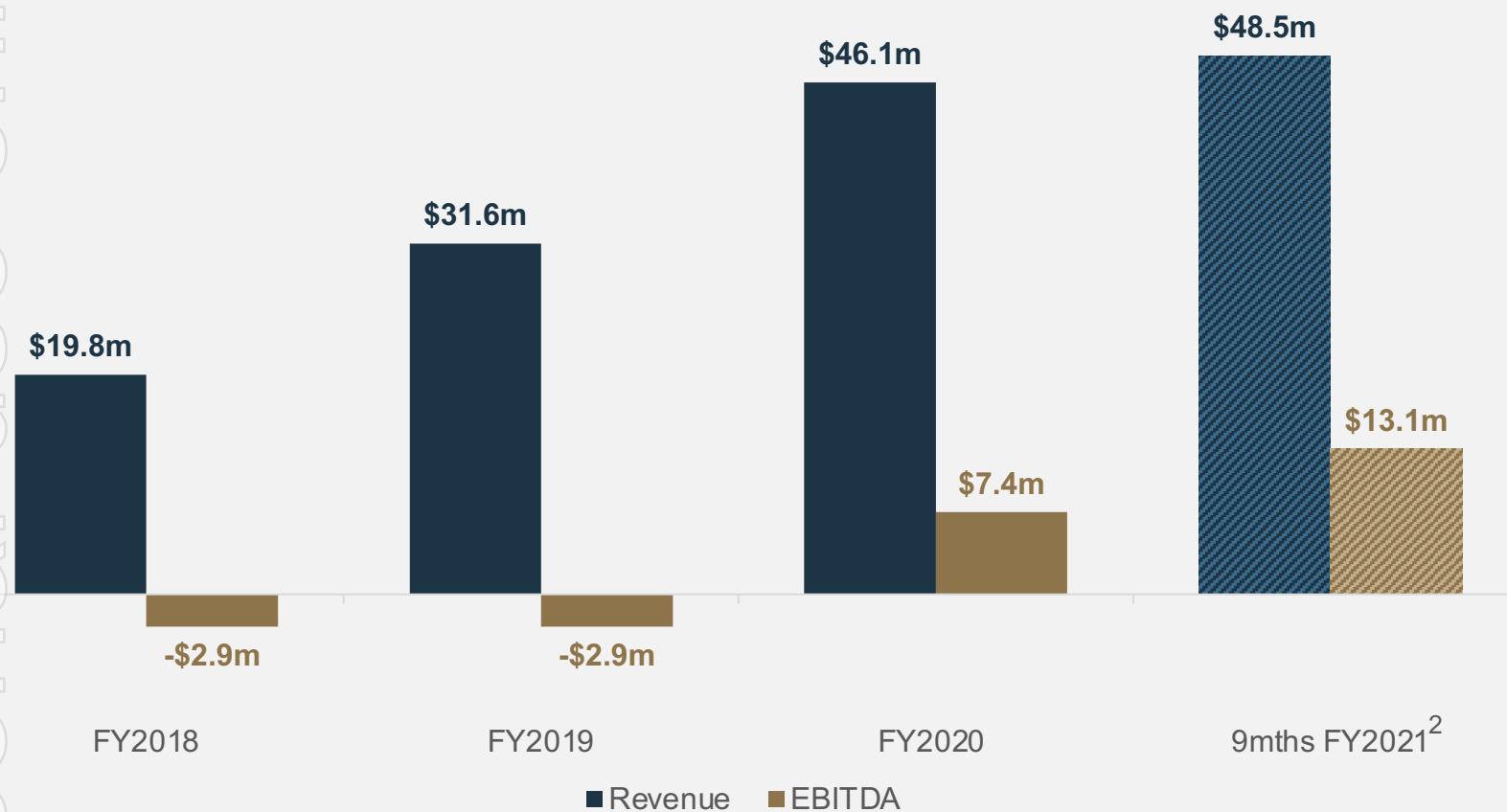
+3,500 sites protected

# PROVIDER OF INNOVATIVE PRODUCTS & SERVICES





# DELIVERING SUSTAINABLE PROFIT GROWTH



- Record revenues as Ava Group delivers positive EBITDA and enters next phase of growth
- FY2021 guidance for Group Revenue of \$60-64m and Group EBITDA of \$13-15m<sup>1</sup>

1. FY2021 guidance assumes no change to the exchange rate at 31 March 2021 with A\$1 equal to US\$0.7592  
2. Unaudited financial information

# MARKET OPPORTUNITY DRIVEN BY GLOBAL INDUSTRY TRENDS

## Macro trends support LT growth

- Global security concerns driving rapid adoption of high security technology and increased government spending on security and defence
- Global connectivity driving greater demand for remote service capability to deliver upgrades and ongoing support
- Market consolidation within global secure logistics market driving opportunity for Services Division

## Multiple business growth drivers

- Expanding technology into new markets and applications
- Multiple go-to-market opportunities and provision of value-added services
- Growing share of spend from existing logistics customers and new client wins
- Multiplier effect as Ava Global scales and prospective client base increases



# EXPERTS IN HIGH SECURITY & SENSING TECHNOLOGY

- ▶ Diversified business model with low risk go-to-market strategies
- ▶ World-leading portfolio of premium services and technologies
- ▶ Strong competitive position underpinned by AVA's IP, performance differentiation and compelling TCO<sup>1</sup>
- ▶ Domain expertise drives innovation and continuous improvement
- ▶ Customer-centric focus on product and service development with blue-chip client base
- ▶ Proven track record in delivering complex services and solutions

<sup>1</sup>. TCO - Total Cost of Ownership

ersonal use only

Slide divider

A bundle of glowing blue fiber optic cables is positioned in the upper left quadrant of the slide. The background is a dark blue gradient, featuring a large, white, downward-pointing chevron that spans the right half of the slide. The text 'TECHNOLOGY DIVISION' is centered at the bottom in a bold, white, sans-serif font.

**TECHNOLOGY DIVISION**

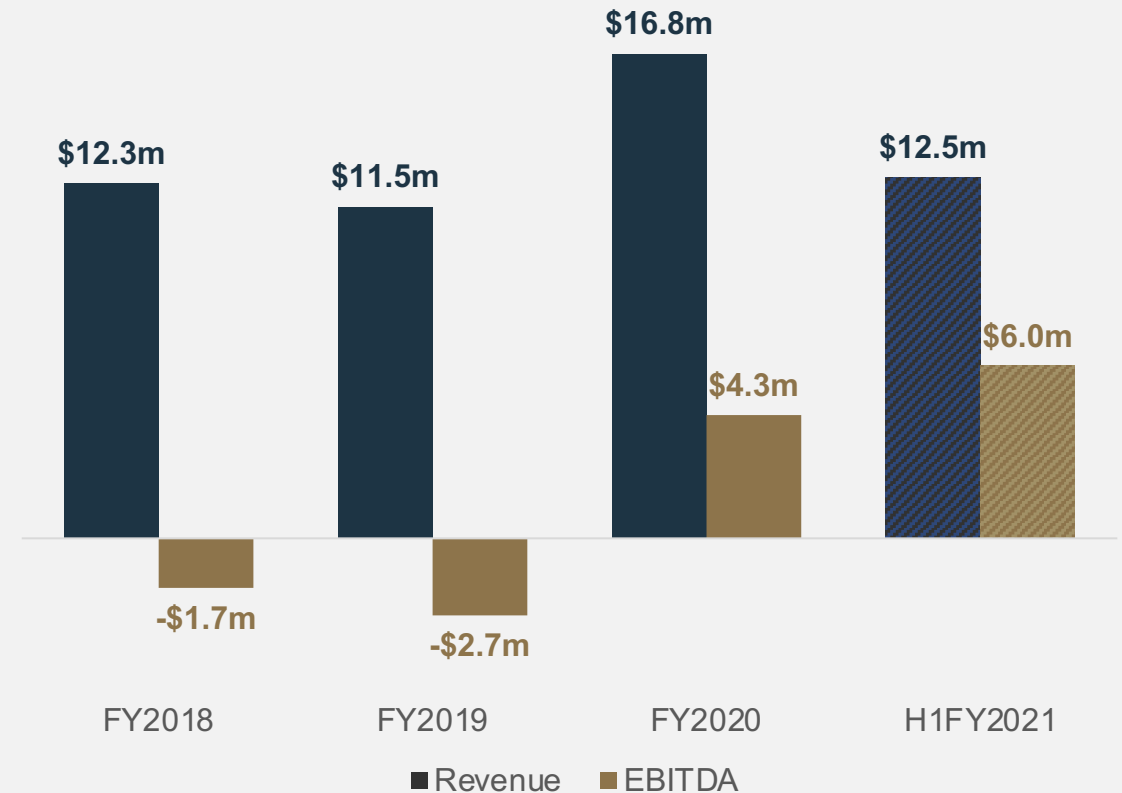


# FIBRE OPTIC PRODUCTS FOR INTRUSION DETECTION

- Global leader in advanced fibre optic intrusion detection systems
- Protect critical sites and infrastructure across transport, government, military and utility sectors
- COVID-19 restrictions led to delays in number of major security-related contracts in FY2021
- Backlog and anticipated orders of \$6m expected to be deferred until FY2022
- Strong pipeline of growth opportunities and well positioned to meet pent-up demand

**US\$1-2bn**  
est. addressable  
market<sup>1</sup>

**>2,500**  
systems installed  
in 70+ countries



1. Ava Risk Group estimate

# HIGH-QUALITY CUSTOMER BASE

## SYSTEM INTEGRATORS / DISTRIBUTORS



## END USERS





# IMoD CONTRACT PROVIDES BLUEPRINT FOR GROWTH

- Large scale licensing of FFT's SecureLink technology to Indian Ministry of Defence via in-country manufacturing partner
- Fulfilment and licencing model provides low working capital and low risk, high margin go-to-market approach
- US\$11.9m in licensing income including tax credits
- Final delivery expected in FY2022 following COVID-19 delay
- ~US\$3.4m in additional revenue from 7-year spares and maintenance contract<sup>1</sup>



**+40,000km of data communications cables protected**

1. After the initial 3-year warranty period

# AURA AI: LEVERAGING UNIQUE TECHNOLOGY INTO NEW APPLICATIONS

- Platform uses the latest advanced optical designs and signal processing algorithms
- Differentiates between intrusions, nuisance alarms and other causes of offence disturbance
- Extend application into adjacent markets including condition monitoring of power cables
- Ongoing development in software capability to leverage sensing technology



- World-leading fibre optic technology with advanced signal processing algorithms and cloud-based analysis, reporting and alerts
- Developed in partnership with leading industry research organisation Mining3
- Multiple Proof of Value (POV) trials with mining houses and bulk material handling facilities
- Cloud platform allows for future enhancements and SaaS opportunities for **recurring revenue stream**
- Premium partnership agreement with US Company Strata Worldwide to distribute to mining and tunneling operations



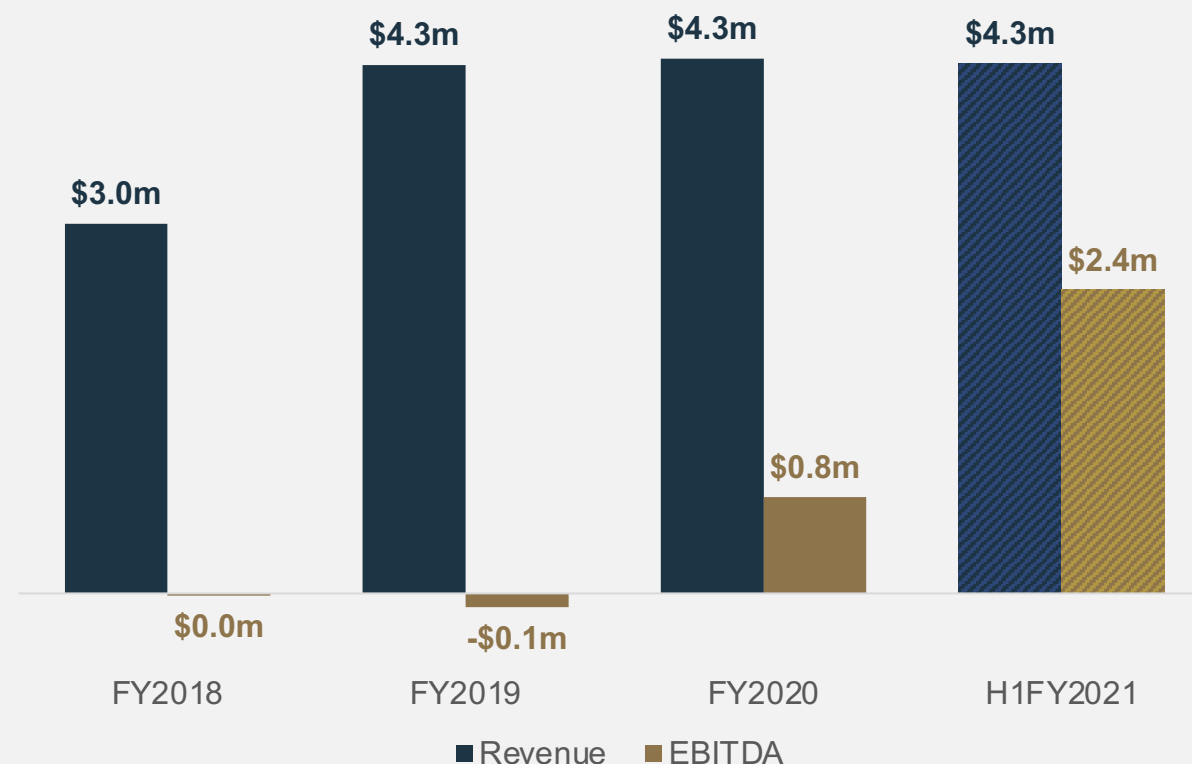
Conveyor health monitoring and intelligence platform



- Provider of high security card and biometric readers, electromechanical locks and related electronic security products
- Military, critical infrastructure, commercial, industrial and residential applications
- Expanded distribution agreements with locking industry leaders ASSA ABLOY and dormakaba
- Consolidation of Auckland production activities drives operational efficiency and better supports customer demand

**US\$0.6-1.5bn** est.  
addressable market<sup>1</sup>

**+3,500 sites**  
in >50 countries



1. Ava Risk Group estimate

## DISTRIBUTORS

dormakaba

ASSA ABLOY

MAASLAND

SAT

SEADAN  
SECURITY & ELECTRONICS  
simply smart

CSM Consolidated  
SECURITY  
MERCHANTS

iec  
First Choice Solutions®

## END USERS



ersonal use only

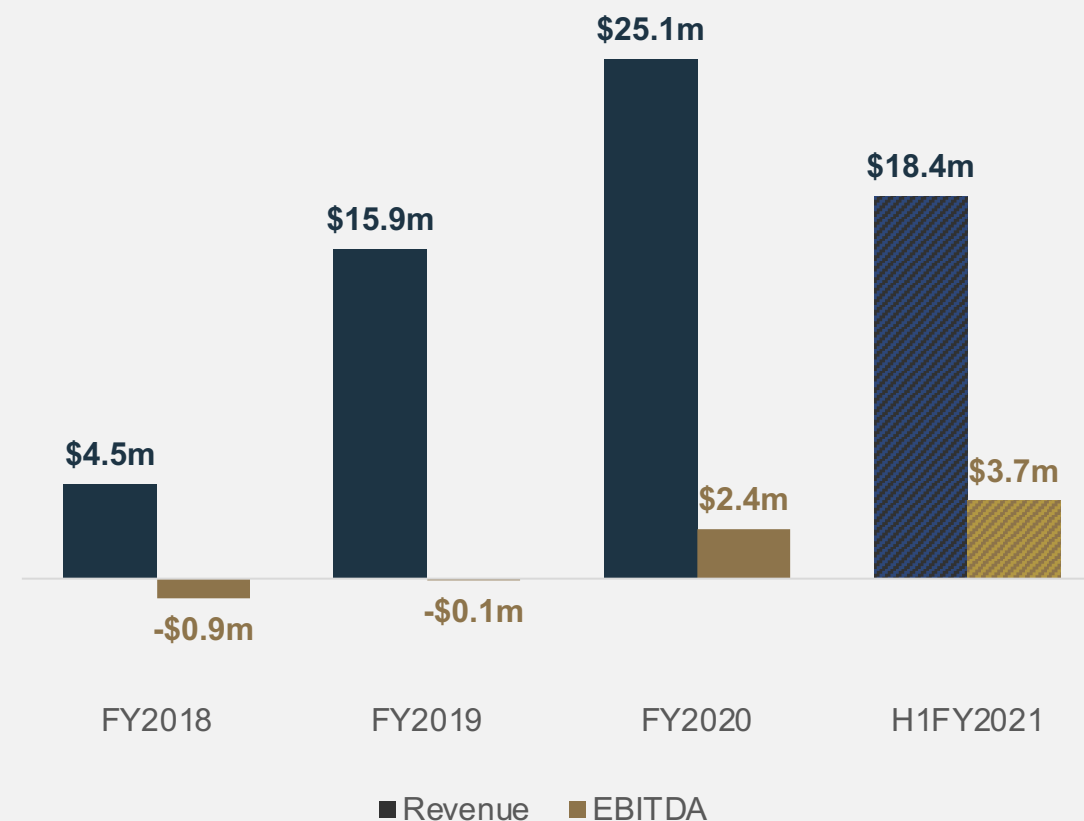
# SERVICES DIVISION



- Global provider of secure international logistics of high-risk valuables, precious metals and currency
- Highly scalable partner model provides ability to expand customer base globally
- Investment in technology to automate processes and realise significant operational efficiencies
- Strong revenue growth drives turnaround in profitability
- Further expansion into Latin America via strategic partnerships

**US\$0.6-1.0bn**  
est. addressable market<sup>1</sup>

**100+**  
Countries



1. Ava Risk Group estimate

ersonal use only

# FINANCIALS & OUTLOOK

# YEAR TO DATE FY2021 FINANCIAL HIGHLIGHTS

## Group Revenue

**\$48.5m**

Up 48.2% on pcp<sup>1</sup>

## Technology Revenue

**\$19.8m**

Up 16.6% on pcp

## Services Revenue

**\$28.7m**

Up 82.4% on pcp

## Gross Profit

**\$25.3m**

Up 59.2% on pcp

## Group EBITDA

**\$13.1m**

Up 138.3% on pcp

## Group EBITDA margin

**27%**

vs 17% in pcp

**Strong financial position with cash of \$11.7m and no debt**

1. All figures compare 9 months to 31 March unless otherwise indicated; unaudited financial information



# OUTLOOK

- ▶ **FY2021 Guidance:** Group Revenue forecast of \$60-64m and Group EBITDA of \$13-15m
- ▶ \$6.0m in backlog and anticipated orders for **Technology Division** expected to be deferred to FY2022
- ▶ Generate meaningful revenue from partial conversion of **Aura-IQ** sales pipeline

- ▶ New client wins and higher contracted customer spend to drive **Services Division** revenue growth in FY2022
- ▶ Leverage **BQT**'s key distributor partners to drive sales in the US and Europe
- ▶ Expand long-term maintenance contracts and remote servicing solutions to **grow annual recurring revenue**

ersonal use only

# QUESTIONS

Investor Enquiries: [fdixon@citadelmagnus.com](mailto:fdixon@citadelmagnus.com)

# FORWARD LOOKING STATEMENTS

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

Information in this presentation is for general information purposes only, and is not an offer or invitation for subscription, purchase, or recommendation of securities in AVA. Certain statements in this document regarding the Company's financial position, business strategy and objectives may contain forward-looking statements (rather than being based on historical or current facts). Data for the 9 months to 31 March 2021 is unaudited and subject to review.

Any forward-looking statements are based on the current beliefs of the Company's management as well as 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 the underlying assumptions will prove to be valid.

All data presented in this document reflects the current views of the Company with respect to future events. Forward-looking statements are subject to risks, uncertainties and assumptions relating to the operations, results of operations, growth strategy and liquidity 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.