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DETECT • ACCESS • ILLUMINATE

Global leader in smart security and sensing technologies

FY23 RESULTS AVA RISK GROUP

28 AUGUST 2023

only

Introductions David Cronin



DEPTH OF LEADERSHIP TEAM

Globally based team well versed in bringing technology solutions to the market



Mal Maginnis
Group CEO

+35 years of experience in the defence, security, safety and technology industries. Attracted to AVA's excellent core foundation technologies.

Based in Singapore



Neville Joyce
Group CFO/Company Secretary

Experienced financial and commercial executive with expertise across multiple sectors including energy, mining, technology and manufacturing.

Based in Melbourne



Jim Viscardi
Executive Vice President
Global Security

+25 years commercial experience in security, defense and technology industries.

Based in United States



Dr. Rod Wilson
Chief Technology Officer

Experienced R&D leader with +25 years experience in high technology product development. Leads the definition of the product strategy for wider security markets.

Based in United Kingdom



CORPORATE SNAPSHOT

Key Metrics

Market capitalisation
(as at 25 August 2023) **\$52.4M**

Share price
(as at 25 August 2023) **\$0.205**

Shares outstanding **255.4 million**

Top 20 **56.4%**

More than A\$46m has been distributed to shareholders via special dividend and capital return since 2020.

Top 20 Holdings (as of 02 August 2023)

| Hoklder Name | Securities | % |
|--|-------------|-------|
| BELL POTTER NOMINEES LTD <BB NOMINEES A/C> | 31,950,717 | 12.5% |
| BNP PARIBAS NOMS PTY LTD <DRP> | 16,064,982 | 6.3% |
| MR STEPHEN ROSS CAREW <BMS A/C> | 12,000,000 | 4.7% |
| HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED | 10,826,337 | 4.2% |
| BANNABY INVESTMENTS PTY LIMITED <BANNABY SUPER FUND A/C> | 9,948,859 | 3.9% |
| VALWREN PTY LIMITED <WFIT A/C> | 7,500,000 | 2.9% |
| VALWREN PTY LIMITED <SANDY FAMILY INVESTMENT A/C> | 7,500,000 | 2.9% |
| DIXSON TRUST PTY LIMITED | 7,339,998 | 2.9% |
| CITICORP NOMINEES PTY LIMITED | 7,148,566 | 2.8% |
| MARK IAN TIBBENHAM | 6,360,054 | 2.5% |
| CHAG PTY LTD | 4,656,000 | 1.8% |
| MR DAVID MALCOLM SOUTH | 4,250,000 | 1.7% |
| GOVINDARAJALOO NARASIMOOLOO | 3,180,027 | 1.2% |
| BFA SUPER PTY LTD <GDN SUPER FUND A/C> | 2,978,384 | 1.2% |
| MR ROBERT ANDREW BROOMFIELD | 2,798,656 | 1.1% |
| CHERYL LEE TAPANES | 2,600,000 | 1.0% |
| GOLDRUSH FUND PTY LTD <GOLDRUSH A/C> | 2,550,000 | 1.0% |
| MR RUOBING ZHANG <ZHANG FAMILY A/C> | 1,721,000 | 0.7% |
| DMX CAPITAL PARTNERS LIMITED | 1,406,000 | 0.6% |
| MR ATHAR JAMEEL BHUTTO | 1,401,502 | 0.5% |
| | 144,181,082 | 56.4% |

AGENDA

1

FY23 Performance Overview

2

FY23 Financials

3

Strategy & Outlook

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FY23 PERFORMANCE OVERVIEW

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GLOBAL LEADER IN RISK MANAGEMENT TECHNOLOGIES

Protecting high value assets and critical infrastructure in +70 countries

DETECT

Fibre optic sensing systems used for detection and monitoring

- Perimeter intrusions
- Pipeline intrusion
- Condition monitoring
- Data network protection
- 2,500+ systems deployed
- Products & services model

ACCESS

High security access control technology

- Access control readers
- High security locking
- Custom encryption
- Biometric solutions
- 3,500+ sites
- Off-the-shelf & custom products

ILLUMINATE

Security and intruder detection equipment

- Outdoor security sensors
- Surveillance solutions
- Video illuminators
- Camera analytics
- 60+ countries
- Off-the-shelf & custom products

Trusted by some of the world's most discerning security conscious customers.

FY23 OPERATIONAL HIGHLIGHTS

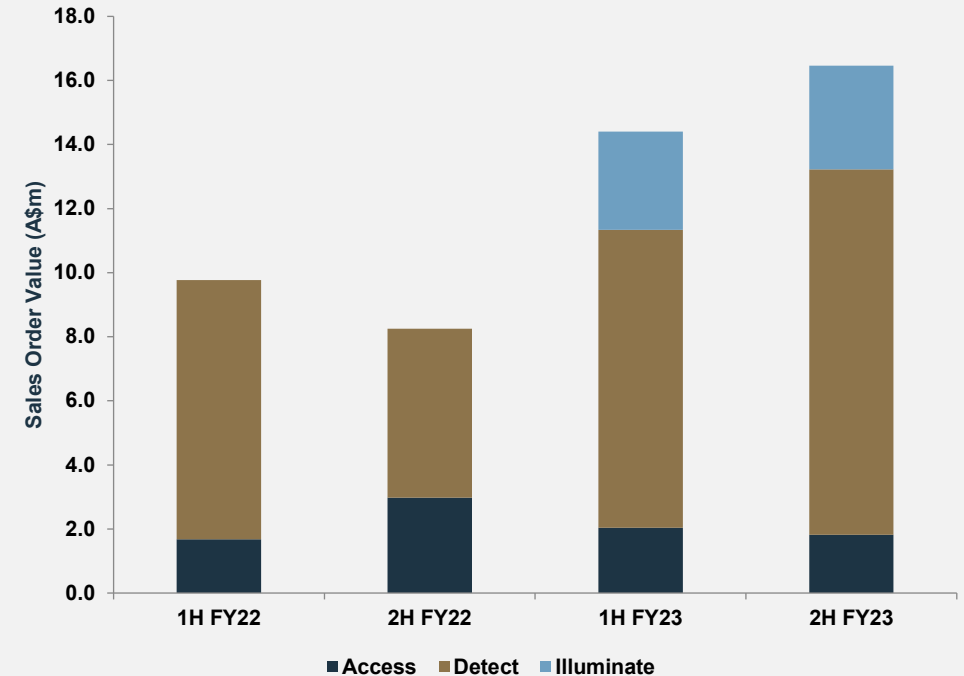
Growth through focus and investment on customer facing capability

- New CEO and a renewed **focus and investment on customer facing sales and support capability** (investment of additional opex of \$0.9m consistent with our global growth strategy).
- Significant growth in both the Detect and Illuminate segments.
- **Development and launch of Aura AI-X** – the latest generation, data driven intrusion detection system that uses an embedded deep learning engine to improve system performance.
- First sale of Aura AI-X to protect a critical European border.
- Continued **expansion in key geographies and industry verticals:**
 - 81% growth in U.S. revenue including additional orders in the energy market;
 - 214% growth in Europe
- **Creation of Illuminate segment following acquisition of GJD** in August 2022. GJD is a UK-based security technology supplier and provides a complementary product, technology and geographic footprint.
- Significant progress on product certifications within the **Access segment to open key high quality distribution channels.**

FY23 OPERATIONAL HIGHLIGHTS

- **Growth in sales orders to \$30.9m, up 71% on the previous year, up 36% if the acquisition of GJD is excluded.**
- **Detect order intake of \$20.7m, up 55% on the prior year, including the first major order for Aura Ai-X in March 2023.**
- **Illuminate order intake of \$6.3m for the eleven-month period since the acquisition of GJD, including the first combined solutions using both Detect and Illuminate technologies.**
- **Access order intake of \$3.9m. Launched Cobalt 2 (advanced locking product) in April 2023, currently undertaking certifications with key distribution channels.**

Sales Orders Received (A\$m)



FY23 FINANCIAL HIGHLIGHTS

Significant revenue growth delivering improved EBITDA performance

- Revenue of **\$28.6m**, up **54%** on the prior year consistent with the growth from sales order intake.
- **Underlying EBITDA of \$2.0m**, up **150%** which excludes 'one-off' costs of \$0.7 during FY23 H2. Resultant EBITDA margin of 7%, up 3% on the prior year.
- Maintained **gross margin at 64%** underpinned by improved Detect margins reflecting careful supply chain management.
- Continued focus on growing recurring revenue via long term support contracts. An additional \$0.4m of support contracts were sold in FY23 resulting in **more than \$1.6m of confirmed recurring revenue under contract.**



1. EBITDA excludes foreign exchange variations.

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FY23 FINANCIAL PERFORMANCE

Neville Joyce

GROUP FINANCIAL SUMMARY

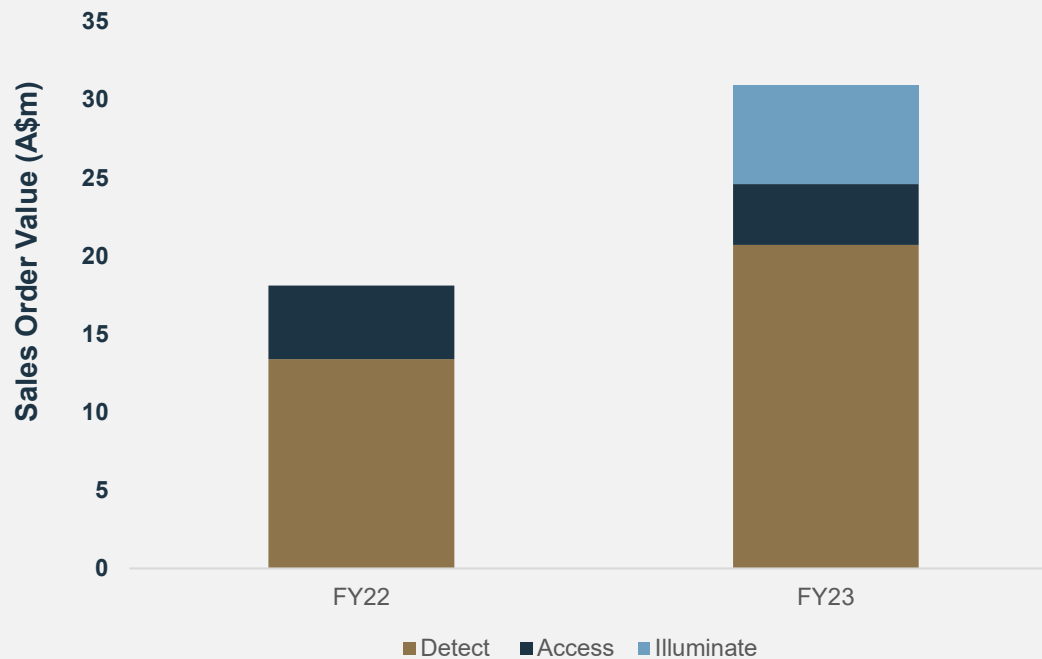
Expansion in EBITDA margins when 'one-off' costs are excluded

| \$Am | FY23 | FY22 | Var |
|---|--------------|-------------|---------------|
| Revenue continuing operations | 28.6 | 19.0 | 9.6 |
| Gross Profit | 18.2 | 12.3 | 5.9 |
| Gross Margin | 64% | 65% | (1%) |
| Underlying EBITDA¹ continuing operations | 2.0 | 0.8 | 1.2 |
| EBITDA Margin | 7% | 4% | 3% |
| Reported EBITDA¹ continuing operations | 1.3 | 0.8 | 0.5 |
| Profit / (loss) after tax | (1.1) | 33.1 | (34.2) |

- **FY23 revenue growth of 54%** driven by improved sales order intake in Detect and the addition of GJD.
- **Consolidated gross margins maintained at 64%** (FY22: 65%) . Growth in Detect segment has largely offset the addition of the lower margin Illuminate segment.
- **Underlying EBITDA of \$2.0m up 150% on the prior year.** Proforma adjustment to remove 'one-off' costs of \$0.7m incurred during H2 associated with the realignment of the business.
- **Reported EBITDA of \$1.3m**, up 61% on the prior year inclusive of 'one-off' costs incurred during H2.
- Group profit after tax at **-\$1.1 million**, decrease from previous year which had included profit from discontinued operations of \$33.8 million.

1. EBITDA excludes unrealised foreign exchange variations.
2. Discontinued operations relate to the IVL division that was divested during FY22

SEGMENT GROWTH FROM DETECT AND ILLUMINATE



- Continued expansion in key geographies and verticals
- **Detect:** First commercial orders for Aura IQ and first deployment of Aura AI-X system, order growth in North America and Europe
- **Access:** Significant progress towards relevant product certifications for Access segment which will enable an acceleration of sales in FY24
- **Illuminate:** Already providing combined customer solutions across Detect and Illuminate

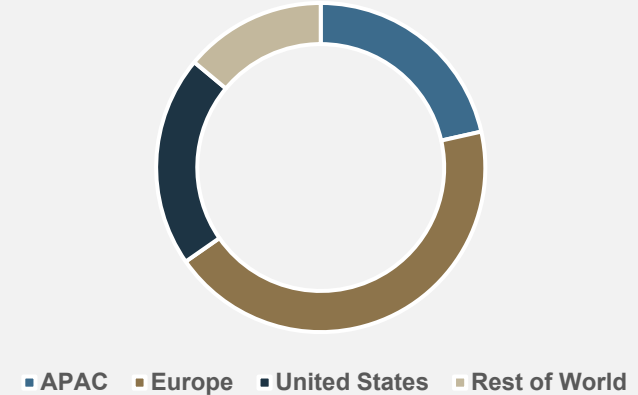
GLOBAL REVENUE FOOTPRINT

Growth in the US supported by increased capability, expansion in Europe following acquisition of GJD

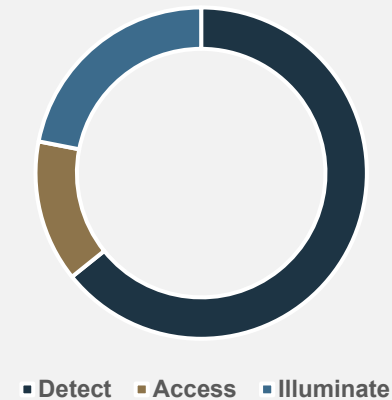
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- **Strong revenue growth in each of the key geographies** in which we operate – US, Europe and APAC.
- **Investment** during FY23 to strengthen customer facing teams in all key geographies during H2.
- Increase in Europe based on the addition of the Illuminate segment following the GJD acquisition in August 2022.
- Continued growth in the US with significant **opportunity remaining to further grow in the world’s largest market.**
- Group revenue skewed towards **Detect** segment with catalysts for revenue growth within each of the business segments.

FY23 Revenue by Geography



FY23 Revenue by Segment



GROUP BALANCE SHEET

Strong balance sheet to support future growth

| \$A'000 | 30 Jun 2023 | 30 Jun 2022 | GJD Acq | Movement excl GJD acq |
|---------------------------|-------------|-------------|-------------|-----------------------|
| Cash and cash equivalents | 5.5 | 15.2 | 0.0 | (9.7) |
| Receivables | 8.4 | 4.7 | 1.6 | 2.1 |
| Inventories | 7.5 | 3.3 | 2.1 | 2.1 |
| Intangibles | 13.6 | 6.0 | 6.5 | 1.1 |
| Other assets | 2.1 | 1.2 | 1.3 | (0.4) |
| TOTAL ASSETS | 37.1 | 30.4 | 11.5 | (4.8) |
| Payables | 2.9 | 2.8 | 0.6 | (0.5) |
| Provisions | 1.5 | 1.4 | 0.0 | 0.1 |
| Borrowings | 2.5 | - | 2.9 | (0.4) |
| Other liabilities | 0.9 | 0.3 | 0.5 | 0.1 |
| TOTAL LIABILITIES | 7.8 | 4.5 | 3.9 | (0.6) |
| TOTAL EQUITY | 29.3 | 25.9 | 7.5 | (4.1) |

- The balance sheet has been adjusted to remove the impact of the opening balances attributable to the GJD acquisition to determine the underlying movement.
- Increased receivables balance is driven by an uplift in Q4 revenue in Detect, expected to be collected in Q1 FY24.
- Increased inventory due to purchasing to secure supply chains and lock in pricing for critical components to support forward orders.
- Borrowings relate to facilities in place at the acquisition of GJD.

GROUP CASH FLOW

| | A\$m |
|-----------------------------------|--------------|
| Working Capital Movement | (1.5) |
| Development / Capital Expenditure | (2.4) |
| Acquisition of GJD | (4.5) |
| Repayment of Borrowings | (0.9) |
| Finance, Tax charges | (0.7) |
| Other (incl FX) | 0.3 |
| Movement in Cash | (9.7) |
| Opening Cash | 15.2 |
| Closing Cash | 5.5 |

- Increase in working capital due to inventory increase to secure supply chain and pricing for critical components and higher receivables associated with Q4 FY23 Detect revenue.
- Development expenditure relates primarily to development of the Aura platform supporting the Detect segment.
- Acquisition of GJD reflects the cash component of the purchase consideration for GJD.
- Repayment of borrowings relate to the facilities acquired with GJD and lease payments.

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FY2024 OUTLOOK AND FOCUS

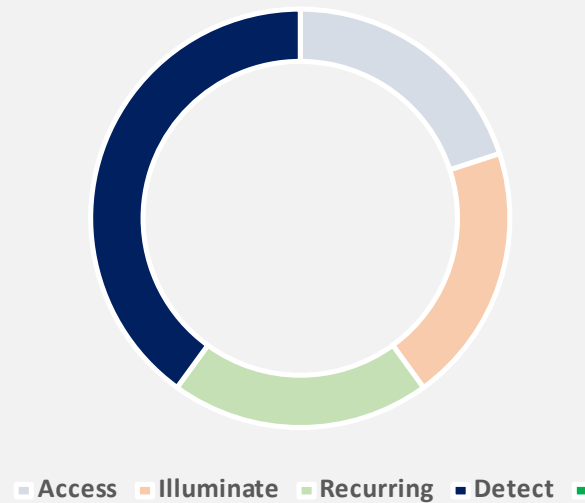
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CLEAR PATH TO DELIVER GROWTH OVER THE NEXT THREE YEARS

| | Revenue Range | Gross Margin | Op Cost Range | EBITDA Margin |
|---------------|----------------|--------------|---------------|---------------|
| Year 1 | \$36m - \$45m | 60% - 65% | \$18m - \$21m | circa 14% |
| Year 2 | \$50m - \$70m | 60% - 65% | \$21m - \$25m | 20%+ |
| Year 3 | \$70m - \$100m | 60% - 65% | \$24m - \$30m | 25%+ |

- **Leverage the existing drivers of growth:**
 - OEM / Distribution channels Access and Illuminate.
 - Geography and Programs across Detect

Projected Revenue Profile



- Recurring and OEM / Distribution revenue grow to **60% of Group revenue base.**
- **Limited increase** in operating costs in :
 - Service
 - Programs
 - Applications
 - AI and Deep Learning

STRONG GROWTH CATALYSTS IN EACH SEGMENT

DETECT

- **Aura AI-X is the solution of choice for the protection of critical infrastructure worldwide.**
- **Expand solutions to new applications and customers.**

ACCESS

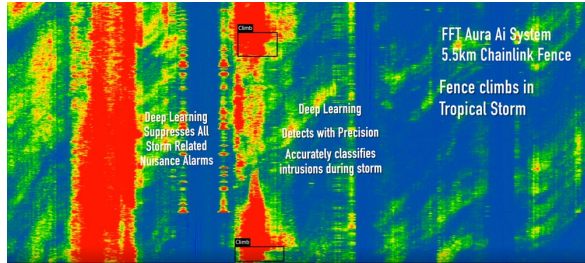
- **Cobalt 2 full release with final certification in Q1 FY24.**
- **Major channel network growth using the quality of our distribution partners.**

ILLUMINATE

- **Cross sell combined Illuminate and Detect solutions.**
- **Expand product sales in North America and Asia Pacific via established channels.**

DRIVING GROWTH – TECHNOLOGY DEVELOPMENT

Detect - AI Deep Learning



- Aura AI-X Deep Learning
- Product of Choice

Illuminate- LoRa D-Tect



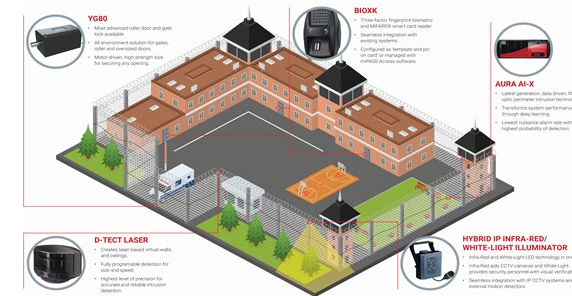
- D-Tect Laser integrated with Fibre
- LoRa long range wireless integration Sep

Access - Cobalt 2 and YG80 Orca



- Cobalt 2 launched & fully certified
- YG80 Orca Remote enabled certified
- Dormakaba first major sales

Ava Group - Integrate Group Products



-FY24 integrate Ava Group product solutions

DRIVING GROWTH – GLOBAL GEOGRAPHIC REACH

AMERICAS Market & Customer



Corrections



Energy

MENA Applications



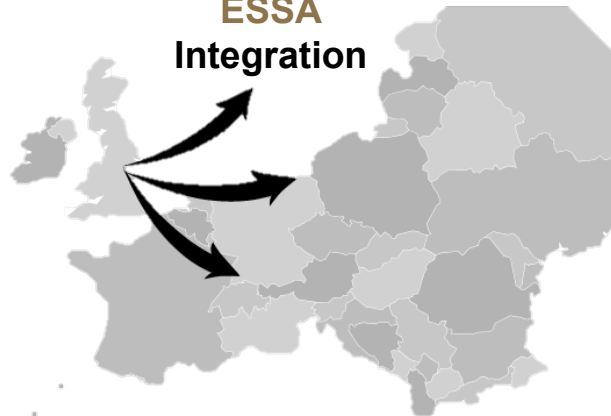
Border protection



Critical Infrastructure

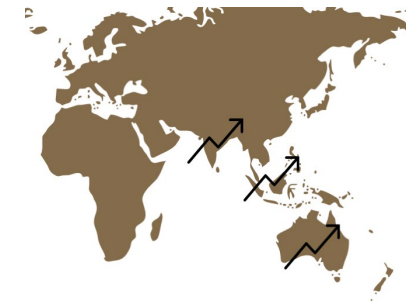


ESSA Integration



Cross sell solutions expand into Europe

APAC Market Expansion



Strong growth in Australia, India and Singapore

DRIVING GROWTH – EXPANDED COMMERCIAL CAPABILITY

SALES

- Restructured core team across all regions – successful recruitment of key resources.
- Focus on customer network in each region.
- Team bringing new clients and commercial networks.

APPLICATIONS & PROGRAMS

- Dedicated technology application team in each sales sector.
- Dedicated program support for large opportunities.
- Global links to share data and success.

SERVICE

- Investment in staff, training and regional support.
- Integrating all three business segments in one system.

DRIVING GROWTH – FOCUS AND PRIORITIES



Customer Outcomes



Delivering Revenues



Expanding Technology Reach

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COMPELLING CASE FOR INVESTMENT

Leading technology with scalable model and organisational capability to support growth plans



TRACK RECORD OF GROWTH AND RESULTS

- FY23 sales order intake up 71%
- High gross margins – circa 64%
- Trusted by blue chip and government customers



STRONG COMPETITIVE ADVANTAGES

- Defensible competitive position and investments in innovation including AI and deep learning
- Experienced leadership team
- Customer-centric focus with customised, flexible, and scalable solutions



HIGHLY SCALABLE MODEL

- Blue chip customer base and long-term recurring revenue potential
- Efficient, scalable go-to-market strategies which include key distributor partners
- Target revenue growth to \$70 - \$100m over next three years achieved with minimal cost increases



GLOBAL OPPORTUNITY

- Well-placed to become a global leader in smart digitisation for security and asset protection, thousands of products installed in +70 countries
- Emerging global partnerships with large multinationals
- Existing global revenue base

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QUESTIONS

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aabeyratne@citadelmagnus.com

AVA GROUP

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FORWARD LOOKING STATEMENTS

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