



DETECT • ACCESS • ILLUMINATE

Global leader in smart security and
sensing technologies

AVA RISK GROUP

19-22 SEPTEMBER 2023

ersonal use only



Introductions Mal Maginnis

only

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 15 September 2023) **\$46.0M**

Share price
(as at 15 September 2023) **\$0.175**

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



only

FY23 PERFORMANCE OVERVIEW

Mal Maginnis

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.

HIGH-QUALITY BASE OF END USERS

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

SAMPLE OF END USER CUSTOMERS



PARTNER RELATIONSHIPS EXPAND MARKET REACH

Strong network of OEM and distributor relationships worldwide

SAMPLE OF SYSTEM INTEGRATORS / DISTRIBUTORS



FY23 FINANCIAL HIGHLIGHTS

Group Sales

\$30.9m

Up 71% on pcp

Group Revenue

\$28.6m

Up 54% on pcp¹

Underlying EBITDA

\$2.0m

Up 150% on pcp²

EBITDA margin

7%

Up 3% on pcp

Gross margin

64%

In line with FY22 (65%)

Recurring revenue

\$1.6m+

Confirmed revenue
under contract

Strong balance sheet to support future growth

1. Up 36% if the acquisition of GJD is excluded. Reported EBITDA of \$1.3m, including one off expenses, up 63% on FY22 (\$0.8m).
2. Underlying EBITDA excludes 'one-off' costs of \$0.7m during FY23 H2.

FY23 OPERATIONAL HIGHLIGHTS

Growth through focus and investment on customer facing capability

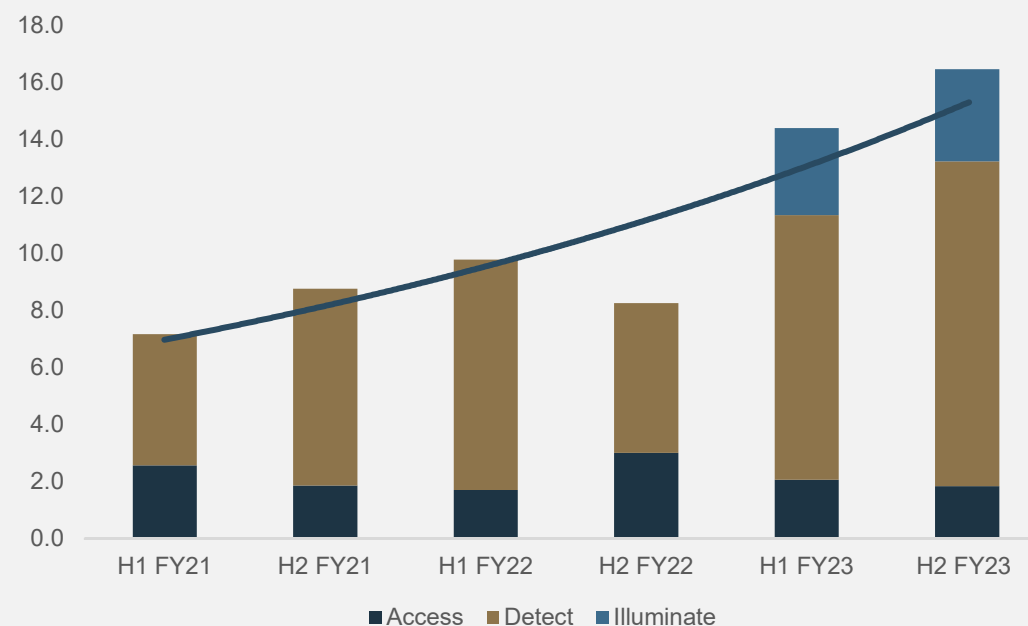
- New CEO and a renewed **focus and investment on customer facing sales and support capability** (investment of additional opex of \$0.9m consistent with our global growth strategy).
- Significant growth in both the Detect and Illuminate segments.
- **Development and launch of Aura AI-X** – the latest 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.**

STRONG TRACK RECORD OF GROWTH

Growth through focus and investment on customer facing capability

- **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.

FY23 FINANCIAL PERFORMANCE

Neville Joyce

ersonal use only

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

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.



ersonal use only

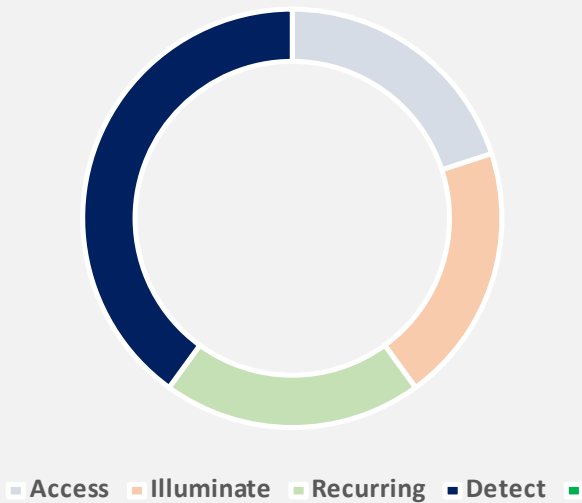
FY2024 OUTLOOK AND FOCUS

Mal Maginnis

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%+

Projected Revenue Profile



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

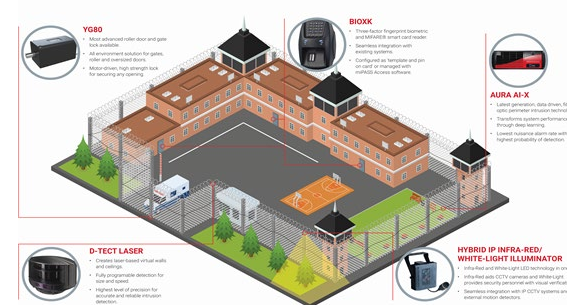
- Cross sell combined Illuminate and Detect solutions.
- Expand product sales in North America and Asia Pacific via established channels.

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

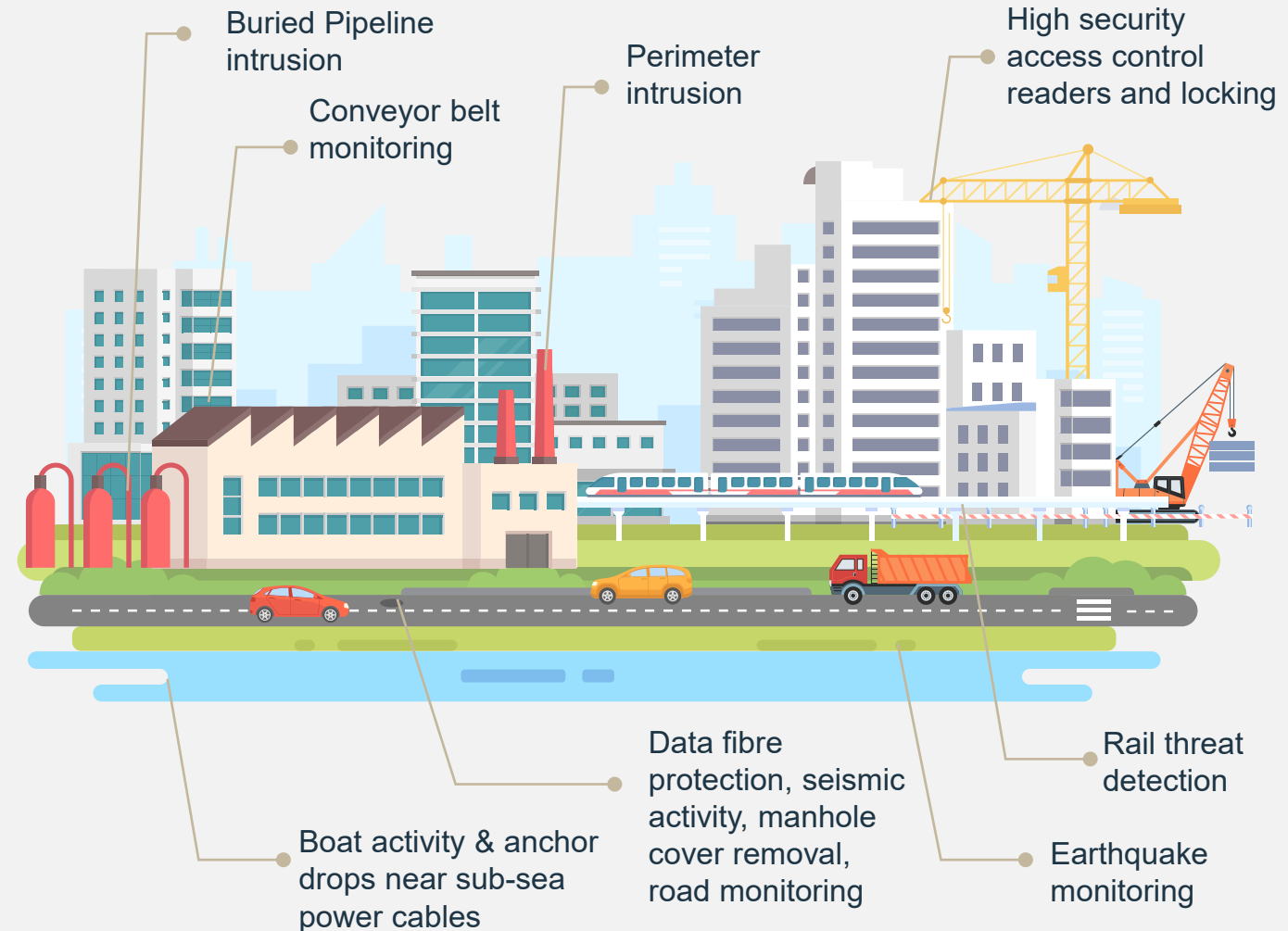


- ## -FY24 integrate Ava Group product solutions

SENSING BEYOND SECURITY

Building on success in existing deployments in multiple infrastructure types & across global smart cities

- AI is critical to enhancing Detection and now offering Classification where creates value
- Existing commercial deployments renew and refresh to increase capability and integration. Add our new technologies to the solution
- Unique and deep domain expertise, with proven success not aimless promises
- Extension into new applications is underway with lead customers. They require solutions that detect, classify and accurately provide real-time 'situational awareness'
- Combine our core technologies inside a single solution



DRIVING GROWTH – GLOBAL GEOGRAPHIC REACH

AMERICAS Market & Customer



Corrections



Energy

MENA Applications

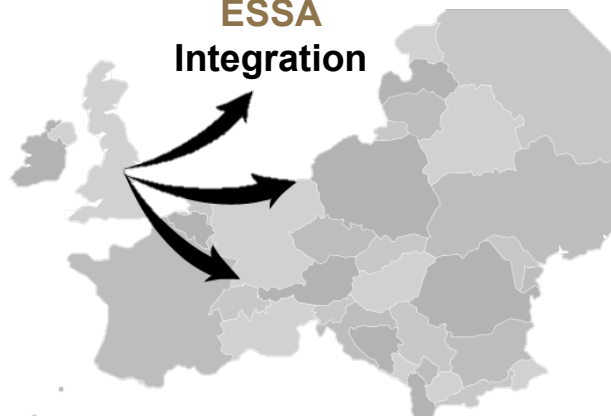


Border protection



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

ersonal use only



CLOSING Mal Maginnis

only

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

QUESTIONS

Investor enquiries:

aabeyratne@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).

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.