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DETECT • ACCESS • ILLUMINATE

**Global leader in smart security and  
sensing technologies**

# INVESTOR PRESENTATION

**31 OCTOBER 2024**

# COMPELLING CASE FOR INVESTMENT

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



## TRACK RECORD OF GROWTH AND RESULTS

- Q1 FY25 sales order intake up 16%
- High gross margins – circa 60% - 65%
- 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
- FY25 target revenue range of \$42.7m to \$55.2m with operating leverage



## 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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# FY2025 OPERATIONS AND OUTLOOK

# GLOBAL LEADER IN RISK MANAGEMENT TECHNOLOGIES

Protecting high value assets and critical infrastructure globally

## DETECT

### Fibre optic intrusion detection systems

- Perimeter intrusions
- Telecommunication networks
- Pipeline intrusion
- Condition monitoring
- Data network protection
  
- Products, services and recurring revenue model

## ILLUMINATE

### Security and intruder detection equipment

- Outdoor security sensors
- LoRa wireless system developed
- Surveillance solutions
- Video illuminators
- Camera analytics
  
- Off-the-shelf & custom products

## ACCESS

### High security access control technology

- Access control readers
- High security locking
- Custom encryption
- Biometric solutions
  
- Off-the-shelf & custom products.
- Highly encrypted for security conscious end users.

➔ **World-leading portfolio of complementary premium solutions and technologies**

➔ **Trusted by some of the world's most discerning security conscious customers** – commercial, industrial, military and government sectors

➔ **Strong competitive position** underpinned by Ava's IP, OEM and distribution relationships, and wealth of data for machine learning

➔ **Flexible commercial models** with growing recurring revenues

# SENSING BEYOND SECURITY

Building on success in existing deployments in multiple infrastructure types

## USE OF SOLUTIONS FOR SENSING APPLICATIONS

- Identifying and responding to a threat at the perimeter, or within a facility.
- Managing personnel access to restricted areas.
- Securing critical assets and buildings.

## AVA RISK GROUP'S SOLUTIONS

### DETECT

- Borders, Perimeters, Critical Infrastructure.
- Data investigation on patterns of intrusion.
- Data generation and analytics using existing fibre networks targeting telecommunications sector.

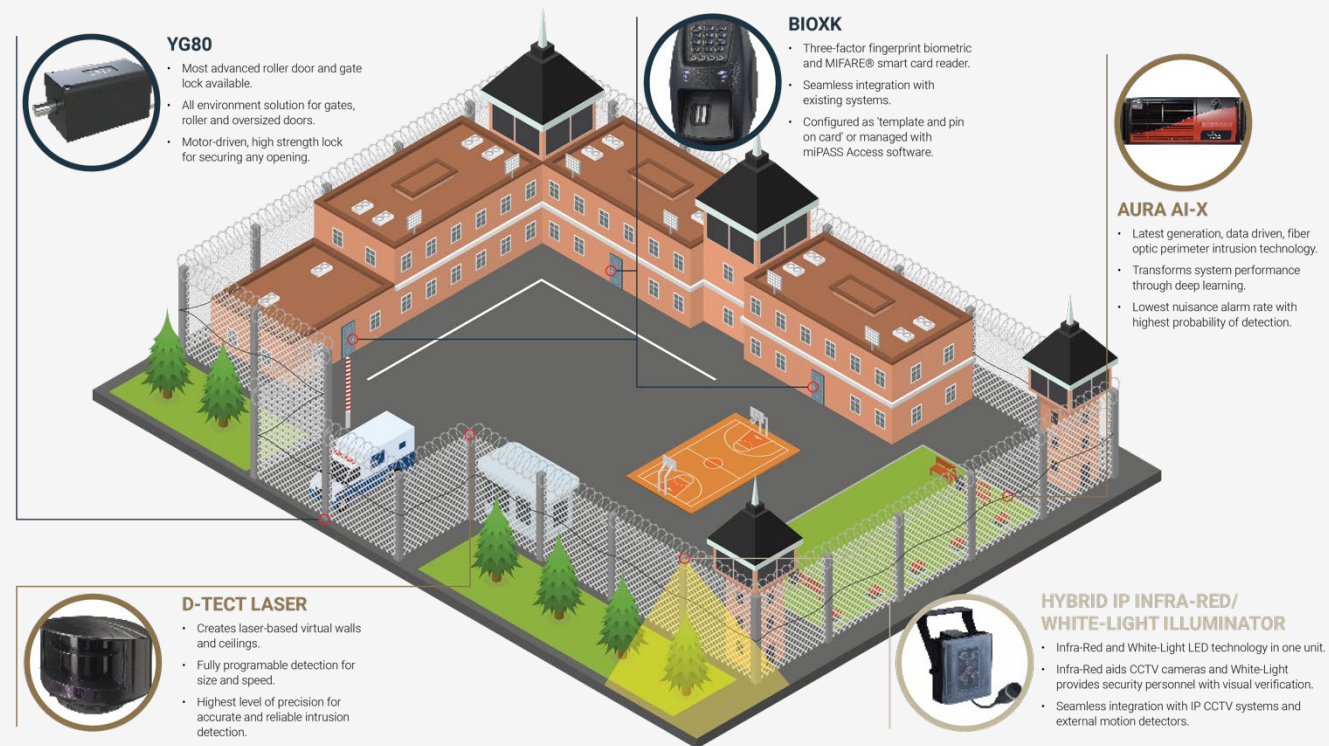
### ILLUMINATE

- Supports Detect's smaller physical sites, targeted customer designs, illuminate CCTV images, identifying activity.

### ACCESS

- Protect key infrastructure assets and strengthen vulnerable access points.

## Example of solutions at a correctional facility



DETECT



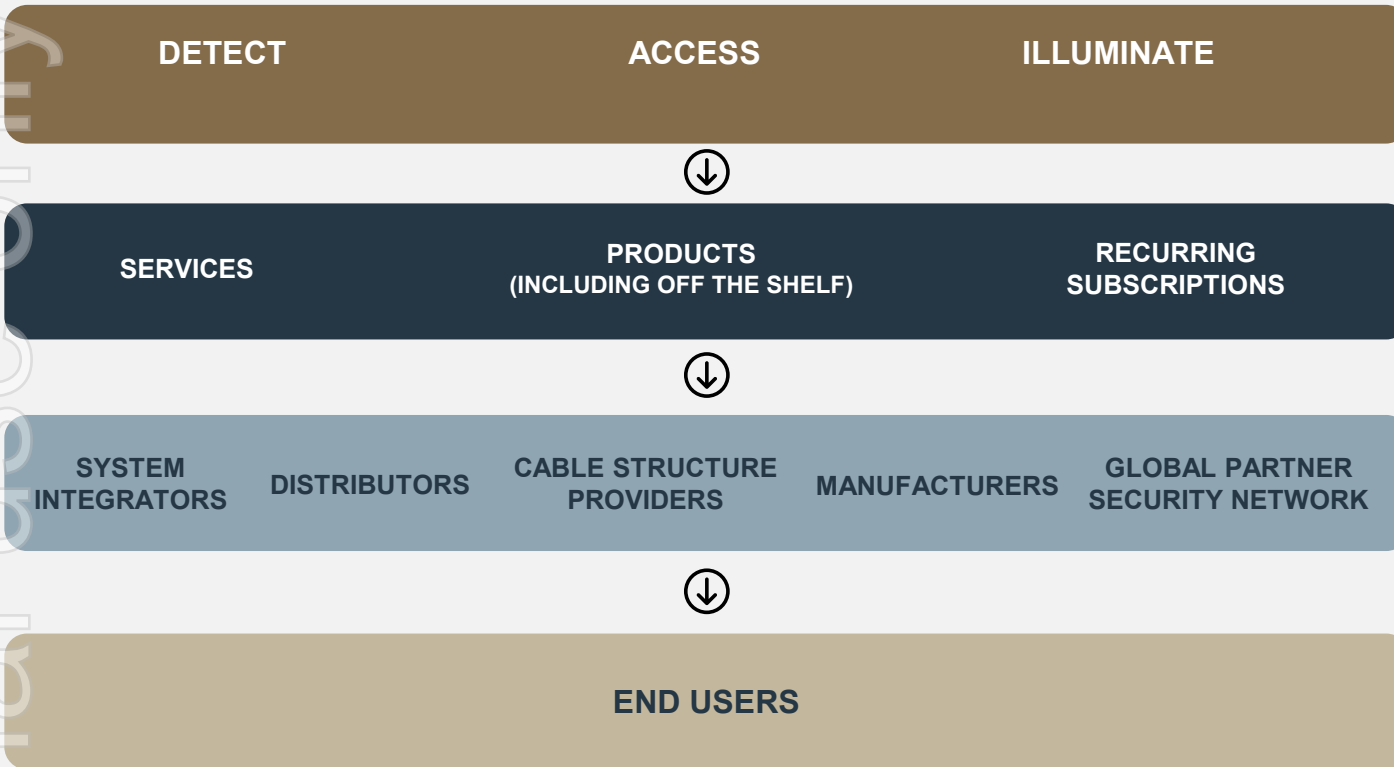
ILLUMINATE



ACCESS

# GO TO MARKET AND REVENUE MODEL

## PROVEN GO-TO-MARKET STRATEGIES WITH GLOBAL REACH



### Products:

Project based revenue in Detect supporting system integrator solutions to end users. Key distributor relationships driving product sales in the Access and Illuminate segments.

### Services:

Support for the installation and commissioning of Detect systems.

### Recurring Subscriptions:

Multi-year support agreements providing access to machine learning algorithms and data libraries to improve Detect system performance.

### Established go to market through extensive global partner network:

Mix of system integrators and direct distribution partners allows us to provide our solutions worldwide and in remote and challenging locations.

# STRONG SALES PIPELINE TO DRIVE GROWTH IN FY25 AND BEYOND

Building on our market verticals and geographies with sophisticated global partners

## Proven technology

- Aura Ai-X
- Cobalt YD30 series development
- LoRa Connect wireless system
- Growing recurring revenue via subscription

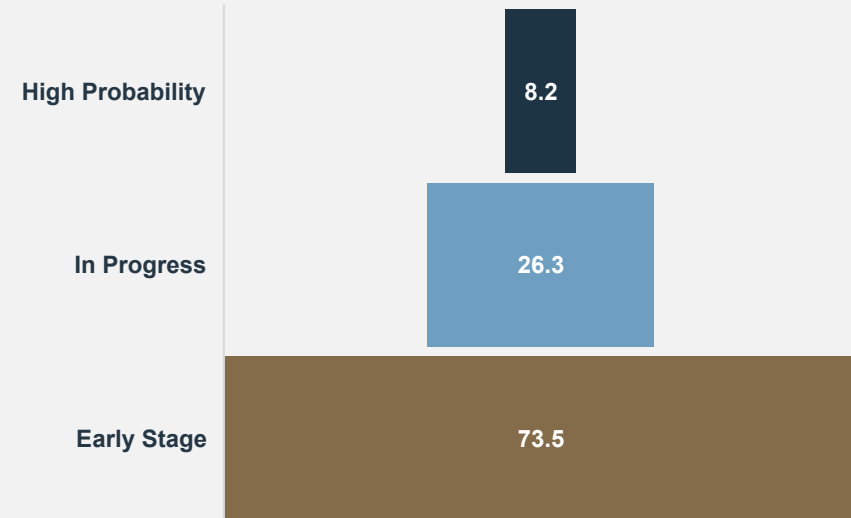
## Enhanced commercial capability with high profile, quality partners

- Telstra
- UGL
- Siemens
- dormakaba
- Other key partners

## Grow annual recurring revenue:

- Currently \$2m ARR under contract
- Sell subscription contract with every sale of Aura Ai-X

Detect Sales Opportunity Pipeline (A\$m)



- Total Pipeline with expected close dates in FY25 is currently greater than **\$100m** (excludes expected telco sector orders)
- Opportunities across key geographies – APAC, Americas, Europe and Middle East.
- 12 opportunities > \$1m (\$38m of the pipeline)
- Pipeline excludes **Access / Illuminate**, expected to deliver revenue of \$12m - \$15m in FY25.

# HIGH QUALITY PARTNER AND END USER BASE

Strong network of OEM and distributor relationships worldwide

ExxonMobil

Honeywell



SIEMENS



Santos





# CASE STUDY: TELSTRA OPPORTUNITIES



Securing mobile tower access

## Opportunities:

- Protection of data cabling via surface and subsea sensing
- Intrusion events on major communication Towers
- Access to critical assets
- Pit lid intrusion / lifting, cable tampering, digging

- ✓ Technology demonstrated the superior ability of Aura Ai-X DAS technology in detecting events and providing appropriate classification and reporting.
- ✓ Illuminate products demonstrated an excellent capability in point and small site detection and sensing of interference.
- ✓ Protects the assets, the public and the network performance.



Protection of communication pits



Monitoring of subsea telco cables

# MARKET VERTICAL : GLOBAL BORDERS

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Ava Risk Group successfully completed installation and support for highly critical European borders

- **Monitoring of a 200km+ Border perimeter fence, buried with extremely challenging environmental conditions**
  - New Aura Ai-X reduced alarms substantially, nuisance alarms down to under 2 per day.
  - Replaced incumbent due to too many alarms and lacking functionality The fence is currently operating at 96% probability of detection (POD) and 4% nuisance alarm rates (NAR).
  - Customer upgrading other borders now (replacing the failed incumbent competitor) with further orders expected.

**Development:** Aura Ai-X is now being deployed in additional sites globally including additional Eastern Europe, plus Southeast Asia, LATAM and Southern Africa. The current border pipeline is in excess of 12m for FY25 and FY26.



Fence along border



Covert sensing

# MARKET VERTICAL: TRANSPORT INFRASTRUCTURE - METRO

- Major new adjacency for Ava Group – Metro 7-8m+ in FY25
- **Sydney:**
  - Sydney Metro – City & Southwest line 3m+, installing
  - Sydney Metro – fallen object project – submitted 1m+
  - Sydney Metro – West - bid 1.5m+ submitted
  - Sydney Metro – Western Sydney Airport – bid 3m+ submitted
- **Global**
  - Nepal enquiry – early stage.
  - Turkey – Istanbul – early stage.
  - Southeast Asia – Various early stag.
  - Australia – Metro Trains Melbourne, Suburban Rail Loop, Queensland Rail various discussions linked to Sydney.



Driverless train



Security fence for rail corridor

# MARKET VERTICAL: TRANSPORT INFRASTRUCTURE - AIRPORTS

- Major new adjacency for Ava Group – Airports perimeters FY26 – 5m plus. Driven by activism and civil disobedience.
- **Australia:**
  - Melbourne – March 2025 project kick off
  - Adelaide – FY26
  - Brisbane, Gold Coast, Darwin part of the Melbourne Airport FIDS working group
- **Global Airports:**
  - Turkey Istanbul Extension – 0.5m incumbent.
  - Australia – Melbourne / Adelaide early stage.
  - France – Aeroports de Paris – Various plus Lyon and global.
  - UK – Heathrow, Stansted, Edinburgh.
  - Vietnam – Long Thanh Airport.



Security breach extinction rebellion



Security breach Airports

# MARKET VERTICAL : MINING, OIL AND GAS

Ava Risk Group has recently successfully won major upgrades to Oil and Gas facilities worldwide. These include new and upgrade installations with Aura Ai-X.

- **Australia – Woodside, Santos, Exxon, Various.** Value YTD >1.5m, pipeline >3m plus recurring revenue.
- **Middle East – Qatar gas, Dubai, Hail and Ghasha, Various.** Value YTD 1.2m, pipeline >8m plus recurring revenue.
- **US – Atlas Sands – 80 kms buried system.** Preventing access to critical delivery system.
- **Global major opportunities South Africa, LATAM in protecting critical infrastructure.** YTD 0.5m, pipeline >3.5m

**Impact:** Aura Ai-X has been proven as the most effective Detection sensor coupled with low alarms and successful integration into total security systems



Major facility installed PIDS



New Infrastructure Sites

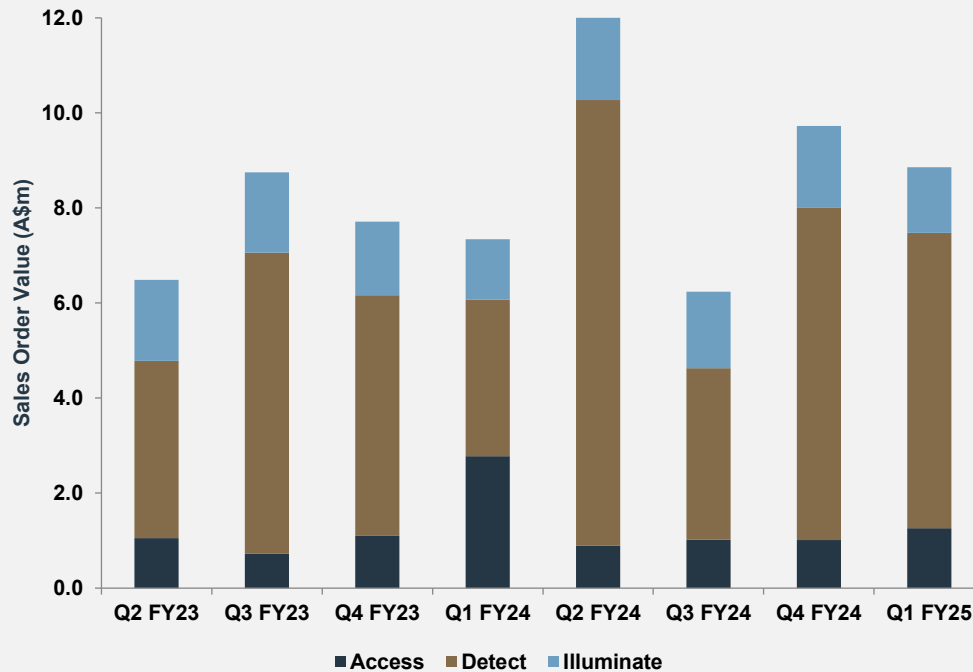
# CLEAR PATH TO DELIVER ON GROWTH PLANS IN THE MID-TERM

\$m	FY24 Actual			FY25		FY26	
	H1	H2	Total	Low	High	Low	High
Core Revenue				37.7	45.2	47.1	56.5
Adjacencies				5.0	10.0	10.0	15.0
<b>Total Revenue</b>	<b>14.2</b>	<b>16.0</b>	<b>30.2</b>	<b>42.7</b>	<b>55.2</b>	<b>57.1</b>	<b>71.5</b>
Gross Profit	8.7	9.4	18.1	27.3	35.3	36.5	45.8
GM%	61%	59%	60%	64%	64%	64%	64%
Opex	9.6	9.4	19.0	19.7	22.0	22.0	24.0
<b>EBITDA</b>	<b>(0.9)</b>	<b>0.1</b>	<b>(0.9)</b>	<b>7.6</b>	<b>13.3</b>	<b>14.5</b>	<b>21.8</b>
			-3%	18%	24%	25%	30%
FX Movement	(0.1)	(0.0)	(0.1)				
Impairment of Goodwill		(1.5)	(1.5)				
D&A	1.1	1.4	2.5	2.6	2.6	2.9	2.9
EBIT	(2.1)	(2.8)	(5.0)	5.0	10.7	11.6	18.9

- **Revenue growth** driven by pipeline conversion in Detect and expansion in adjacent markets.
- **Leverage the existing drivers of growth** across all business segments:
  - Adjacencies such as telecommunications in Detect.
  - Grow recurring revenue via annual upgrade path in the Detect segment to improve system performance.
  - OEM / Distribution channels to support the Access and Illuminate segments.
  - Improved gross margin due to growth in higher margin Detect segment.
- Operating cost base stabilised in H2 FY24 and demonstrates leverage of revenue growth in H2 to improve EBITDA performance.

# Q1 FY25 SALES ORDER INTAKE AND H1 REVENUE OUTLOOK

Sales Orders Received (A\$m)



- Total sales order intake of \$8.9m in Q1
- Growth in both Detect and Illuminate segments compared to same period in the prior year.
- Access recorded its strongest quarter since receiving initial stocking orders for Cobalt series locks from dormakaba a year ago.
- Revenue guidance for H1 FY25 in the range of \$16.5m - \$17.5m.
- Based on revenue guidance expect to be EBITDA positive in H1 FY25.
- Second half revenue is expected to be substantively stronger than the first half.

# FORWARD LOOKING STATEMENTS

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