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DETECT • ACCESS • ILLUMINATE

Global leader in smart security and
sensing technologies

H1 FY25 RESULTS AVA RISK GROUP

25 February 2025

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INTRODUCTIONS

David Cronin



AGENDA

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H1 FY25 PERFORMANCE HIGHLIGHTS

Mal Maginnis

H1 FY25 FINANCIAL HIGHLIGHTS

Significant progress in delivering on key growth metrics

Revenue

\$17.0m

Up 20% on pcp

EBITDA¹

\$1.7m

Up \$2.6m on pcp

Gross Margin

64%

Up 3% on pcp

Sales Opportunity Pipeline

>\$100m

Expected close dates in calendar year 2025

Sales backlog

\$7.6m

Up from \$3.5m in pcp

Cash

\$4.7m

Well-funded for growth

- **Revenue up 20%** underpinned by improved Detect performance. Increased Detect revenue driving gross margin improvement
- **Strong sales order intake** especially in Detect, with backlog and pipeline supporting H2 growth
- **EBITDA turnaround** on reduced and scalable cost base, up \$2.6m to positive \$1.7m
- **Cash of \$4.7m** at 31 Dec 2024 **plus \$1.7m** of receipts in January supports business expansion

1. EBITDA is profit / (loss) after tax adjusted for depreciation and amortisation, impairment of goodwill, finance expense and foreign exchange movements per Consolidated Statement of Comprehensive Income.

H1 FY25 PERFORMANCE HIGHLIGHTS

Progressing sales pipeline and partnerships, supported by scalable cost base

- **Strong revenue and EBITDA growth** following investment in commercial capability and technology
- **Improved Detect performance** underpinned by market leading fibre sensing technology, Aura Ai-X
- **Recurring revenue up 20%** to \$2.4m (of revenue under contract) driven by deployment of Aura Ai-X systems
- **Strong sales pipeline** underpinned by growth in key industry verticals (border protection, airports and transportation)
- **Partnerships in new verticals** provide platform to leverage market-leading technology at low incremental cost



'Dune Express' conveyor belt, West Texas

- **Atlas Energy Solutions** installed Aura Ai-X in a covert buried configuration to protect the perimeter of the second largest conveyor belt in world.
- Known as the *Dune Express*, the massive conveyor belt starts ten miles northeast of the oil field outpost of Kermit in West Texas and extends west by northwest into New Mexico.
- Once operational, it will carry 13 million tonnes of sand along the entire length of the machine – 42 miles – each year.



WA gas facility

- Aura Ai-X was recently commissioned to protect one of the most advanced, integrated gas production facilities in the world.
- Located in Western Australia, Aura Ai-X was installed to replace legacy FFT Secure Fence and FFT Secure Zone controllers.
- The long-term client requested the upgrade to optimise overall system architecture, simplify the fibre optic cable infrastructure, and address intermittent electromagnetic interference affecting some legacy systems.

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.

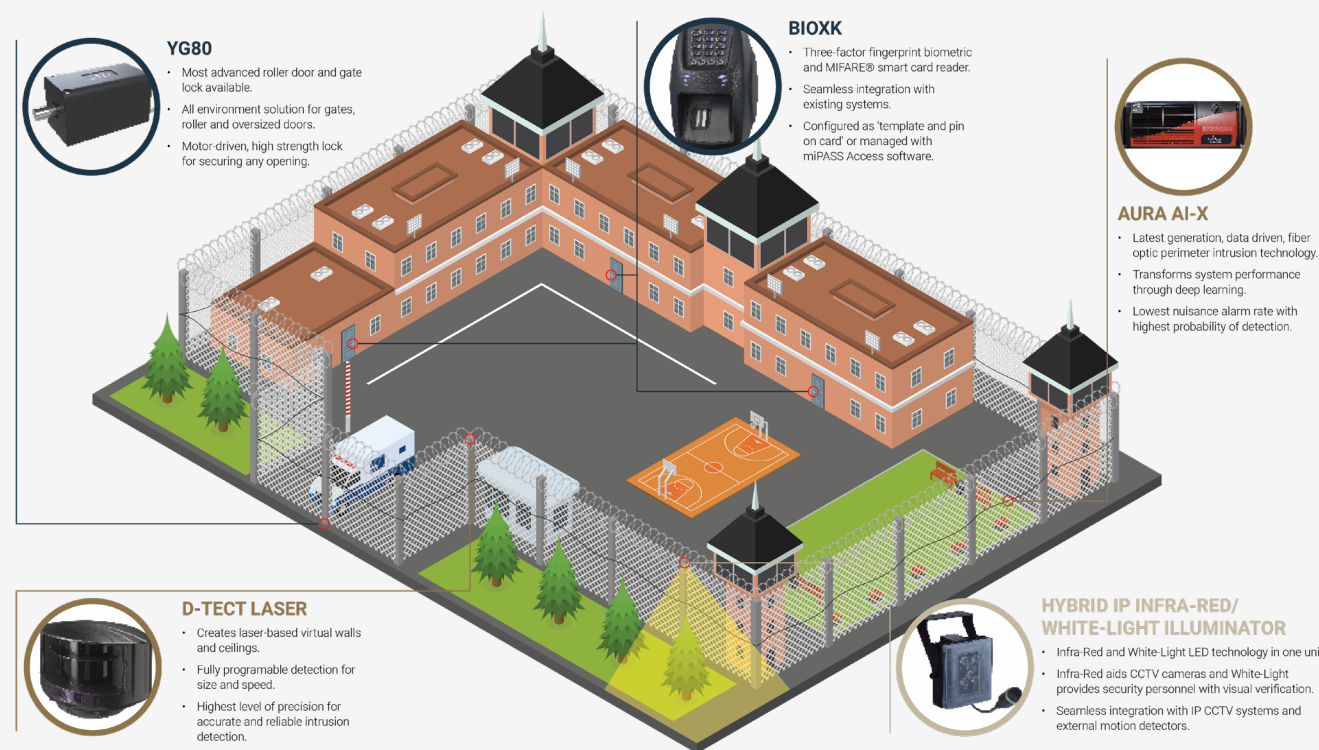
ILLUMINATE

- 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



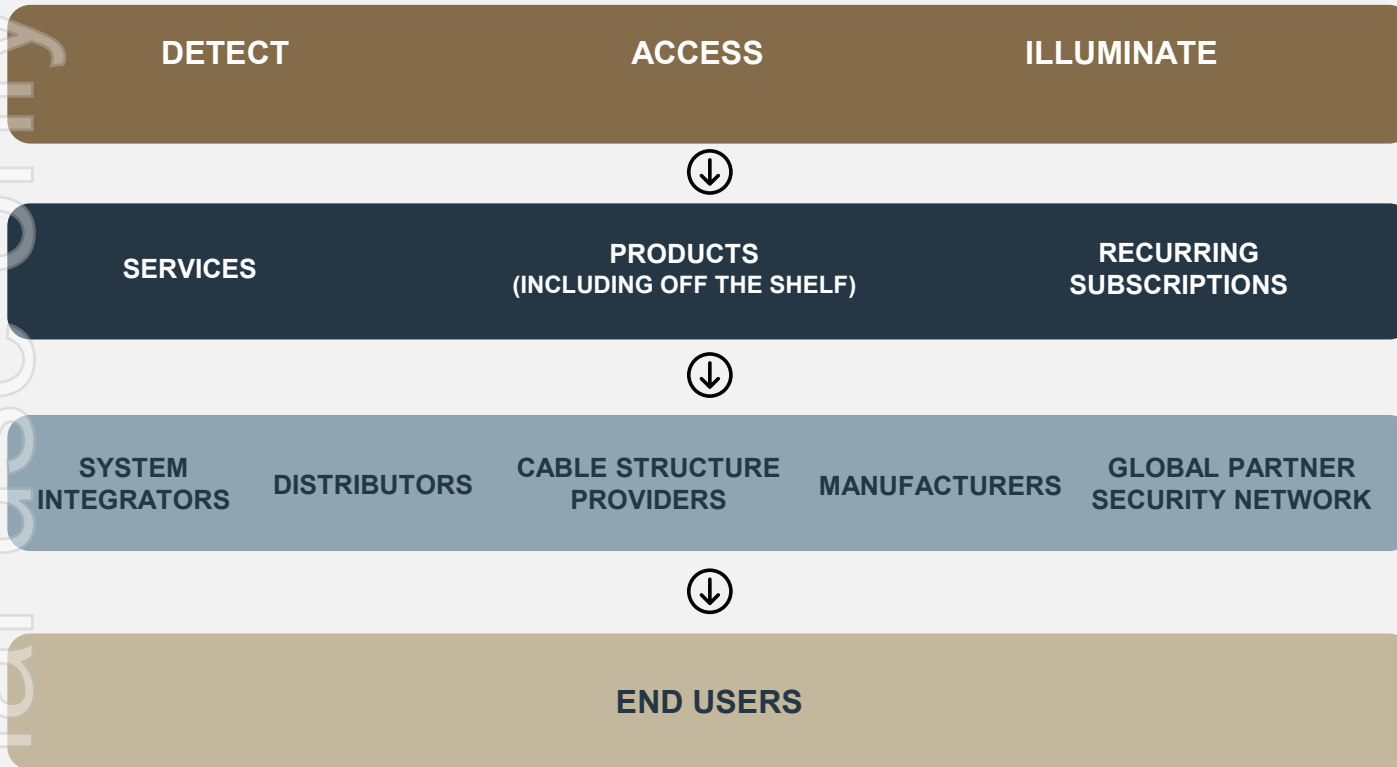
ILLUMINATE



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 GLOBAL PARTNER NETWORK:

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

DRIVING 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

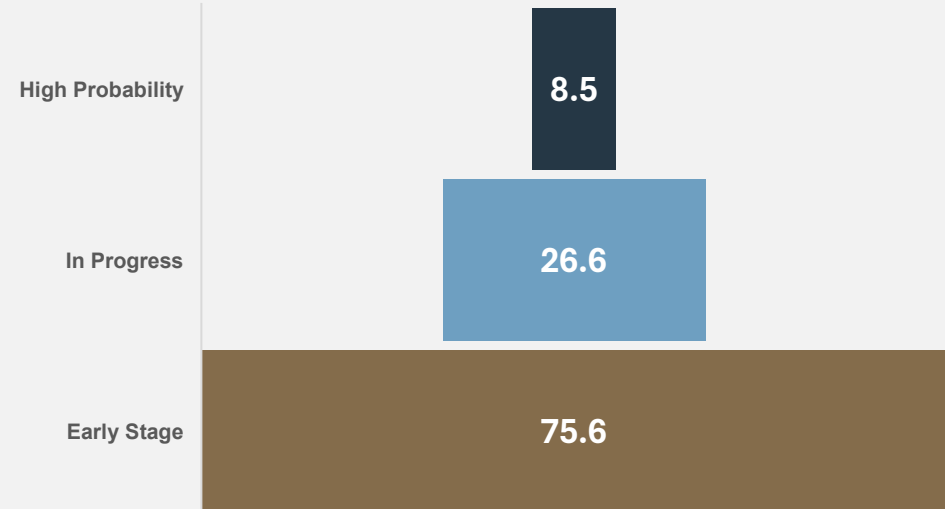
Enhanced commercial capability with high profile, quality partners

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

20% growth in annual recurring revenue:

- Growth in recurring revenue of 20% to \$2.4m 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 calendar 2025 remains greater than **\$100m** (excludes telco sector orders)
- Opportunities across key geographies – APAC, Americas, Europe and Middle East.
- 10 opportunities > \$1m (\$27m of the pipeline)
- Pipeline excludes **Access / Illuminate**, expected to deliver revenue of \$12m - \$15m in calendar 2025.

HIGH QUALITY PARTNER AND END USER BASE

Strong network of OEM and distributor relationships worldwide

ExxonMobil

Honeywell



SIEMENS



Telstra

dormakaba

Santos



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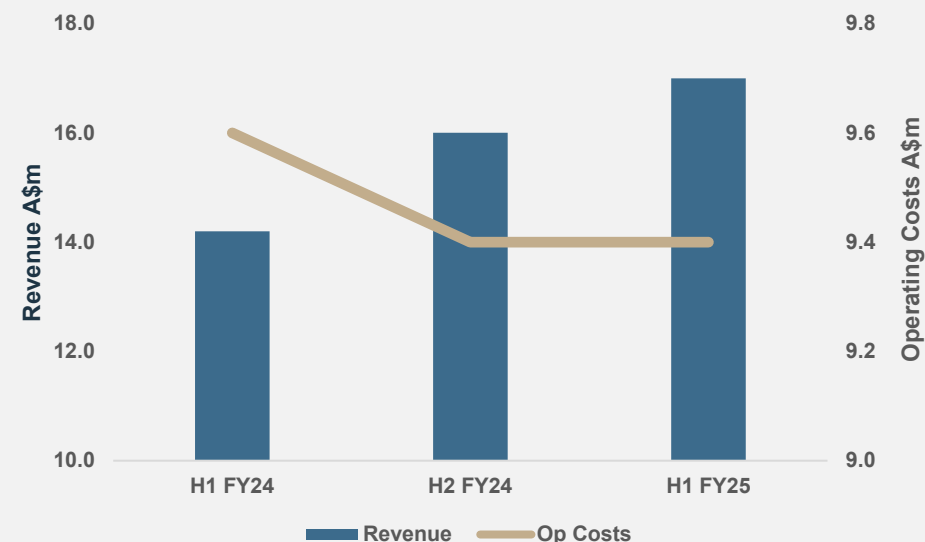
H1 FY25 FINANCIAL PERFORMANCE

Neville Joyce

GROUP FINANCIAL SUMMARY

Strong revenue growth and stable operating base driving positive EBITDA result

\$Am	H1 FY25	H1 FY24	Var	%
Revenue	17.0	14.2	2.8	20%
Gross Profit	11.0	8.6	2.4	28%
Gross Margin	64%	61%	3%	
Underlying EBITDA ¹	1.7	(0.9)	2.6	260%
EBITDA Margin	9.4%	-7.0%	16%	
D&A	(1.7)	(1.1)	(0.6)	55%
Finance/FX/Tax	(0.1)	(0.1)	0.0	
Loss after tax	-	(2.3)	2.3	



- **Strong revenue growth** driven by improved Detect performance resulted in EBITDA turnaround
- **Gross margin within target range** of 60%-64%: higher gross margin at consolidated level due to growth in higher-margin Detect revenue
- **Increased D&A** reflects additional amortisation charges attributable to revised amortisation period of five years vs 10 years in PCP
- **Reduced and stable operating cost base** following completion of organisation restructure in FY24, with decreased operating costs of \$0.3m YoY

- **Earnings inflection point** following investment in technology and commercial capability; **strong leverage potential** as revenue builds

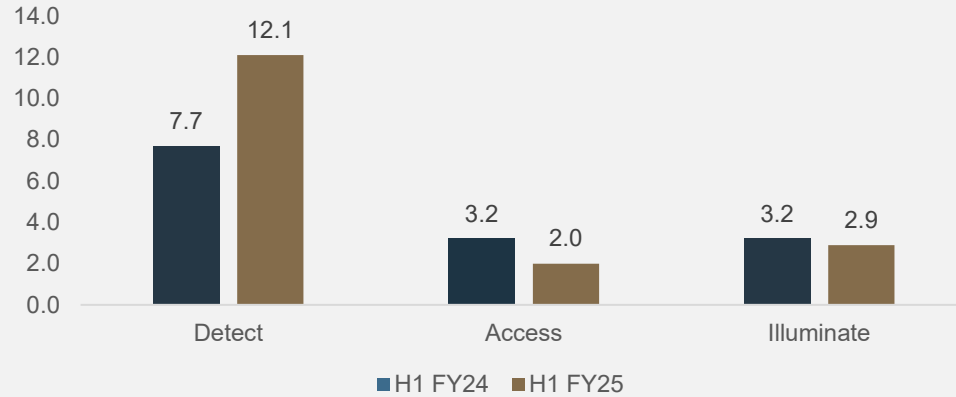
Target revenue range of \$52m to \$66m by FY26 with operating leverage, delivering EBITDA of \$11m-\$18m by FY26

1. EBITDA is profit / (loss) after tax adjusted for depreciation and amortisation, impairment of goodwill, finance expense and foreign exchange movements per Consolidated Statement of Comprehensive Income.

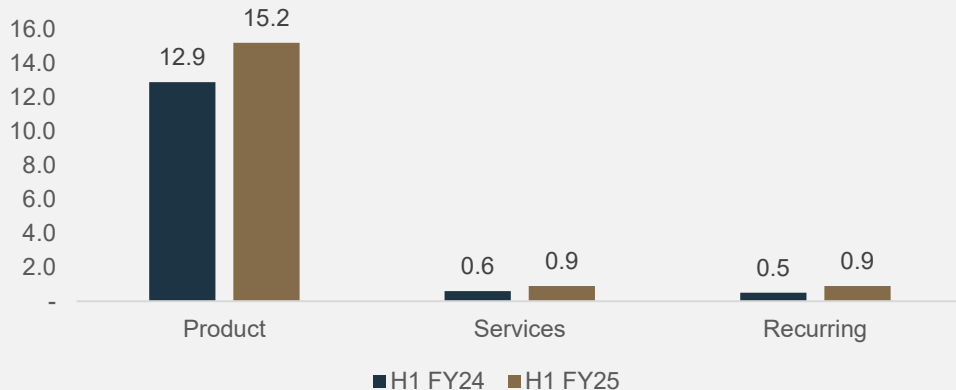
REVENUE PROFILE BY SEGMENT AND TYPE

Solid platform following investments into commercial capability and technology

REVENUE BY SEGMENT (A\$m)



REVENUE BY TYPE (A\$m)



Detect revenue up \$4.4m

- Average gross margin of 66%-70%
- Driven by completion of several key contracts
- Strong sales order intake

Access revenue down \$1.2m

- Average gross margin 50%-55%
- Initial Cobalt series stocking orders for dormakaba (US) in H1 FY24
- dormakaba distribution network key to segment growth

Illuminate revenue down \$0.3m

- Average gross margin 45%-50%
- Solutions complement Detect contracts

Recurring revenue up 80%

- Sales order backlog of \$7.6 million includes \$2.4m in contacted annual recurring revenue

GROUP BALANCE SHEET

\$Am	Dec 24	Jun 24	Movement
Cash and cash equivalents	4.7	5.1	(0.4)
Receivables	9.7	9.0	0.7
Inventories	6.7	6.6	0.1
Intangibles	12.9	12.8	0.1
Other Assets	3.9	2.6	1.3
Total Assets	37.9	36.1	1.8
Payables	2.9	2.9	-
Provisions	1.4	1.4	-
Borrowings	2.1	2.2	(0.1)
Other liabilities	2.8	1.7	1.1
Total Liabilities	9.2	8.2	1.0
Total Equity	28.7	27.9	0.8

- **Lower cash balance and increase in receivables** due to late Q2 shipments settled in January resulting in \$1.7m cash in flow
- **Increase in other assets** relates to insurance prepayments and additional right of use assets (associated with property lease renewals)
- **Increase in other liabilities** due to additional right of use assets (associated with property lease renewals)
- **Borrowings** related to working capital facilities and Covid-19 support loans in Illuminate

GROUP CASH FLOW

\$Am	H1 FY25	H1 FY24	Var
Working Capital movement	1.2	(1.1)	2.3
Development/Capital Expenditure	(1.3)	(1.4)	0.1
Dividends Paid	-	(0.4)	0.4
Movement in Borrowings	(0.1)	(0.2)	0.1
Finance, Tax charges	(0.1)	(0.2)	0.1
Other (inc FX)	0.1	(0.3)	0.4
Movement in Cash	(0.4)	(3.6)	3.2
Opening Cash	5.1	5.5	(0.4)
Closing Cash	4.7	1.9	2.8

- **Favourable working capital movement** due to increased Detect revenue and collection of receivables relating to Q4 FY24 shipments
- **Working capital impacted by receipts** attributable to late Q2 shipments received in January (\$1.7m)
- **Cash flow positive** for the period if include additional \$1.7m receipts in January
- **Steady development expenditure** driven largely by \$1m investment in Aura Ai-X platform
- **Borrowings** relate to working capital facilities and Covid-19 support loans in the Illuminate segment

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STRATEGY & OUTLOOK

Mal Maginnis

STRONG GROWTH CATALYSTS IN EACH SEGMENT

Developing sales pipeline in key industry verticals and growing recurring revenue base

DETECT

- Aura AI-X: **solution of choice for protection of critical infrastructure** worldwide
- Added three new platforms to support growth
- Expanding solutions to adjacent applications and customers

ACCESS

- Growing demand for the Cobalt 2 locks via dormakaba's distribution network
- Release new Bluetooth YG80 large lock
- Major channel network growth using the quality of our distribution partners

ILLUMINATE

- Cross sell combined Illuminate and Detect solutions
- LoRa achieving market position with Detect
- Expand product sales in North America and Asia Pacific via established channels

OPPORTUNITIES IN KEY VERTICALS

Technology provides real world solutions across multiple sectors



GLOBAL BORDERS

Ava Risk Group successfully completed a second major installation and support for 400km+ of a critical European border, buried with extremely challenging environmental conditions.

- Replaced incumbent due to nuisance alarm rates (NAR) and lacking functionality.
- Aura Ai-X reduced alarms substantially down to under 2 a day. The fence is currently operating at 96% probability of detection (POD) and 4% nuisance alarm rates.
- Customer upgrading additional borders (replacing the incumbent competitor) with further orders expected.

Aura Ai-X is being deployed in additional border sites globally, including Eastern Europe, Southeast Asia, Latin America and southern Africa. **The current border pipeline is in excess of \$12m for FY25 and FY26.**



MINING, OIL AND GAS

Recently secured major upgrades to Oil and Gas facilities worldwide. These include new and upgrade installations with Aura Ai-X.

- **Australia** – Woodside, Santos, Exxon, and others. Value YTD >1.5m, pipeline >3m plus recurring revenue.
- **Middle East** – Qatar gas, Dubai, Hail and Ghasha, and others. 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

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



INFRASTRUCTURE

TRANSPORT – METRO

Opportunity to support monitoring of Sydney Metro networks offers major new adjacency \$7-8m+ in FY25, in addition to broader global opportunities.

Sydney Metro

- City & Southwest line 3m+, installing
- fallen object project – submitted 1m+
- West - bid 1.5m+ submitted
- Western Sydney Airport – bid 3m+ submitted

Global

- Nepal enquiry – early stage.
- Turkey – Istanbul – early stage.
- Southeast Asia – various early stage.
- Other, Australia – Metro trains Melbourne, Suburban Rail Loop, Queensland Rail various discussions linked to Sydney.



TRANSPORT – AIRPORTS

Airports perimeters present a major new adjacency for Ava, driven by growing 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.

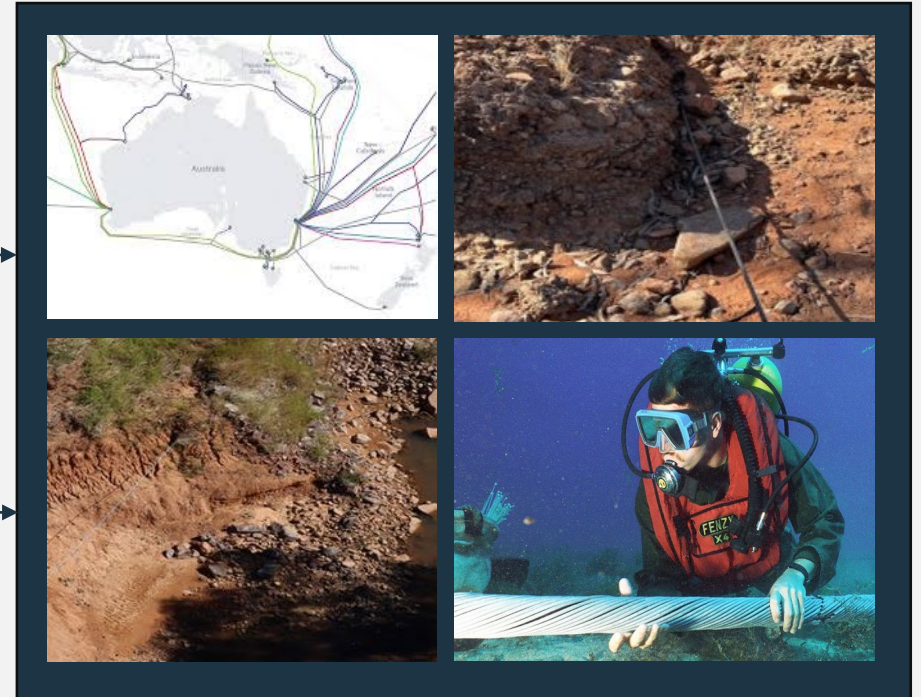
CASE STUDY: ADJACENCIES – TELECOMMUNICATIONS

Supporting telecommunications challenges

- 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.

Opportunities to deploy technology

- New Aura Ai-DX Platforms released
- Protection of data cabling via surface and subsea sensing
- Identifying exposed cabling due to environmental changes
- Intrusion events on major communication towers
- Access to critical assets
- Pit lid intrusion / lifting, cable tampering, digging



STRONG GROWTH OUTLOOK LEVERAGES EXISTING COST BASE

Substantial opportunity remain in adjacent markets to drive growth though impact delayed to FY26

	FY24 (A) Total	FY25 (F)		FY26 (F)	
		Low	High	Low	High
\$m					
Core Revenue		37.0	40.7	47.1	56.5
Adjacencies			0.8	5.0	10.0
Total Revenue	30.2	37.0	41.5	52.1	66.5
Gross Profit	18.1	23.3	26.1	33.3	42.6
GM%	60%	63%	63%	64%	64%
Opex	19.0	19.4	20.0	22.0	24.0
EBITDA	(0.9)	3.9	6.1	11.3	18.6
	-3%	11%	15%	22%	28%
FX Movement	(0.1)				
Impairment of Goodwill	(1.5)				
D&A	2.5	3.5	3.5	3.8	3.8
EBIT	(5.0)	0.4	2.6	7.5	14.8

- **Expected revenue growth of 20%+ in FY25**
 - Core business delivering to plan
- **Adjacency revenues slower to materialise due to reliance on partners but remain an enormous growth opportunity**
 - Continued progress and focus on adjacencies though meaningful revenue now likely in FY26
- **Focus on revenue growth** across all business by leveraging strength of commercial teams and proven technology
 - Pipeline conversion in Detect and build momentum in adjacent markets (e.g. telcos)
 - Incorporate market-leading Illuminate and Access products with Detect fibre solutions
 - Expand OEM / distribution channels for broadening Access and Illuminate global reach
- **Leverage stable operating cost base** as business scales to deliver sustainable growth in earnings
- **Cash flows and balance sheet** provide funding to drive scalable global operation

COMPELLING CASE FOR INVESTMENT

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



TRACK RECORD OF GROWTH AND RESULTS

- H1 FY25 revenue growth of 20%
- 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
- Target revenue range of \$52m to \$66m by FY26 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

CORPORATE SNAPSHOT

Key Metrics

Market capitalisation (as at 20 February 2025)	\$30.5M
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Share price (as at 20 February 2025)	\$0.105
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Shares outstanding	290.5 million
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Top 20 Shareholders	52%
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Top 20 Holdings (as at 20 February 2025)

Name	Balance	%
BELL POTTER NOMINEES LTD <BB NOMINEES A/C>	31,950,717	11.00%
BNP PARIBAS NOMS PTY LTD	16,122,524	5.55%
MR STEPHEN ROSS CAREW <BMS A/C>	13,000,000	4.48%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	10,177,852	3.50%
BANNABY INVESTMENTS PTY LIMITED <BANNABY SUPER FUND A/C>	9,948,859	3.43%
DIXSON TRUST PTY LIMITED	9,032,306	3.11%
VALWREN PTY LIMITED <WFIT A/C>	8,500,000	2.93%
VALWREN PTY LIMITED <SANDY FAMILY INVESTMENT A/C>	6,500,000	2.24%
CHAG PTY LTD	5,930,769	2.04%
CITICORP NOMINEES PTY LIMITED	5,425,755	1.87%
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	4,741,665	1.63%
BFA SUPER PTY LTD <GDN SUPERANNUATION FUND A/C>	4,612,850	1.59%
MR DAVID MALCOLM SOUTH	4,250,000	1.46%
MARK IAN TIBBENHAM	4,200,000	1.45%
GOVINDARAJALOO NARASIMOOLOO	3,180,027	1.09%
BFA SUPER PTY LTD <GDN SUPER FUND A/C>	3,000,000	1.03%
GOLDRUSH FUND PTY LTD <GOLDRUSH A/C>	3,000,000	1.03%
MR ROBERT ANDREW BROOMFIELD	2,944,807	1.01%
MR ATHAR JAMEEL BHUTTO	2,677,777	0.92%
CHERYL LEE TAPANES	2,600,000	0.90%

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QUESTIONS

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AVA GROUP

DETECT • ACCESS • ILLUMINATE

FORWARD LOOKING STATEMENTS

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