



AVA GROUP
SECURITY RISK MANAGEMENT

Investor MoD Presentation – May 2019

Forward Looking Statements

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

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Corporate Overview

KEY MARKET STATISTICS

ASX Code	ASX.AVA
Share price (as at 14 May 2019)	\$0.155
Market Capitalisation	\$32.6m
Shares on issue	210.6m
Cash (as at 31 Mar. 2019)	\$0.9m

BOARD & KEY MANAGEMENT

David Cronin	Chairman
Scott Basham	Group CEO
Rob Broomfield	COO – Technology Division
Leigh Davis	Group CFO
Michael McGeever	Non-Executive Director
Mark Stevens	Non-Executive Director

MAJOR SHAREHOLDERS

Pandon Holdings*	15.3%
RSA Associates	12.8%
Seafirst	5.8%
Directors*	20.3%

* Includes related parties

Major Organizations All Around the World Depend on AVA



India MoD PO Received

Ava's Future Fibre Technologies' data network security solution has been selected to protect one of the world's largest closed user group data networks for the exclusive use of more than one million military personnel:

- Ava and SFO finalised contractual terms and SFO has received and formally accepted the Purchase Order from the prime contractor.
- The value of the licence fee has increased, and it is now estimated that Ava will receive **US\$11.9m (A\$16.86m)** over the next 14 months.
- Based on the current production and delivery schedules, it is anticipated that between US\$0.35m and US\$1.0m (A\$0.5m and A\$1.5m) revenue will be generated in FY2019 with the remaining revenue of between US\$11.55m and US\$10.9m (A\$16.36m and \$15.4m) expected in FY2020.
- In addition, there is expected to be additional revenue after the initial 3-year warranty period from a subsequent 7-year spares and maintenance contract, which has been estimated at **US\$3.4m (A\$4.8m)** after the warranty period.
- Under the revised contract terms, Ava will be paid on 120-day terms (ex-works) and benefit from a bank guarantee equivalent to 200 units of product (circa 20% of total production volumes).

India MoD Forecast Cashflow Profile

Ava is expecting to receive US\$11.9m (A\$16.86m) in revenue over the next 14 months. The below tables show the forecast revenue and cashflow profile of the Indian MoD contract (converted to AUD):

Month	May 19	Jun 19	Jul 19	Aug 19	Sep 19	Oct 19	Nov 19	Dec 19	Sub Total
Revenue		\$0.5M	\$1.36M	\$1.36M	\$1.36M	\$1.36M	\$1.36M	\$1.36M	\$8.7M
Cashflow						\$0.5M	\$1.36M	\$1.36M	\$3.2M

Month	Jan 20	Feb 20	Mar 20	Apr 20	May 20	Jun 20	Sub Total
Revenue	\$1.36M	\$1.36M	\$1.36M	\$1.36M	\$1.36M	\$1.36M	\$8.2M
Cashflow	\$1.36M	\$1.36M	\$1.36M	\$1.36M	\$1.36M	\$1.36M	\$8.2M

Month	Jul 20	Aug 20	Sep 20	Oct 20	Sub Total
Revenue					
Cashflow	\$1.36M	\$1.36M	\$1.36M	\$1.36M	\$5.4M

Investment Highlights

World Class Products

- Investment in Aura AI platform has generated material revenue to date with a strong order book and significant upside at attractive margins.
- Investment in Aura IQ platform forecast to provide significant return on investment within the next 12 to 24 months, with further upside from planned innovation, including a significant opportunity for recurring revenue.
- BQT's Orca locking technology won a major USA product award, with follow on orders received from the North American market and large, multi-year supply agreements being negotiated.
- BQT's access control technology selected by another Australian Government Department. Roll out commenced in Q4FY2019. Further significant revenues for FY2020.

Strong, Profitable Revenue Growth

- Cost management program executed, on-going cost savings compared to 1H FY2019 of \$1.2M p.a., in addition to the A\$1M p.a. achieved following the acquisition of MaxSec Group last year.
- Technology Division order backlog A\$3.6M mostly deliverable in Q4 FY2019
- DHS (AU Govt) A\$0.25M order received and another A\$1.55M of orders due in FY2020
- India MOD revenue forecast increased by an additional A\$1.1M, with A\$16.8M due in FY2019 and FY2020 and a further A\$4.7M expected during the 7 year support period. Cash-flow received 120 days ex-works.
- Specified for several large program awards.
- Services Division EBITDA positive with improving margins and increasing revenues

