

Global leader in smart security and sensing
technologies

AUSTRALIAN MICROCAP INVESTMENT CONFERENCE

18 OCTOBER 2022

PRESENTERS
Rob Broomfield, CEO

AGENDA

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Financial overview

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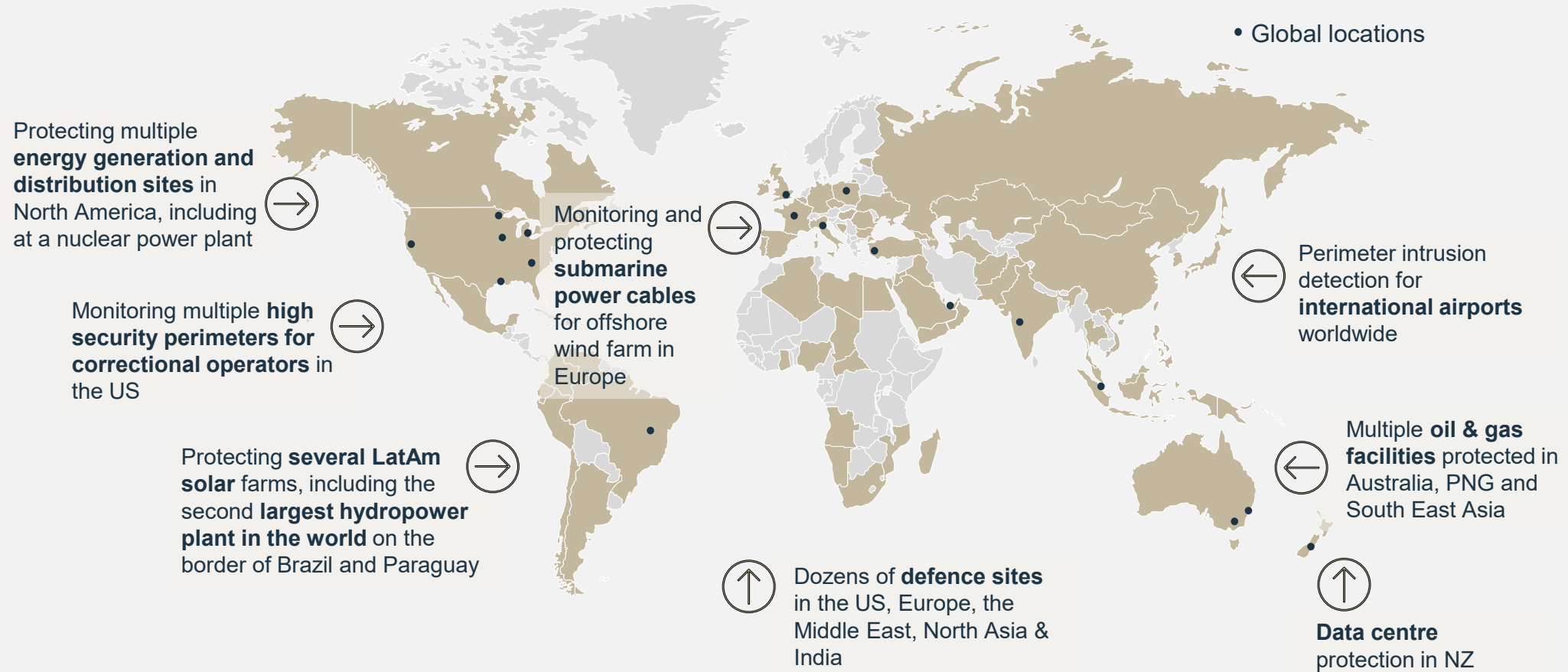
Industry drivers & Growth initiatives

GLOBAL LEADER IN RISK MANAGEMENT TECHNOLOGY

Sensing and access technology protecting high value assets and critical infrastructure worldwide

- ▶ **World-leading portfolio of complementary premium solutions and technologies**
 - Fibre optic intrusion detection systems
 - Security and intruder detection equipment
 - High security access control technology
- ▶ **Trusted by some of the world's most security conscious commercial, industrial, military and government customers**
- ▶ **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**

DELIVERING **PROVEN** SOLUTIONS TO MULTIPLE INDUSTRIES WORLDWIDE



+70 countries

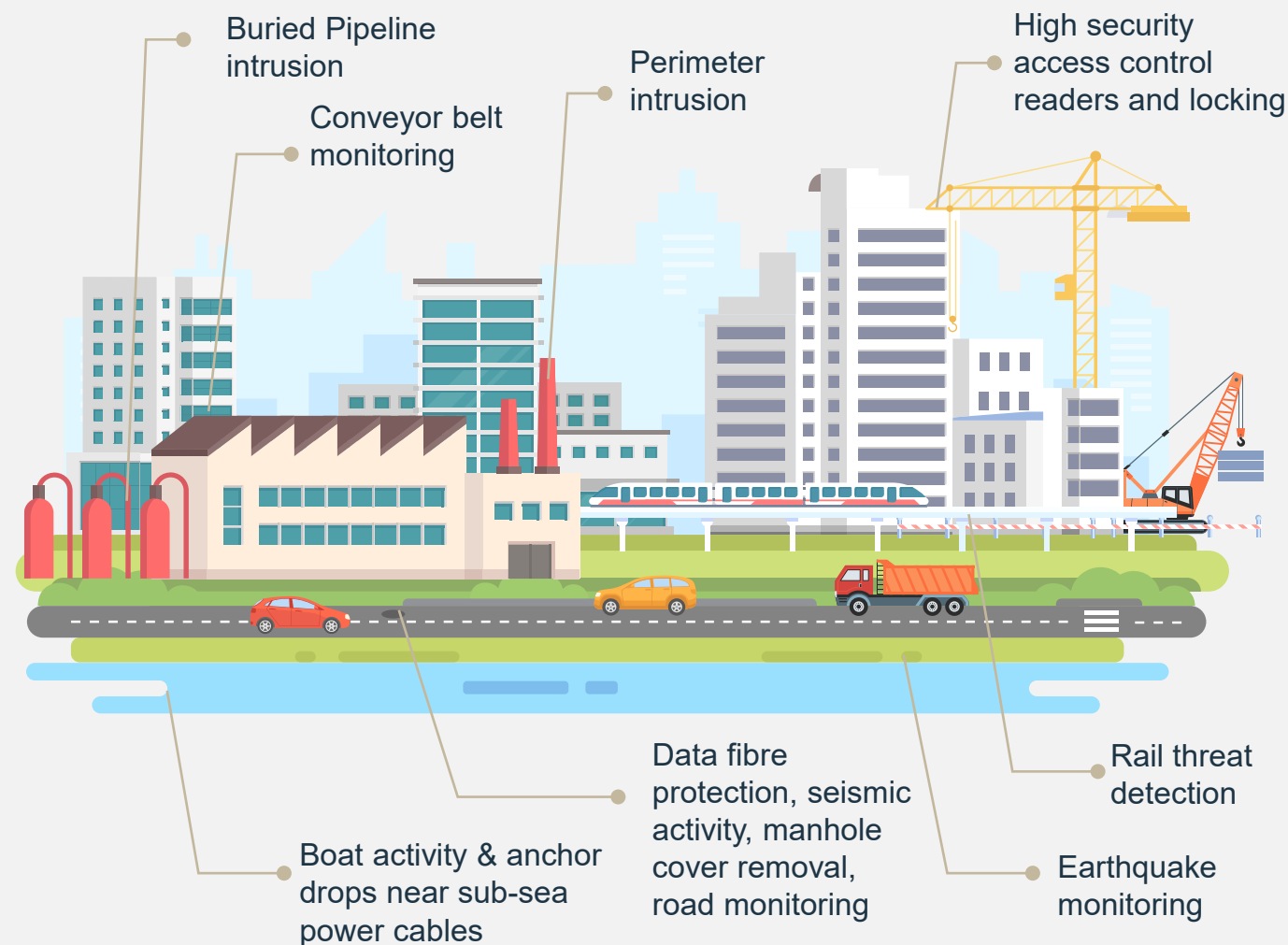
+2,500 systems deployed

+3,500 sites protected

SENSING BEYOND SECURITY

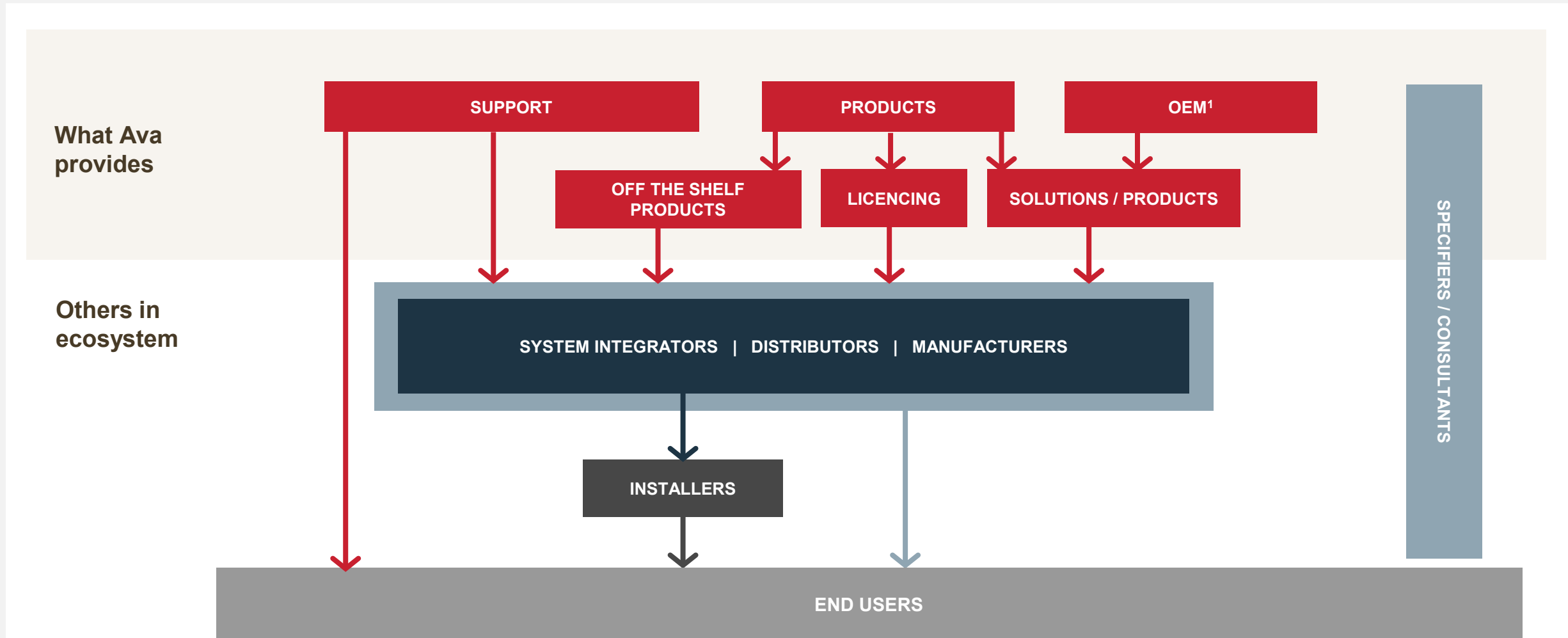
Building on success in existing deployments in multiple infrastructure types & across global smart cities

- **Existing commercial deployments** monitoring threats to multiple types of infrastructure above and under ground and underwater
- **Unique and deep domain expertise**, and success, from deploying high reliability and cyber assured solutions for critical infrastructure
- Extension into **new applications is underway** with lead customers, who require solutions that detect, classify and accurately provide real-time 'situational awareness' as well as long term predictive capabilities
- Next steps are establishing a **Condition Monitoring Solutions Business Unit** to utilise group technologies, and develop and integrate new sensing technologies



PROVEN GO-TO-MARKET STRATEGIES

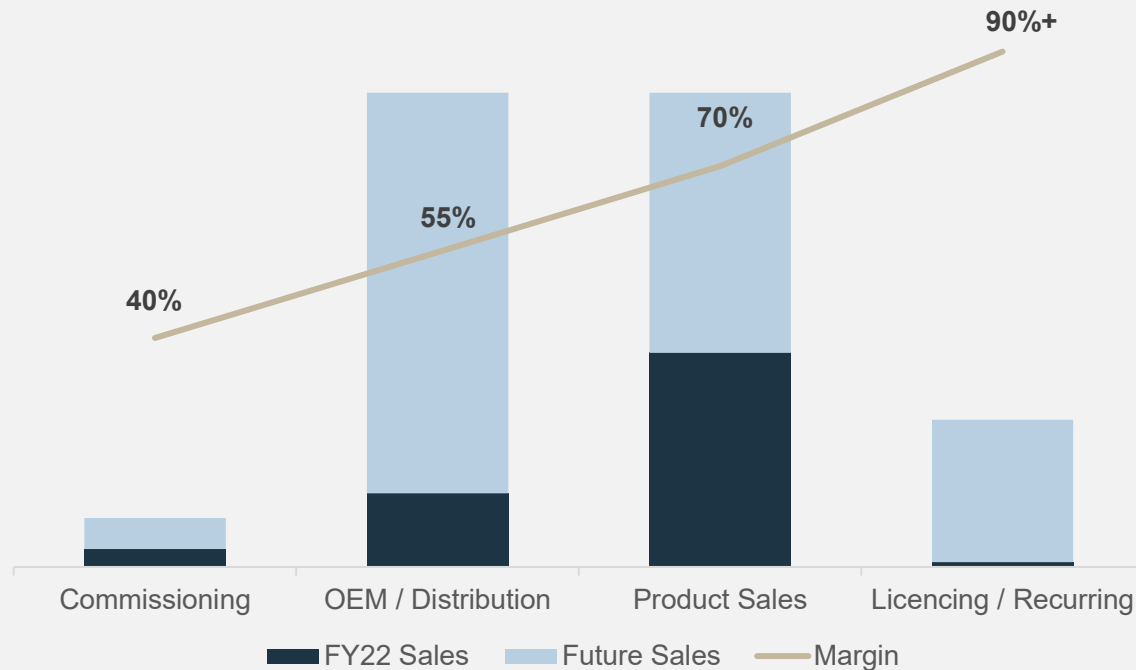
Diversified, low-risk and scalable global model, leveraging market-leading relationships



SCALEABLE BUSINESS WITH SUSTAINABLE MARGINS

Opportunity to drive growth across all channels, leveraging our IP and cost base

FY22 (\$19m) vs Future Sales



- Platform and pipeline in place to grow revenue to \$70 - \$100m over the next three years through:
 - multi-year services contracts;
 - increased product sales in security and adjacent markets; and
 - leveraging distribution / OEM partnerships including acquisition of GJD
- Revenue growth leverages existing operating cost base and IP while maintaining high gross margins; requires additional operating costs of \$8m - \$12m delivering significant growth in EBITDA

STRONG TRACK RECORD WITH UNIQUE GLOBAL OPPORTUNITY

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



TRACK RECORD OF GROWTH AND RESULTS

- High margins and ongoing cost discipline
- Strong cash generation and surplus cash for investment and return to investors
- Innovative technology developed over multiple years to support blue chip customer base



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
- Expanding applications beyond security into condition monitoring
- Efficient, scalable go-to-market strategies which include key distributor partners



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

HIGH-QUALITY BASE OF END USERS

SAMPLE OF END USER CUSTOMERS



PARTNER RELATIONSHIPS EXPAND MARKET REACH

SAMPLE OF SYSTEM INTEGRATORS / DISTRIBUTORS



FINANCIAL OVERVIEW

FINANCIAL OVERVIEW

Strong cash position with no debt

- **Strong financial position** – cash balance at 31 August (after the acquisition of GJD) of \$9.0m and no debt
- **Growing sales order intake** – Q1 FY23 grew by 30% on pcp; FY22 grew by 13% on pcp (excluding IMoD)
- **FY22** Group revenue and other income from continuing operations of \$19.0m and EBITDA¹ of \$0.8m
- **Acquisition of GJD** in August 2022 – expected to add annualized revenue of \$8.0m and EBITDA of \$1.5m
- **Positive cash flow** from operations in FY22 of \$2.5m
- **Well placed to pursue growth opportunities**

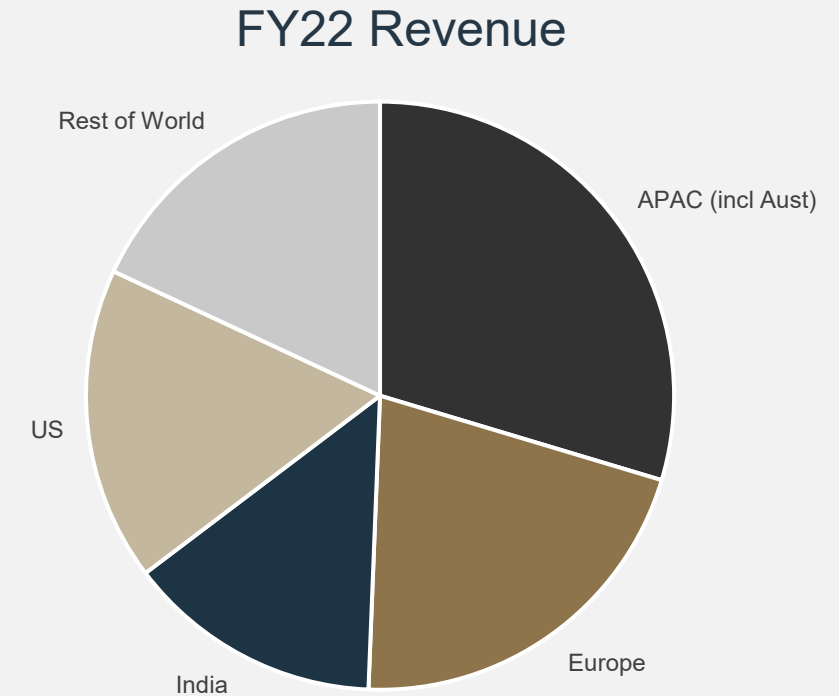


1. EBITDA excludes unrealised foreign exchange variances
2. Excludes contribution from IMoD licensing (FY21: \$7.8m) and government COVID-19 grants (FY21: \$0.6m)

GLOBAL REVENUE FOOTPRINT

Growth in the US supported by increased capability

- **FY22 revenue evenly dispersed across key geographies.**
- **Revenue in the US more than doubled** compared to FY21 reflecting the significant investment in that market.
- **The US is the world's largest security market** and we have demonstrated our ability to win competitive contracts to deploy fibre-optic perimeter detection technology to critical infrastructure assets.



CORPORATE SNAPSHOT

Key Metrics

Market capitalisation
(as at 10 October 2022) **\$47.2M**

Share price
(as at 10 October 2022) **\$0.19**

Shares outstanding **255.3 million**

Cash at bank 31 August 2022 **A\$9.0M**

ASX listing **May 11, 2015**

Return of more than A\$46m to shareholders via special dividend and capital return in the last 2 years

Top 20 Holdings (as of 18 August 2022)

Holder Name	Securities	%
Bell Potter Nominees Ltd <BB Nominees A/C>	31,950,717.00	13.2
BNP Paribas Noms Pty Ltd	17,313,575.00	7.1
HSBC Custody Nominees (Australia) Limited	11,086,753.00	4.6
Mr Stephen Ross Carew	10,000,000.00	4.1
Bannaby Investments Pty Limited <Bannaby Super Fund A/C>	9,948,859.00	0.041
Dixon Trust Pty Limited	7,339,998.00	0.030
Valwren Pty Limited <Wfit A/C>	6,750,000.00	0.028
Valwren Pty Limited <Sandy Family Investment A/C>	6,000,000.00	0.025
Citicorp Nominees Pty Limited	5,967,711.00	0.025
Chag Pty Ltd	4,400,000.00	0.018
Mr David Malcolm South	4,250,000.00	0.017
BFA Super Pty Ltd <GDN Super Fund A/C>	2,978,384.00	0.012
Mr Robert Andrew Broomfield	2,713,379.00	0.011
Cheryl Lee Tapanes	2,600,000.00	0.011
Goldrush Fund Pty Ltd <Goldrush A/C>	2,000,000.00	0.008
HSBC Custody Nominees (Australia) Limited <Euroclear Bank SA NV A/C>	1,467,963.00	0.006
DMX Capital Partners Limited	1,406,000.00	0.006
Mr Athar Jameel Bhutto	1,377,777.00	0.006
BNP Paribas Nominees Pty Ltd <IB AU NOMS Retail Client DRP>	1,347,705.00	0.006
Avalon Amber Pty Ltd	1,344,330.00	0.006
	132,243,151.00	0.544

GROWTH DRIVERS

MARKET OPPORTUNITY DRIVEN BY GLOBAL INDUSTRY TRENDS

Industry trends support long term growth

- Global security concerns driving rapid adoption of high security technology
- Increased government spending on protecting critical infrastructure
- Global connectivity driving greater demand for remote service capability
- Situational awareness & leveraging data for business outcomes

Multiple business growth drivers

- Expanding technology into new markets and applications
- Proven go-to-market opportunities and provision of value-added services
- Growing share of spend from existing customers and new client wins

GROWTH INITIATIVES

To be a global leader in actionable, intelligent data streams that protect and optimise critical assets

LEVERAGE PARTNERSHIPS

- Leverage relationships with distributors – e.g. dormakaba for BQT products
- Expand in new markets, building on early success of partnerships in the US
- Expand Aura AI technology for both security and new applications and verticals
- Build technology partnerships, e.g. Mining3, for innovative, high-performance solutions

GROW RECURRING & OEM REVENUE

- Grow OEM contracts and sales
- Convert Aura IQ conveyor health monitoring POVs into sales, and base for mining condition monitoring expansion
- Expand on FY22 50+ contracts and existing install base of 2,500 customers for support and maintenance contracts
- Increase value of support solutions with remote monitoring, AI detection and cyber upgrades

LEVERAGE SCALABLE MODEL

- Leverage industry relationships to accelerate UK and EU growth
- Expand licence agreement for low cost and high margin contracts across LatAm and India
- Leverage large existing install base for upgrades and extensions
- Operating leverage from cost discipline and economy of scale

STRATEGIC OBJECTIVES

- ▶ Pursue opportunities in global **critical infrastructure security**, leveraging enhanced business development capability in North America.
- ▶ Use advanced **machine learning** capability to provide a compelling product proposition **to grow recurring revenue** via long term support contracts.
- ▶ Progress the deployment of **condition monitoring technologies**, including **Aura IQ** to grow “situational awareness” solutions sales in adjacent markets

- ▶ Grow relationship with **key channel partners to increase sales volume** in solutions and technology
- ▶ Leverage synergies to **expand technology and geographic footprint** and accelerate growth
- ▶ Continue to **invest in and grow organisational capability** to fulfill our aggressive growth ambition

A perspective view of a long, brightly lit server room aisle. Rows of white server racks with glass doors line both sides, leading to a bright white door at the far end. The floor has blue-lit cooling vents.

QUESTIONS

FORWARD LOOKING STATEMENTS

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