Investor Presentation – 19 May 2020

AVA GROUP
SECURITY RISK MANAGEMENT

Forward Looking Statements

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

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Q3 FY2020 Highlights

STRONG REVENUE GROWTH

- Q3 FY2020 revenues $12.3m, increased by 89% over PCP
- Services Division contributed $6.2m, up 122% over PCP
- Technology Division contributed $6.1m, up 64% over PCP

HIGHLY SCALABLE MODEL

- Q3 generated $1.1m net operating cashflow, underpinning a highly scalable cost base with ‘land and expand’ revenue model
- Multiple new customer wins in both Services and Technology Divisions
- Significant conversion of repeat customers upgrading products on multiple sites

STRONG COMPETITIVE ADVANTAGE

- Highly defensible competitive position, breadth of product range, performance and blue-chip customer base
- Experienced leadership team, with broad global industry knowledge and deep market sector understanding

GLOBAL OPPOURTUNITY

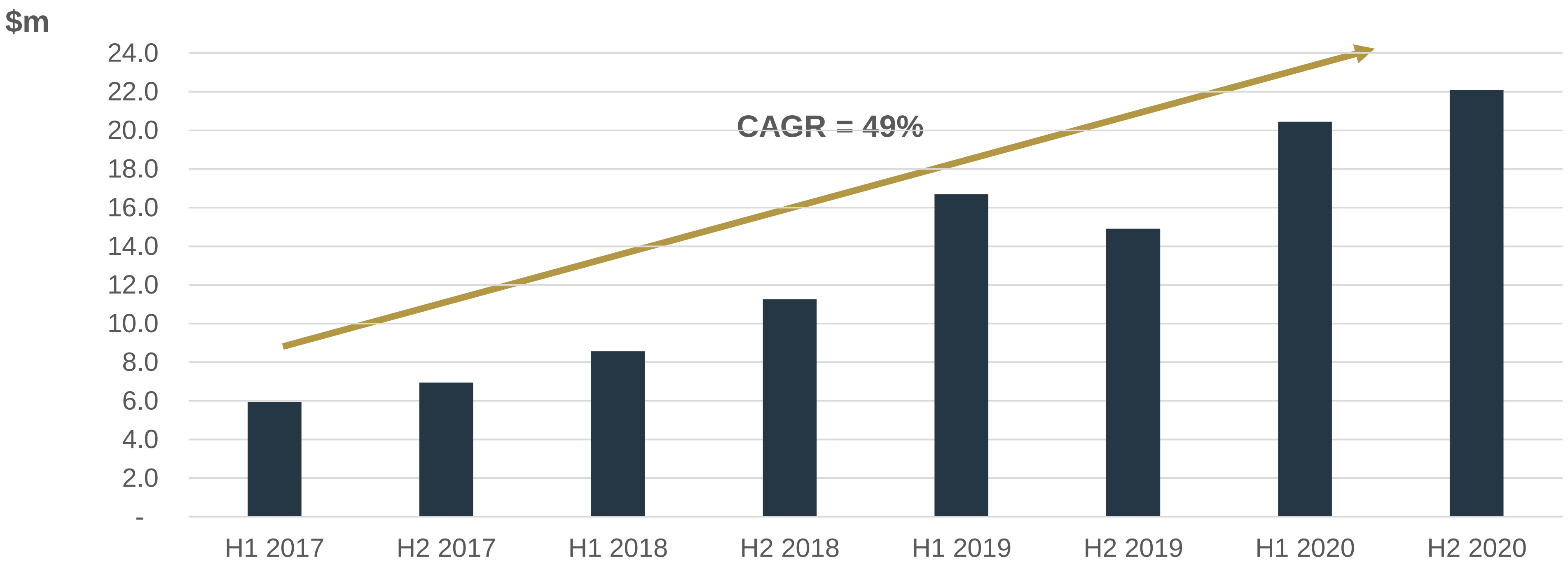
- Expanding technology and services sales efforts into several new attractive markets globally
- Highly competent global sales force with significant pipeline of known technology projects, and increasing addressable customer spend for provision of valuable logistics services
- Thousands of products installed in more than 70 countries

PCP = Previous Corresponding Period

Substantial Revenue Growth Achieved and Forecast

Ava Group has recorded substantial revenue growth in recent years with six-month revenues growing from ~$6m in H1 FY2017 to >$22m in H2 FY2020* – CAGR of >49%

Growth vs PCP	21%	44%	62%	95%	32%	23%	48%

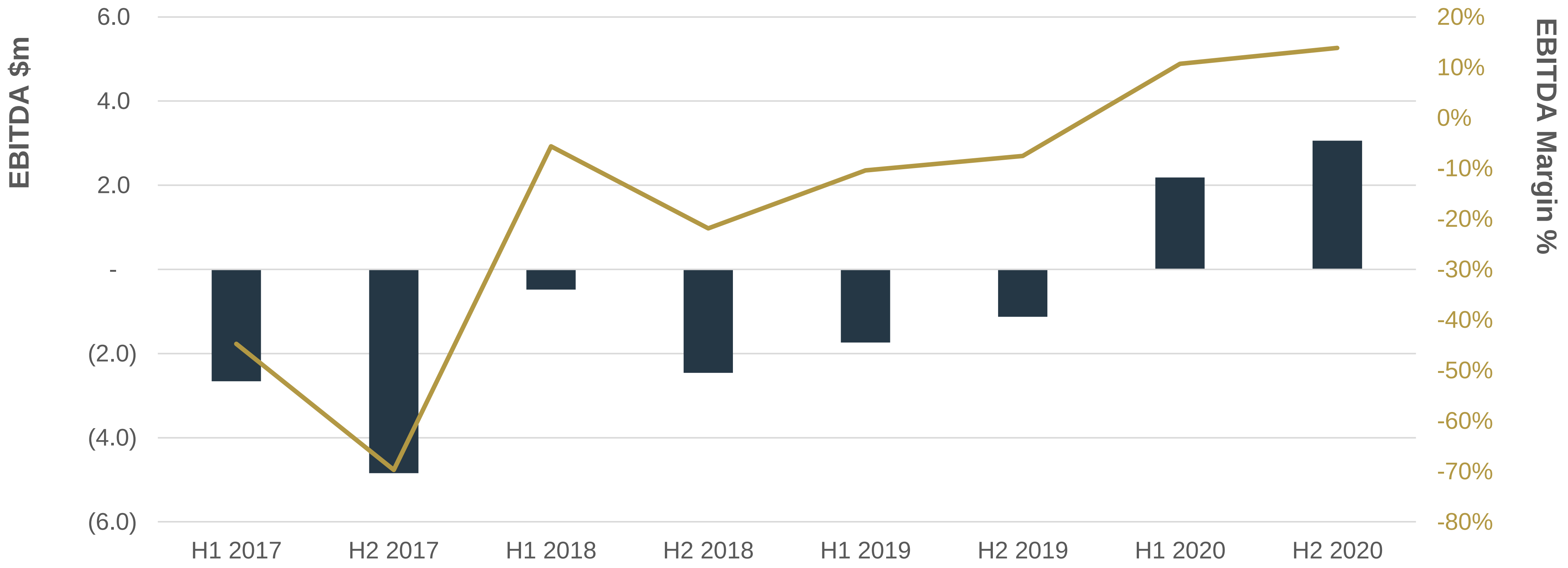


* AVA Management Forecast

AVA GROUP SECURITY RISK MANAGEMENT

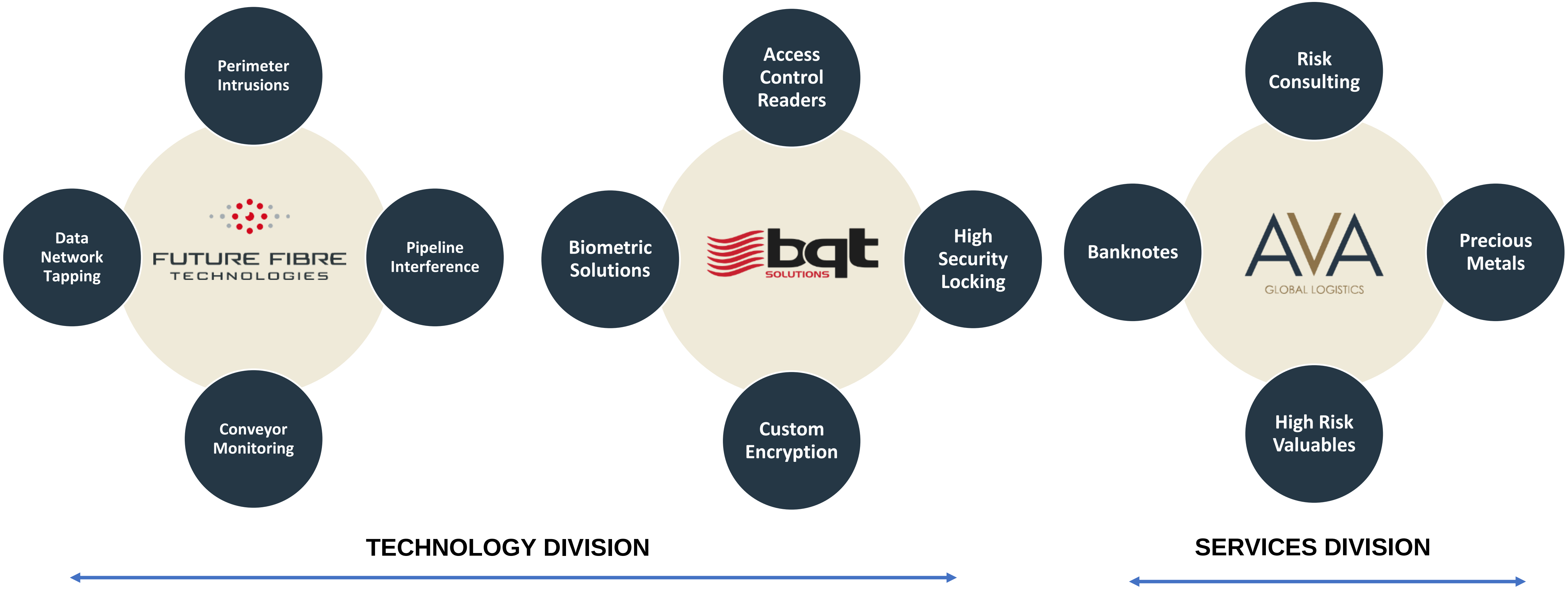
EBITDA Positive with Impressive Margin Expansion

As its revenues have grown Ava Group has significantly improved its EBITDA margin through a more efficient cost base, working capital management and diligent opex management, resulting in positive EBITDA in H1 2020 and FY2020*



* AVA Management Forecast

High Security & Sensing Experts



Complimentary Mix of Revenue Streams & Margins

FUTURE FIBRE TECHNOLOGIES
- 2,000+ Systems Deployed
- 65-75% Gross Margin
- $1b Addressable Market*
- Products & Services Model

bqt SOLUTIONS
- 3,500+ Sites
- 45-55% Gross Margin
- $600m Addressable Market*
- COTS & Custom Product

AVA GLOBAL LOGISTICS
- Partners in 100+ Countries
- 18-25% Gross Margin
- $600m+ Addressable Market*
- Recurring Services Model

TECHNOLOGY DIVISION

SERVICES DIVISION

* Refer Appendix

Major Organizations All Around the World Depend on AVA

U.S. Department of Homeland Security · U.S. Border Patrol · United States Navy · Federal Aviation Administration · AFP Australian Federal Police · Equinix · McCarran International Airport Las Vegas, Nevada · Qantas Spirit of Australia · Brisbane Airport · Adelaide Airport

Home Office · U.S. Army · U.S. Air Force · Louisiana Department of Corrections · Metropolitan Police · metronode · Abu Dhabi Police · Dubai Sports City · Gerald R. Ford International Airport · University of Cambridge · Thai · Sydney Airport · Australia Post · BBC · ECU Edith Cowan University · vodafone · EMAAR · Armani Hotel Milano

Shell · Air Force · bp · Woodside · NTT Group · Australian Government Australian Taxation Office · Government of South Australia · Australian Government Department of Foreign Affairs and Trade · ADNOC · HM Treasury · Home Office · Ministry of Defence · NSW Government · Victoria State Government · Queensland Government · Northern Territory Government · etisalat · Armani Hotel Dubai · Singapore General Hospital SingHealth

Transport Sydney Trains · Neste Oil · Australian Government · Hirsch Electronics · Bank of China · Microsoft · Wells Fargo · Australian Government Department of Defence

Tesoro · nexen · ecopetrol · Government of Western Australia · Siemens · ACC Australian Crime Commission · HSBC · ASIC Australian Securities & Investments Commission · Australian Government Department of Defence

Hamad International Airport Qatar · ConocoPhillips · Australian Government Attorney-General's Department · GERG The European Gas Research Group · Credit Suisse · PowerWater · CSM Consolidated Security Merchants · Snam Rete Gas · EnCana

dormakaba · ASSA ABLOY · Chubb · Maasland · WESCO · Anixter · iec · SAT Secure Access Technologies · Seadan Security & Electronics

Honeywell · M.C. Dean · leidos · Johnson Controls · AECOM · ABB · Boeing · KBRwyle · Athena Security Solutions · Jacobs

FFT Aura IQ

Conveyor Health Monitoring

AURA IQ **PRODUCT SHOWCASE**

FUTURE FIBRE TECHNOLOGIES

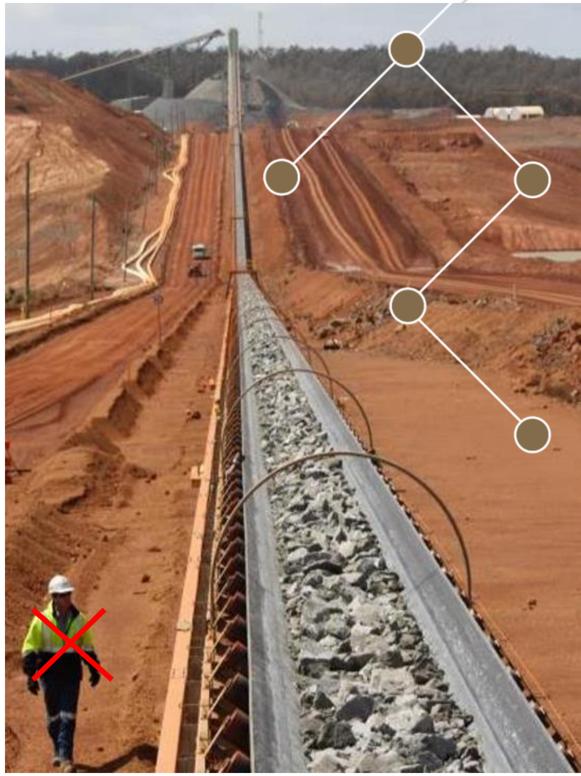
AURA IQ **CONVEYOR HEALTH MONITORING**

Smart Application of FFT’s Aura Ai-2 Asset Assurance & Predictive Maintenance

- Alliance with Mining3 for customisation of the Aura platform for conveyor condition monitoring
- For use in Mining, Bulk Handling, Port Operations, Cement Industry & Agribusiness
- Research funding backed by Rio Tinto, Vale SA, AngloAmerican, Australian Coal Association (50+ member companies)
- Average GM of 70%
- Models point to a 2.4 month ROI
- Award winning solution – Mining Magazine, Bulk Handling Award

Value Proposition - Transformational Business Performance

- Maximizes uptime & optimises productivity ($100k to $5m per hour cost for unscheduled downtime)
- Greatly enhances occupational health, hygiene & safety risk management
- Low cost & proven across challenging geographies, climates and unique setups
- Easy installation, scalable with flexible reporting – both on-premises and cloud

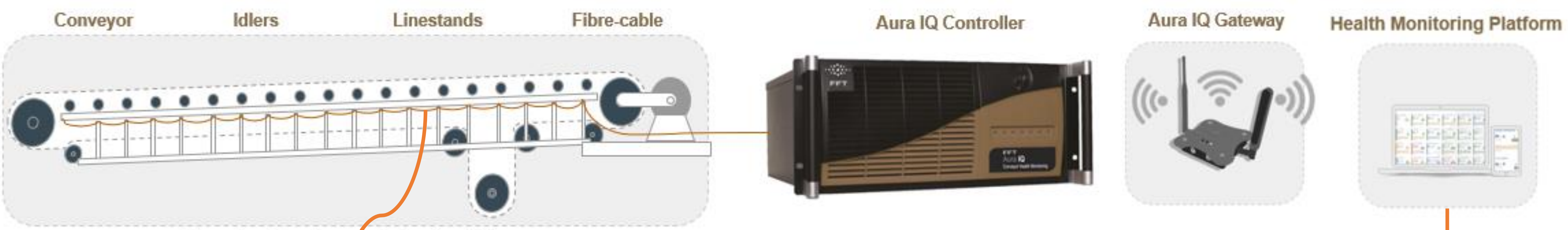


Traditional Challenges

- Safety, occupational health risks
- Unreliable & labour intensive
- Recent technologies reliant experts
- Challenging geographies & Climates

AURA IQ **CRITICAL EQUIPMENT MONITORING**

Diagnose + Monitor + Track + Report = Smart Detection & Prevention of Idler Failure



Aura IQ can measure conveyor lengths up to 20km long without power in the field

Fibre optic cable can be looped across multiple physical conveyor installations

Fibre optic cable is attached to the conveyor structure/conveyor stringer to measure idler vibrations

Fibre optic cable is extended from the Edge Server to the first linestand frame

The Aura IQ Edge Server pulses a laser down the fibre and then measures the refraction of light at 50cm intervals

Investment & development in a cloud platform allows for future enhancements & OPEX / SaaS opportunities for recurring income streams.

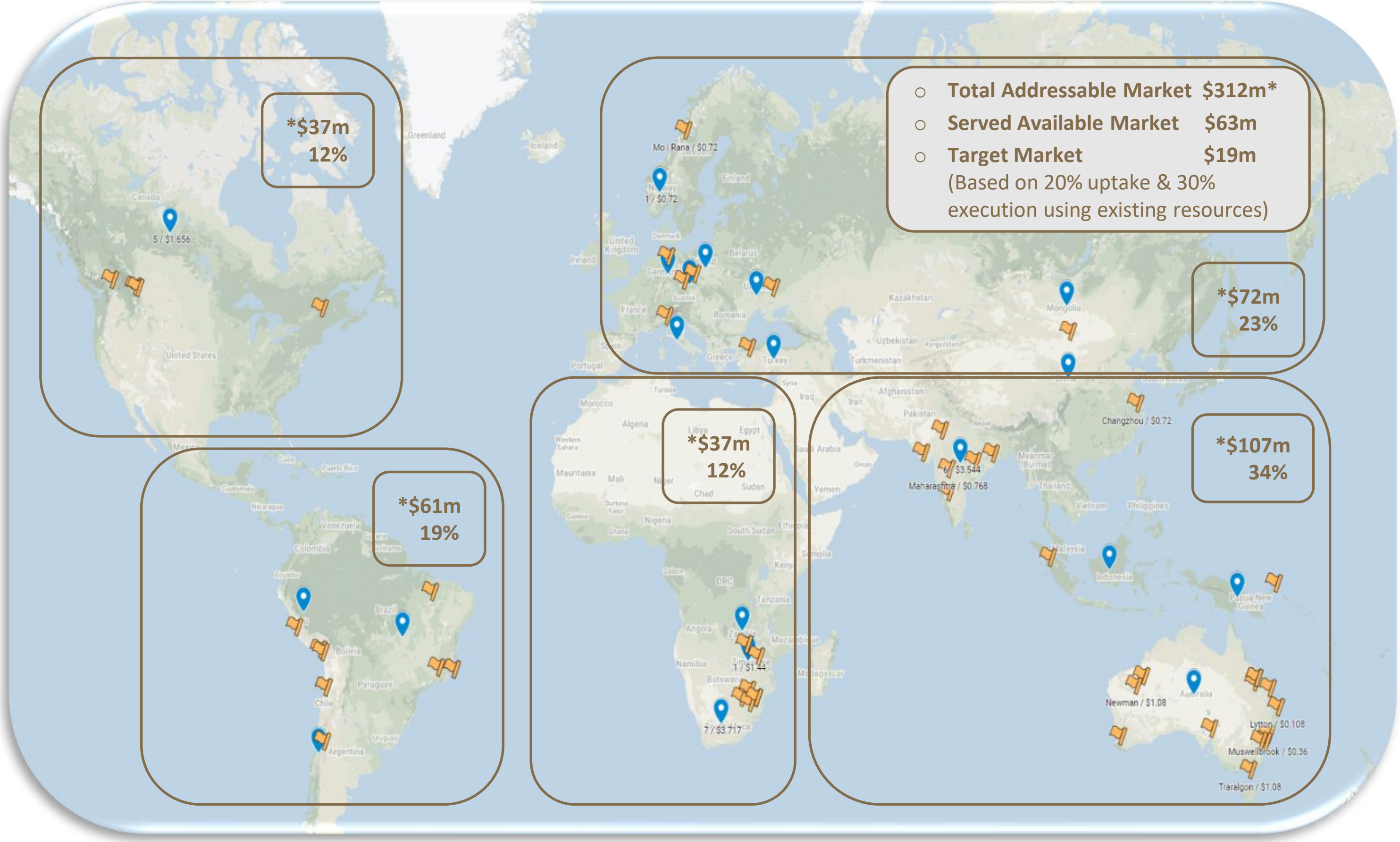
Daily Reports are generated highlighting which idlers are at risk of failure

Detailed **Heatmaps** illustrate key failure indicators on an individual linestand basis

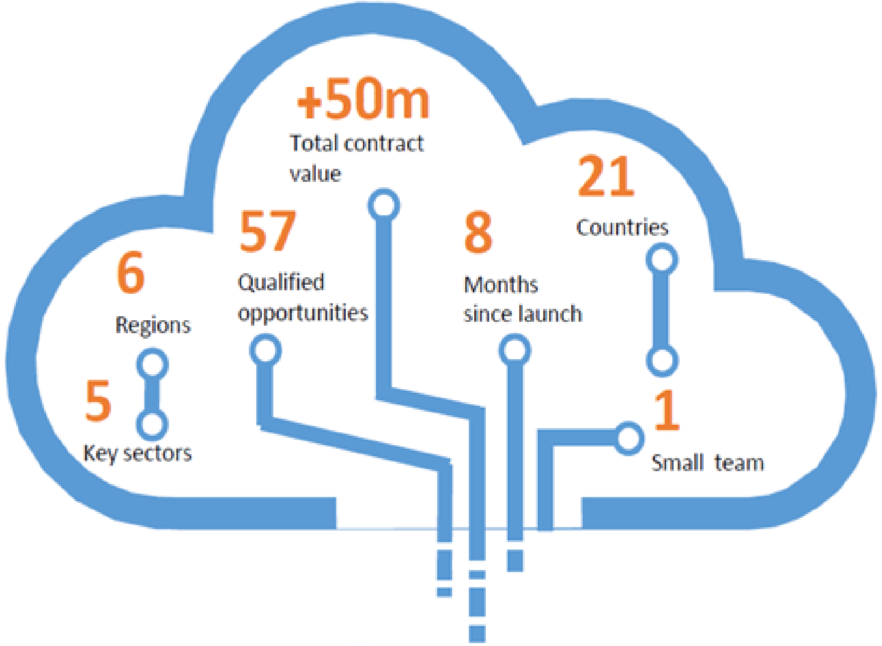
Individual Linestand Analysis allows for the review of key fault indicators over time

AURA IQ **OPPORTUNITY REVIEW**

Current Sales Pipeline By The Numbers (AUD)



Current Sales Pipeline Opportunity Locations Overlayed with Regional TAM



AURA IQ **CUSTOMER VALIDATION**

Proof of Value Trials

Knowledgeable but cautious end-users resulted in early decision to pivot to ‘Proof of Value Trial’ concept:

- POV Trials typically held over 21 days, 500m. Adapted ability to perform remotely pre-COVID-19
- 3 POV Trials (Europe/Asia) completed. 6 POV Trials (Africa/Asia/Oceania/LATAM) underway/preparing to start.

Customer Validation

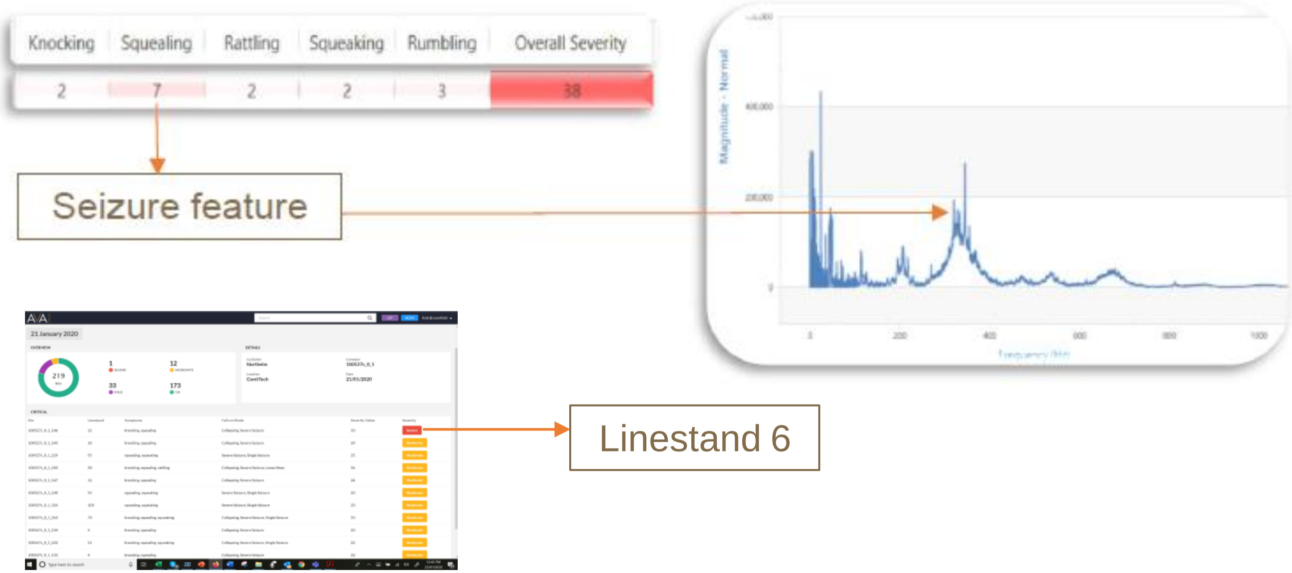
Multinational conglomerate (70 locations, 50 countries). POV Trial completed. Report indicated Success Criteria of 93.33%.

- Aura IQ successfully detected a specific conveyor linestand issue that the traditional methods were unable to detect (see/hear).

Photo of roller in operation.
Noise not exceptionally unusual.
No issue detected by Adani

Roller removed and tested.
Grinding noise noted while rotating the shaft

Removed bearing showing damage



FY2020 Guidance & Growth Strategy

STRONG REVENUE GROWTH

- Continued strong revenue growth with large qualified sales pipeline and addressable client spend
- FY2020 revenues forecast to increase by more than 36% over PCP from $31.6m to $43m+
- Well funded for growth with $3.7m cash at bank

GROWING PROFITS

- FY2020 EBITDA forecast to increase by more than +$7.8m from -$2.8m in PCP to $5.0m+
- FY2020 licensing contribution from IMOD contract forecast to be at least $4.0m, with a further $14.3m to be received in FY2021

SUCCESSFUL NEW PRODUCT LAUNCHES

- $50m+ qualified sales opportunities for new Aura IQ conveyor health monitoring solution, with 3 completed commercial “Proof of Value” (POV) deployments in Q3, and 5 POV planned for Q4.
- Cloud Based remote installation, commissioning, monitoring and upgrading product producing recurring revenue from FY2021

GROWTH STRATEGY

- Invest and continue to grow profitable sales and service channels globally
- Differentiate on product performance and expand solutions to address adjacent market segments
- Provide exceptional customer service to generate repeat and recurring revenue

PCP = Previous Corresponding Period

Growth Outlook

WORLD LEADING

- World leading technology products installed in more than 70 countries with blue-chip user base
- Strong Intellectual Property portfolio with clear TCO and performance advantages
- Refer to ASX releases for COVID-19 related challenges

SECURITY CONCERNS

- Growing global security concerns driving increasing demand and rapid adoption of high security technology, secure remote diagnostics and support capabilities, and utilisation of our high security logistics services

LARGE ADDRESSABLE MARKETS

- Attractive industry fundamentals underpin future growth
- Strong pipeline of new technology projects, plus continued After Market sales focus of refresh/conversion of installed base of ~2,000 legacy systems
- Growing addressable client spend in Services Division

SOUND METRICS

- Improved Gross Margins, $16m backlog and right sized cost base provides good visibility to improved performance
- Strong lift in revenue and earnings as company executes on growth strategy

PCP = Previous Corresponding Period

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Technology Division – FFT – India MoD Tranche 1 Update

The total contract value to Ava for this project is estimated at **US$11.9m (A$18.3m).**

596 of the first 600 units (~25% of project) have now been built by Ava's in-country partner SFO:

- The first 200 units passed FAT and shipped in late Dec 2019.
- The second 200 units passed FAT in late Jan 2020 and have been shipped to the end user in May 2020.
- 196 units of the 200 from the last batch of Tranche 1 have been built and are awaiting FAT prior to shipment.

In H1 FY2020, Ava recognised ~**US$1.0m (~A$1.5m)** of the order, being ~**US$0.9m (~A$1.3m)** as top line sales revenue, and ~**US$0.1m (~A$0.2m)** as an income tax credit. In Q3 FY2002 Ava recognised a further **~US$1.4m (~A$2.3m)** as top line sales revenue and **~US$0.14m (~A$0.23m)** as an income tax credit.

Despite COVID-19 disruptions and delays, Ava has generated ~**US$0.4m (~A$0.6m)** in additional revenues during Q4 FY2020. Ava expects that the balance of this project will be recognised as revenue in FY2021.

SFO's Bank Guarantee to Ava for **~US$2.1m (~A$3.2m),** to cover the 120 days payment terms remains in place.

Ava expects additional revenue after the initial 3-year warranty period from a subsequent 7-year spares and maintenance contract, estimated value of **US$3.4m (A$5.2m)**.

The Team – Board & SMT

David Cronin
Chairman

Scott Basham
Group CEO/ Executive Director

Rob Broomfield
COO Technology/ Executive Director

Mark Stevens
Non Executive Director

Mike McGeever
Non Executive Director

Chris Fergus
CEO Services

Leigh Davis
Group CFO/Company Secretary

James Alston
COO/ CFO Services

Stefan Dingeldein
Global S&M Director Services

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Appendix










Global Footprint

AVA Group is a diversified risk management technology and services company operating around the globe

Services division		**AVA Global Logistics**
Technology division		**Future Fibre Technologies**
		BQT Solutions

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Large Addressable Markets

	Estimated Total Market Value	Current Estimated Addressable Market**
FFT	Perimeter Security (sensors) US$11bn (CAGR 13.6%)* Few key competitors Avg. Margin Range 60-65%	US$1bn - $2bn
bqt SOLUTIONS	Access Control Systems US$6.3bn (CAGR 12.2%)* Many key competitors Avg. Margin Range 45-50%	US$0.6bn - $1.5bn
AVA THINK GLOBAL	International Valuable Logistics US$1.0bn - $1.5bn Few key competitors Avg. Margin Range 18-25%	US$0.6bn - $0.75bn

* Markets and Markets: Perimeter Security Market Global Forecast to 2020.
** Ava Management assessment

Services Division – Ava Global Logistics

- Ava Global Logistics is a growing global provider of secure international logistics of high-risk valuables, precious metals and currency.
- Provides fully insured, door to door services, utilising a network of highly experienced service providers, freight forwarders, airlines and customs brokers, all operating under Ava's strict risk management guidelines.
- Unique Partner model: ability to provide service in 100+ countries.
- Blue chip client base.
- Global footprint with offices in New York, London, Frankfurt, Dubai & Singapore.

AVA
GLOBAL LOGISTICS

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Services Division – Market Segment: Precious Metals

Mines

Refiners

Banks/Bullion Traders

- Full Lifecycle of ore from mine to consumer
- Global movement on behalf of international client base of mines, refiners, banks and bullion traders

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Services Division – Market Segment: Currency

Banknote Printers

Central Banks

Bulk Commercial Banks

- Full lifecycle of transportation, aggregation and cash processing

Technology Division – Future Fibre Technologies

- FFT is a global leader in fibre optic intrusion detection systems, with a track record of delivering highly intelligent, reliable, and award-winning intrusion detection solutions for the protection of critical sites and infrastructures.
- FFT's advanced security systems detect and locate perimeter intrusions, oil and gas pipeline third-party interference and data network tapping and tampering.
- With more than 2,000 systems deployed across 70 countries, FFT has established a solid reputation for delivering advanced and cost effective intrusion detection solutions for the Transport, Government, Military, Oil & Gas and Utility sectors.
- FFT's new Aura Ai platform uses the latest advanced optical signal processing algorithms, combined with artificial intelligence, to discriminate between intrusions, nuisance alarms and other causes of fence disturbance.

FUTURE FIBRE TECHNOLOGIES

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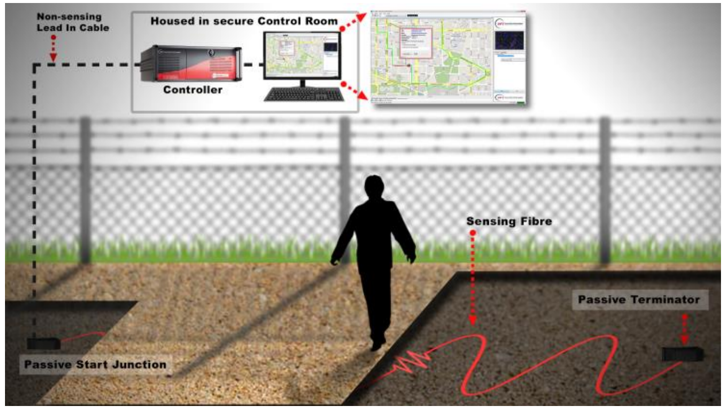
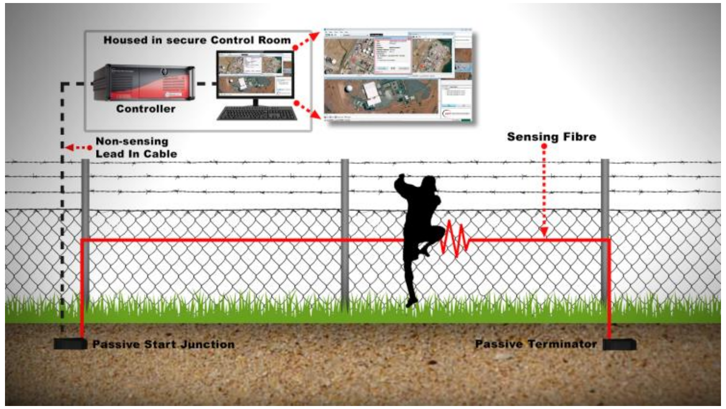
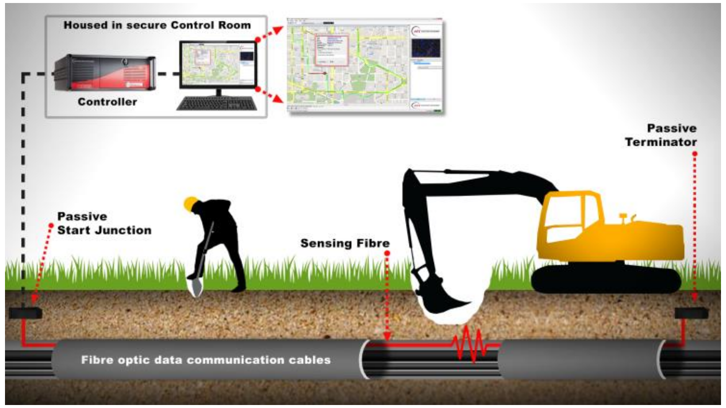
Technology Division – BQT Solutions

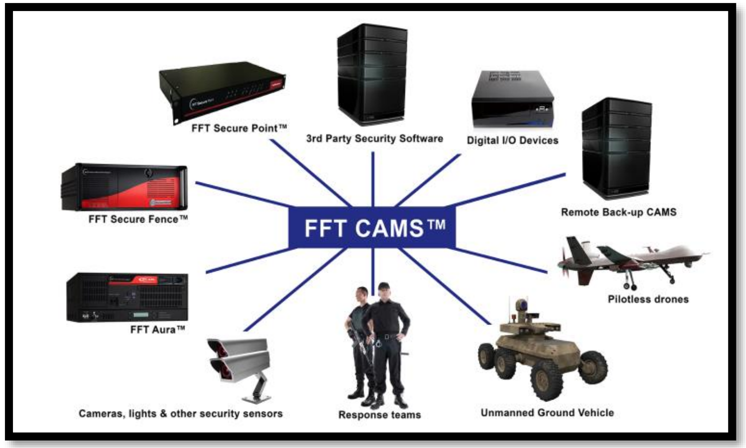
- BQT’s secure, reliable smart reader and card systems, biometric solutions, electric locking, and access control products are utilised at over 3,500 sites in more than 50 countries.
- A leader in high security access control technology used in some of the most high security, critical applications in the world.
- Offers custom and “off the shelf” products to deliver market-wide access control security including military, critical infrastructure, commercial, industrial and residential applications.

Technology Division – Products









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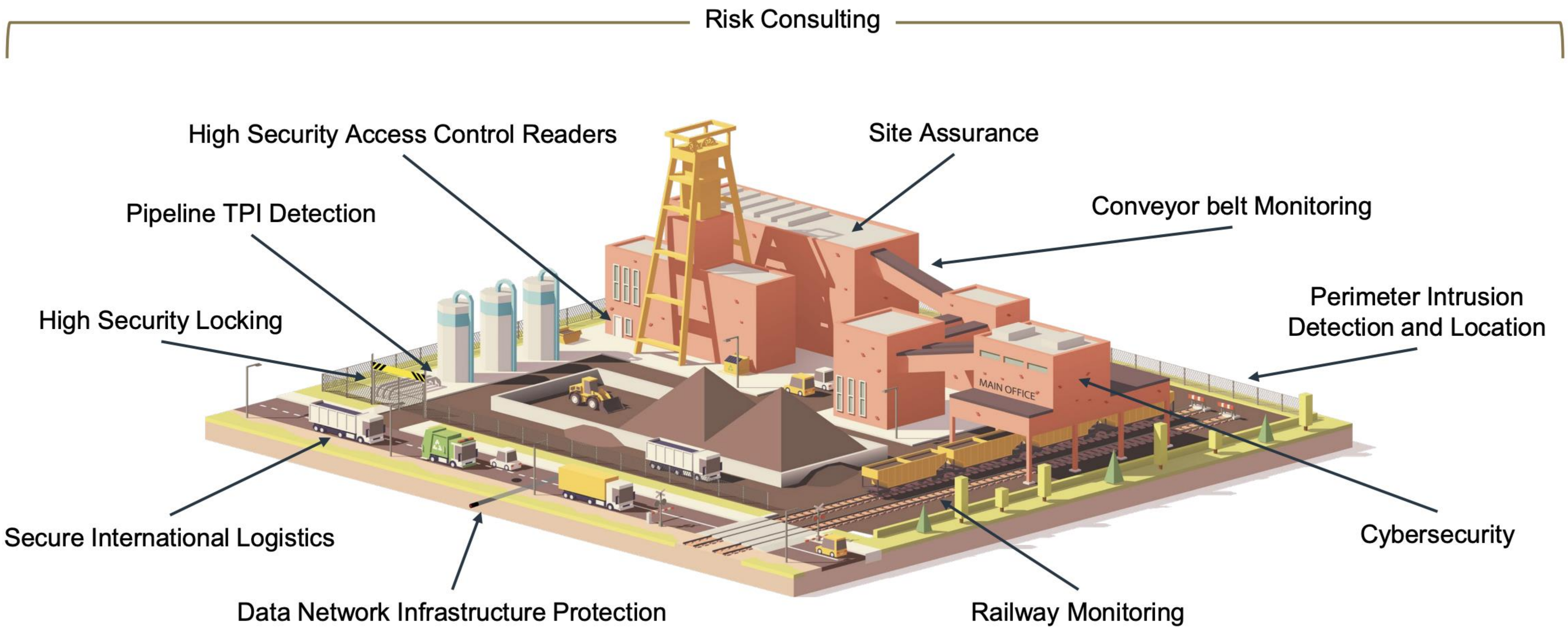
Integrated Solutions Example



Diverse Market Sectors

UTILITIES

CHEMICAL, OIL, GAS & MINING

MILITARY

GOVERNMENT

TRANSPORTATION

COMMERCIAL & RESIDENTIAL

CORRECTION FACILITIES & BORDERS

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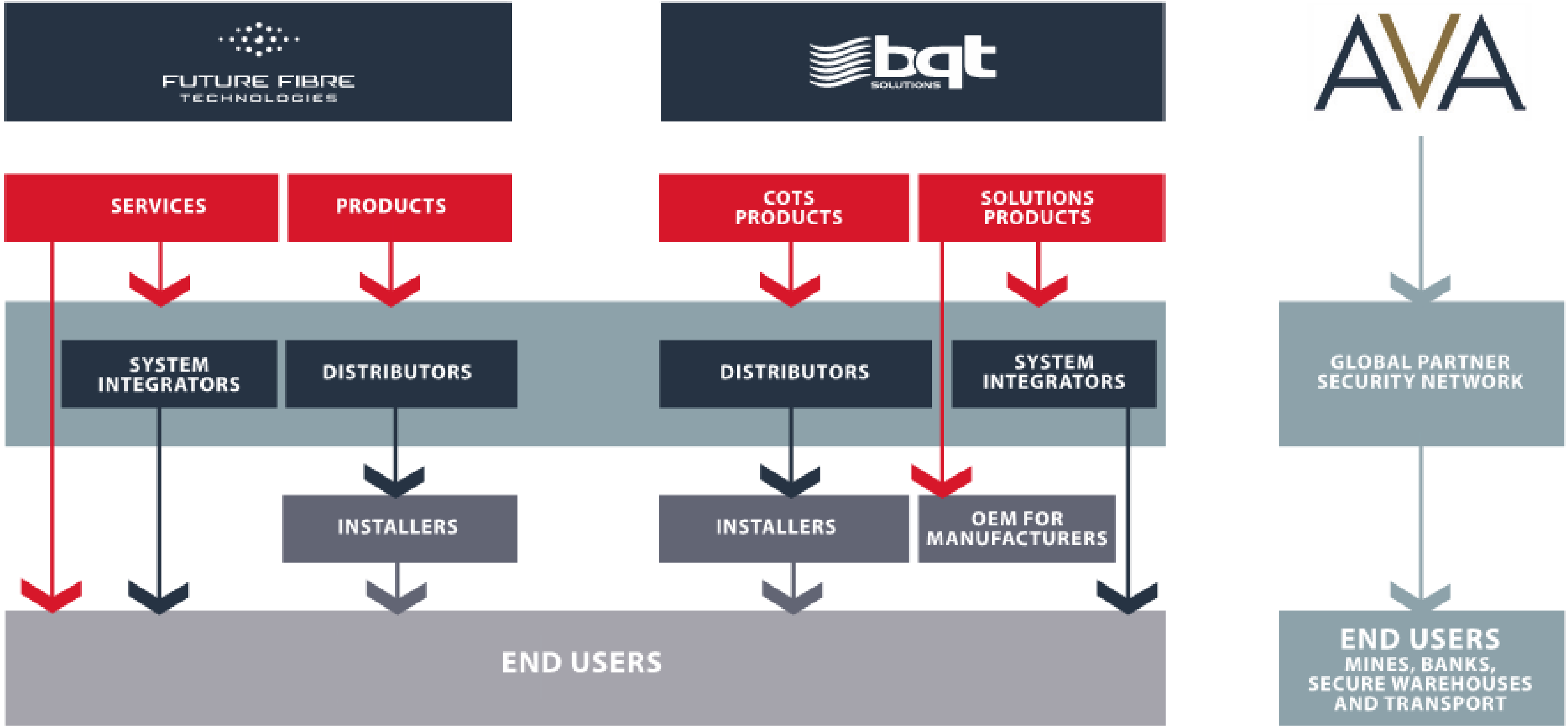
Go To Market



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TECHNOLOGIES
bqt
SOLUTIONS
AVA
SERVICES
PRODUCTS
COTS PRODUCTS
SOLUTIONS PRODUCTS
SYSTEM INTEGRATORS
DISTRIBUTORS
DISTRIBUTORS
SYSTEM INTEGRATORS
GLOBAL PARTNER SECURITY NETWORK
INSTALLERS
INSTALLERS
OEM FOR MANUFACTURERS
END USERS
END USERS
MINES, BANKS, SECURE WAREHOUSES AND TRANSPORT