



**FUTURE FIBRE  
TECHNOLOGIES**

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10 May 2018

**ASX ANNOUNCEMENT – EXTRAORDINARY GENERAL MEETING PRESENTATIONS**

In accordance with the ASX Listing Rules, the Chairman’s address to the Extraordinary General Meeting (“EGM”) and the CEO Investor Presentation to be delivered to shareholders post the EGM, are appended.

**Kim Clark**  
**Company Secretary**

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## Chairman's Speech

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It is with great pleasure that I have recently joined the FFT Board as Chairman.

As some of you will be aware, I was FFT's Chairman prior to FFT's successful IPO in 2015. Over the past three years I have stayed close to the company, its Board and the SMT. I'm proud of all of the achievements, and considerate of the learnings, FFT has made in this period and am excited about the many things that we'll be working on in the near future.

When making my decision to re-join the FFT Board, four areas stood out most:

1. **World Class Customers:** we should be very proud that we already count as end users some of the most demanding and sophisticated government and commercial organisations in the world. With an expanding product range we can offer these customers a greater solution set and we can expand our customer reach.
2. **We Own High Security:** We have a real opportunity to "own" a large share of the high security PIDS, Access Control, Electronic Locking and Secure Logistics verticals.
3. **Passion:** Prior to the IPO, it wasn't just our great products that set us apart from the competition, it was the whatever it takes attitude the team had to solving problems and delivering for our customers. There's a lot of people working hard, smart and going that extra mile for the business. This attitude is a leading trait of highly successful people and companies. We have a real opportunity to embrace this as a team.
4. **Experience:** I've had the pleasure of recently spending extended time with many team members and I always come away learning something new. We are fortunate to have a group of highly experienced people who truly see working at The FFT Group as more than just a 9-5 job. We have a sense of winning as a team, sharing knowledge and driving towards a common goal of improvement.

The Board's mission is simple. We are here to add value to our shareholders Company. There are many ways in which we seek to do this, but above all our work that adds value to the hard working employees of FFT is the most important. This should in turn drive value for our shareholders and in turn provide us a larger company with greater resources to expand and generate more profits.

And lastly, I'm pleased to be working closely with your new Group CEO, Chris

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Fergus. Chris has a lot to offer our organisation and I'm certain his leadership, energy and experience will add greatly to build The FFT Group into a global powerhouse, as a leading provider of Risk Management Solutions.

# FFT Group Update

## 10<sup>th</sup> May 2018



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# Forward Looking Statements

**This presentation is given on behalf of Future Fibre Technologies Limited (FFT).**

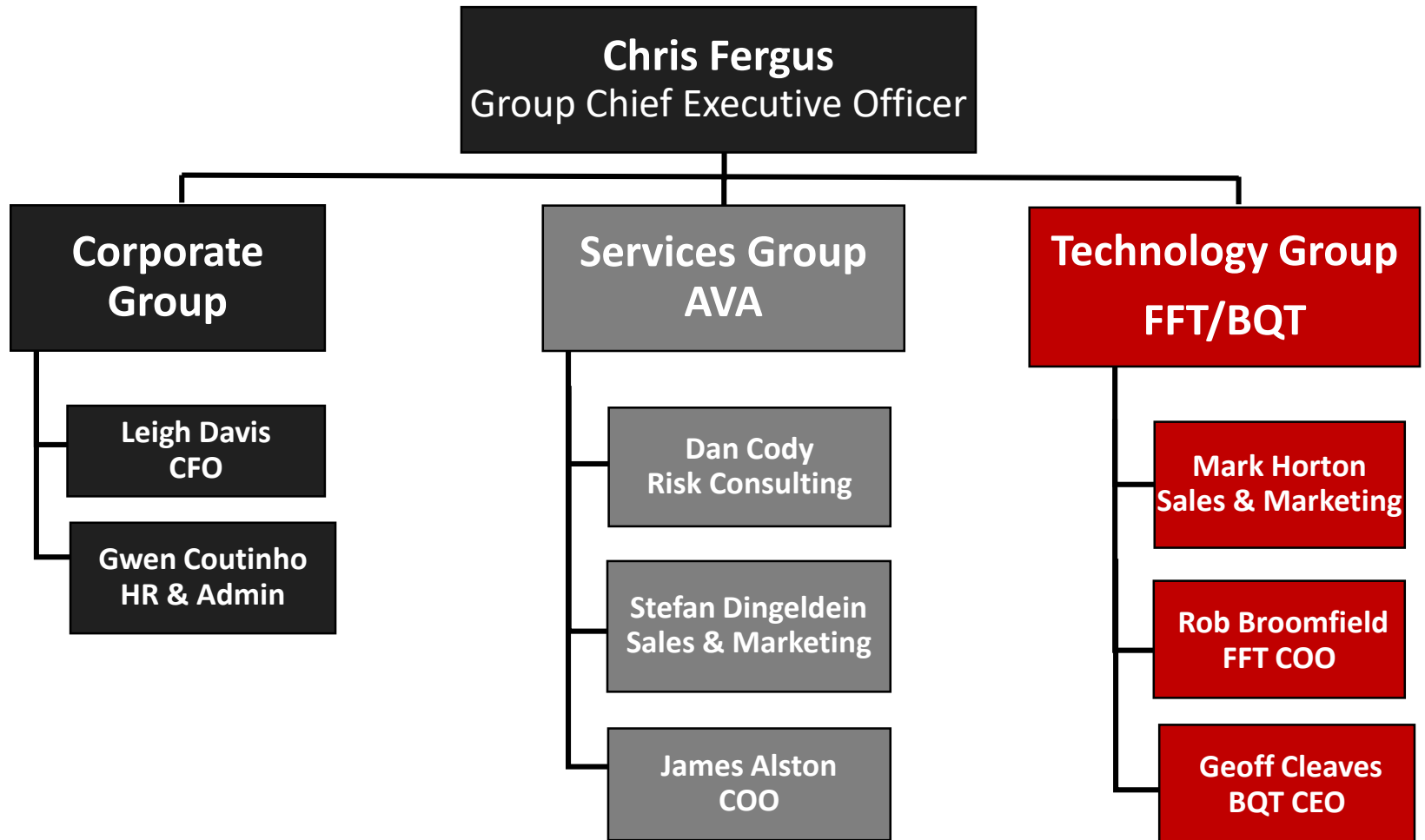
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# Group Organisation

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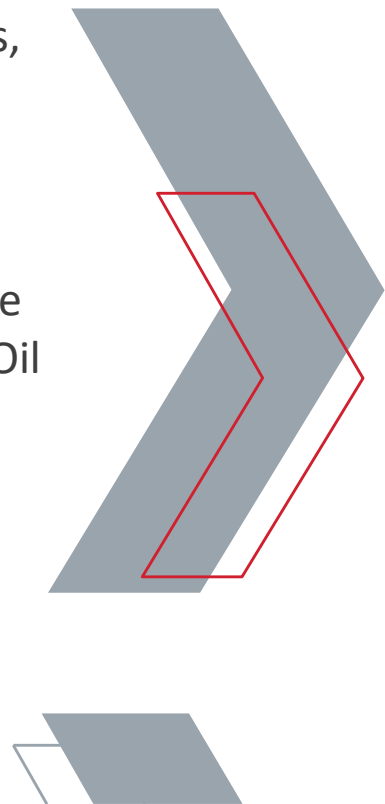
# Technology Division - FFT

• FFT is a global leader in fibre optic intrusion detection systems, with a track record of delivering highly intelligent, extremely reliable, and award-winning 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 over 1,600 systems deployed in more than 65 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.



# Technology Division - BQT

- BQT's secure, reliable smart reader and card systems, biometric solutions, electric locking and access control products utilised at thousands of 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.





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# Services Division - AVA

- AVA is a growing global provider of secure international logistics of high-risk valuables, precious metals and currency.
- Fully insured (underwritten by Lloyds), door to door services, utilising a network of highly experienced security companies, freight forwarders, airlines and customs brokers, all operating under AVA's strict risk management guidelines.
- Global footprint with offices in New York, London, Frankfurt, Dubai & Singapore.
- Partner model: ability to provide service in 100+ countries.
- 150+ years management experience.
- Blue chip client base.






# Strong Investment Fundamentals

- Strong growth outlook, March YTD revenues up 56% on PCP, 25% from consolidation of MSP
- Cash at bank of \$8.2m at end of Q3, positive cash flow anticipated in Q4
- \$1m synergy cost savings identified with more than 50% achieved to date
- Significant sales pipeline across both Technology and services divisions, close rate accelerating.
  - FFT O&G – 4 O&G and Corrections sector awards totalling \$0.6m
  - BQT – Preferred tenderer status for major Government contract
  - Ava - 4 further service agreements executed in Q3, increasing the total client spend (addressable market) to \$63m. Increasing (+10%) share from foundation clients.
- Cross selling opportunities will be realised within 12-18 months
- Recent appointments of Group Head of Extractives & Energy and GM Africa
- Proven products with clear competitive advantages – evidenced by recent ‘New Product’ award at ISC West exhibition for BQT’s roller door lock
- Experienced management team, with significant global experience in scaling security and risk management businesses.
- Substantial market share upside potential

# Shared Security Market Opportunities

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	Estimated Total Market Value	Current Estimated Addressable Market**
	<p>Perimeter Security (sensors)            US\$11bn (CAGR 13.6%)*            Few key competitors            Avg. Margin Range 60-65%</p>	<p>US\$1bn - \$2bn</p>
	<p>Access Control Systems            US\$6.3bn (CAGR 12.2%)*            Many key competitors            Avg. Margin Range 45-50%</p>	<p>US\$0.6bn - \$1.5bn</p>
	<p>International Valuable Logistics            US\$1.0bn - \$1.5bn            Few key competitors            Avg. Margin Range 25-30%</p>	<p>US\$0.6bn - \$0.75bn</p>

\* Markets and Markets: Perimeter Security Market Global Forecast to 2020.

\*\* FFT Management assessment.



# Strategic Priorities

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- Implementation of new structure and delivery of cost savings and operational efficiencies.
- Sales & Marketing driven Group with a continued focus on product and services innovation
  - Increased market share – significant upside potential
  - Integration of BQT & FFT sales
  - Customer driven products and services innovation
  - Geographical expansion, coverage on all continents
  - Leverage the comprehensive network of Ava's global security partners
- Transition from a pure Security Technology manufacturing company to a Risk Management Group.
  - Holistic solutions provider – Risk identification & analysis (Risk Consulting) and mitigation (Range of technology & Services)
  - Strategic C-suite relationships
  - Key sector focus evidenced by our recent appointments

# Group Outlook

- FFT Group FY2018 guidance for sales revenues of between \$26 million and \$33 million, which includes an estimated contribution of \$8 million to \$12 million from MSP (7 months).
- FFT Group YTD FY2018 to 31 Mar 2018 generated positive operating cash flow of \$2.2 million, which includes four months MSP contribution of (-\$0.4 million).
- The Group finished Q3 with cash at bank of \$8.2 million, which included \$1.3 million of cash from the consolidation of MSP.
- The Technology Division (FFT/BQT) is expected to be EBITDA and cashflow positive for FY2018.
- The Services Division (AVA) continues to expand its global client base and is expected to be profitable from Q1 FY2019.



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