



ANALYST BRIEFING 2021

Bakhtiar H. Wain,

CEO & Founder Avanceon Limited

May 6th, 2021

AVANCEON
Group of Companies

AVANCEON
Tomorrow's solutions, today.

OCTOPUS
DIGITAL

Agenda for this Meeting

01.

Objectives

02.

Our
Commitments

03.

AVN Financial
Results 2020

04.

Octopus Digital
Success

05.

Octopus Digital
Sales Action
Plan

06.

Organizational
Achievements
2020



My Objectives for Today...



Business Model

Explain our Business Model



Best in Class

Clearly establish that we are the amongst the best managed company in Pakistan with the best-in-class business KPIs..... And proudly ethical



Projections & Numbers

We have defendable projections and numbers



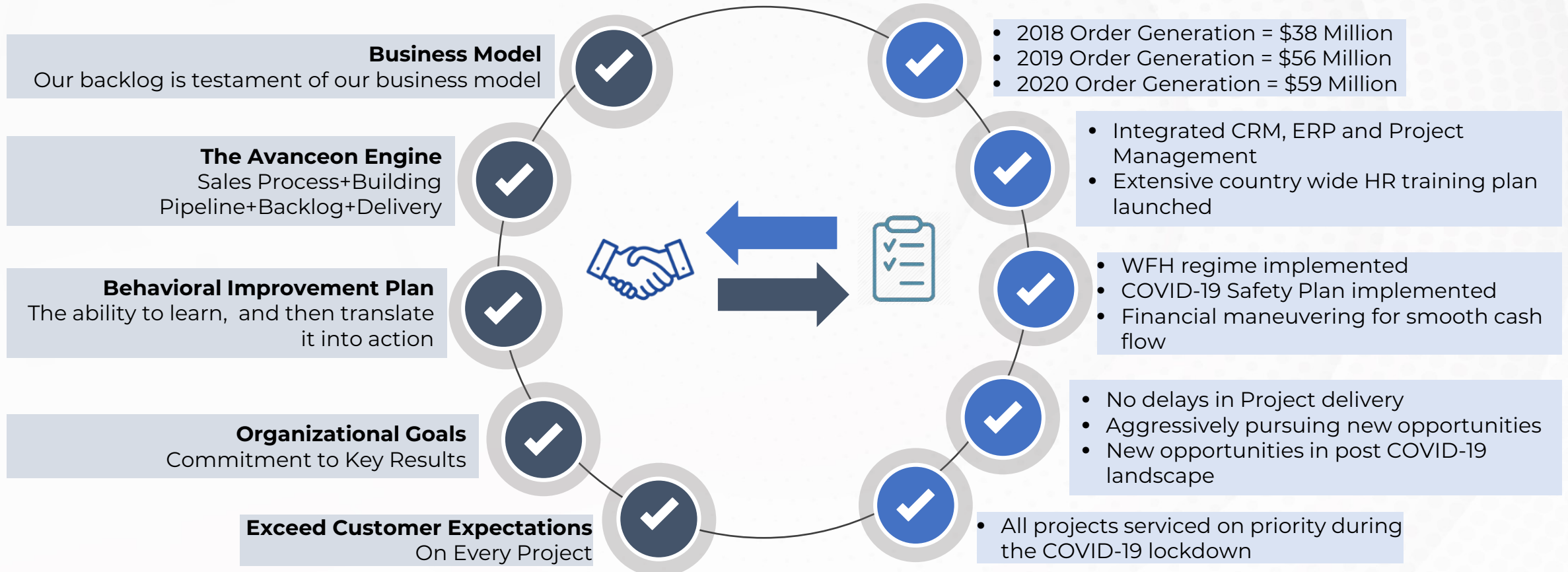
Our Performance during the COVID-19 Pandemic

Project Completion and Customer Satisfaction

Commitment Vs. Delivery

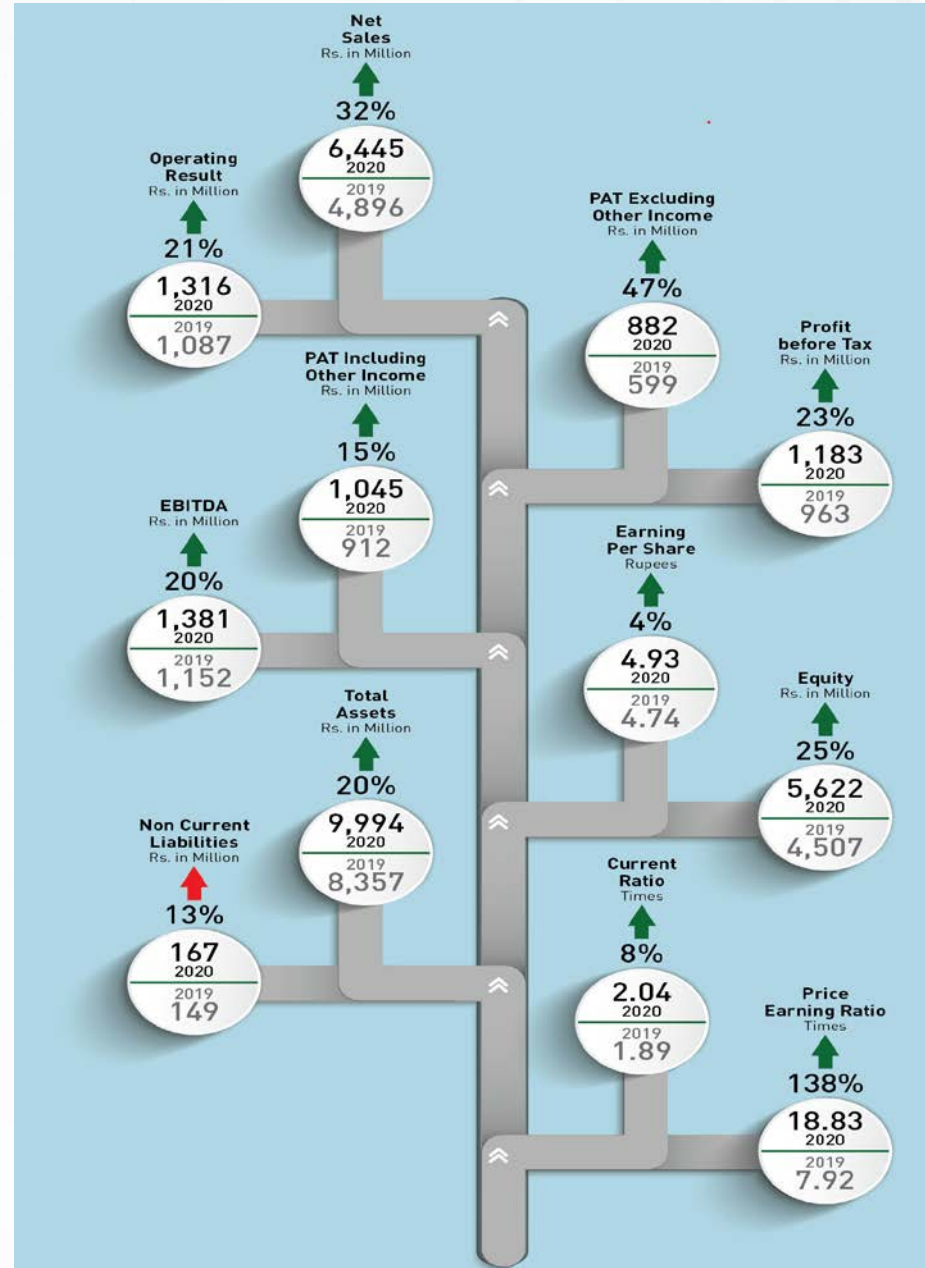
Our Commitments

Our Delivery



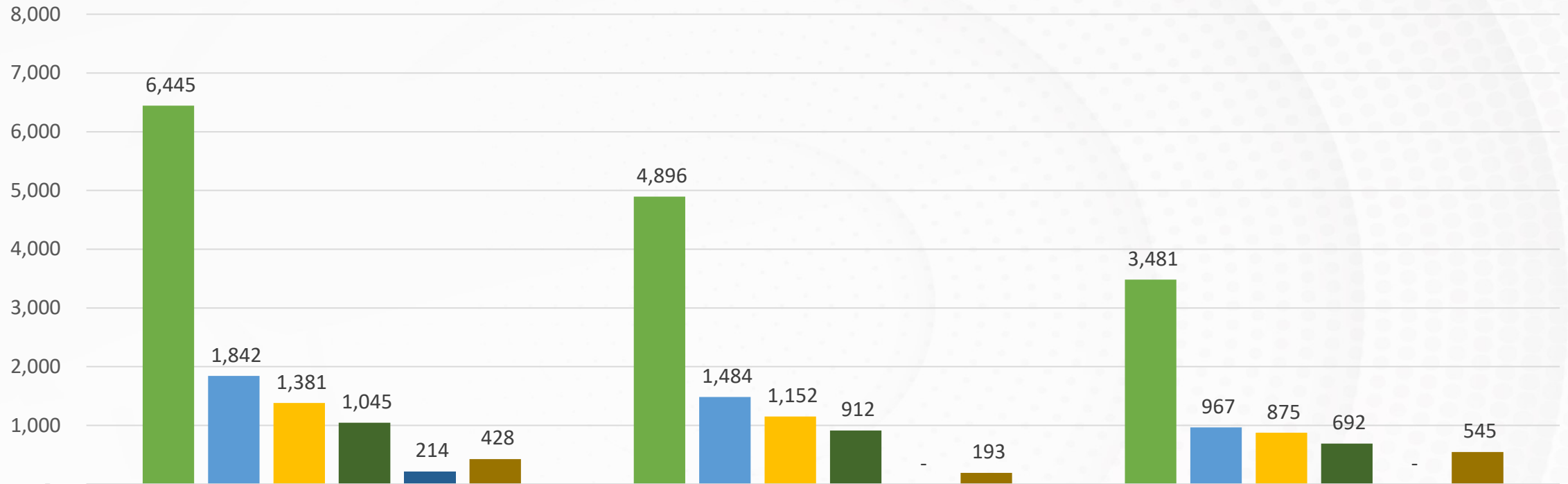
Financial Results for the year ended 31st December 2020

Financial Highlights FY 2020



Group Profit & Loss Statement

For the year ended December 31st, 2020

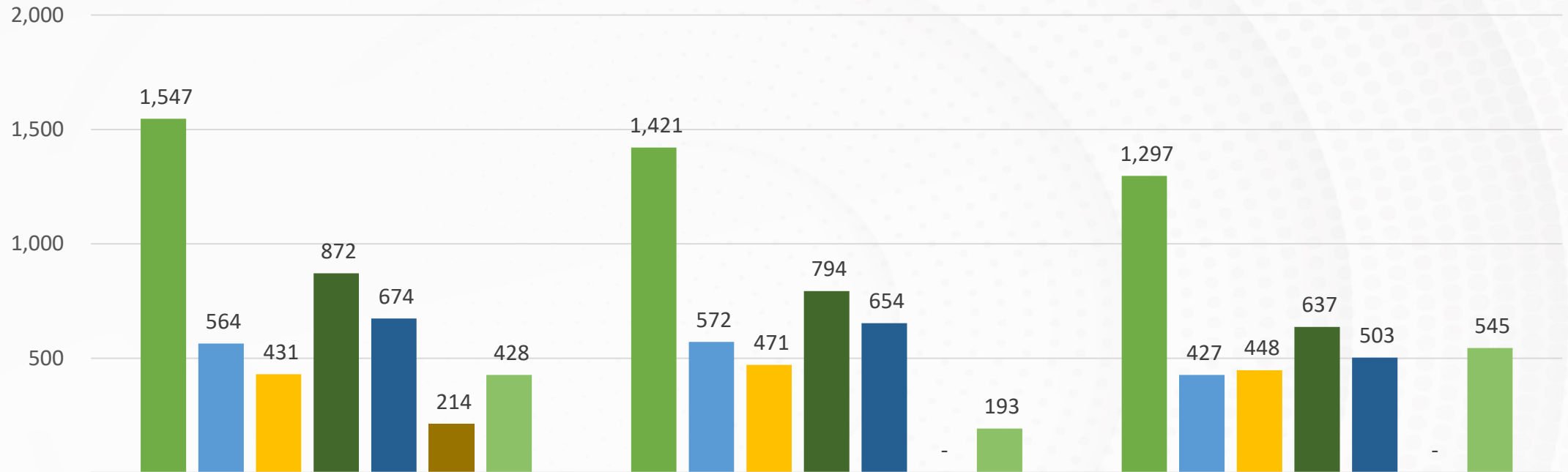


	2020	2019	2018
Revenue	6,445	4,896	3,481
GP	1,842	1,484	967
EBITDA	1,381	1,152	875
PAT	1,045	912	692
Cash Div.	214	-	-
Bonus Share	428	193	545

■ Revenue
 ■ GP
 ■ EBITDA
 ■ PAT
 ■ Cash Div.
 ■ Bonus Share

Standalone Profit & Loss Statement

For the year ended December 31st, 2020

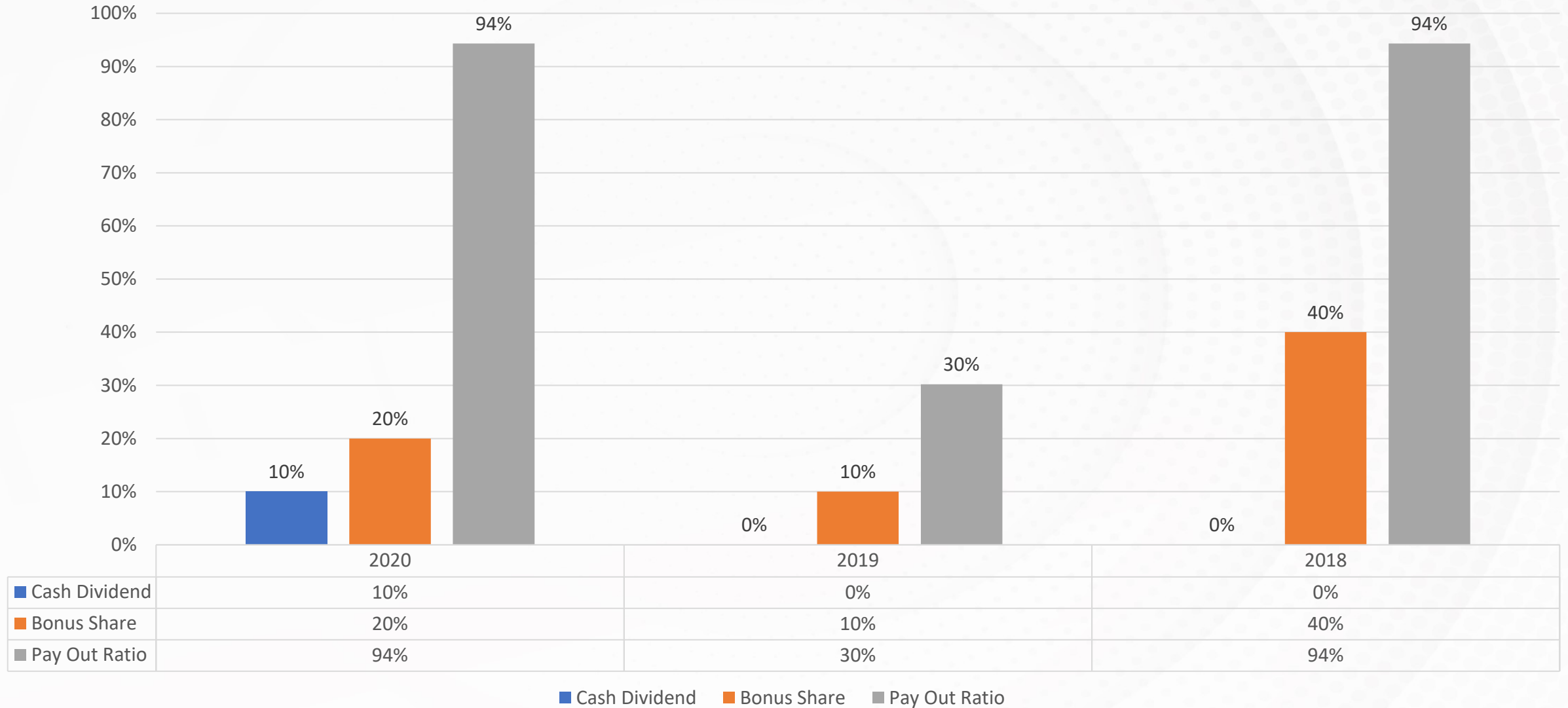


Revenue	2020	2019	2018
GP	1,547	1,421	1,297
Dividend & Other Income	564	572	427
EBITDA	431	471	448
PAT	872	794	637
Cash Div.	674	654	503
Bonus Share	214	-	-
	428	193	545

Revenue GP Dividend & Other Income EBITDA PAT Cash Div. Bonus Share

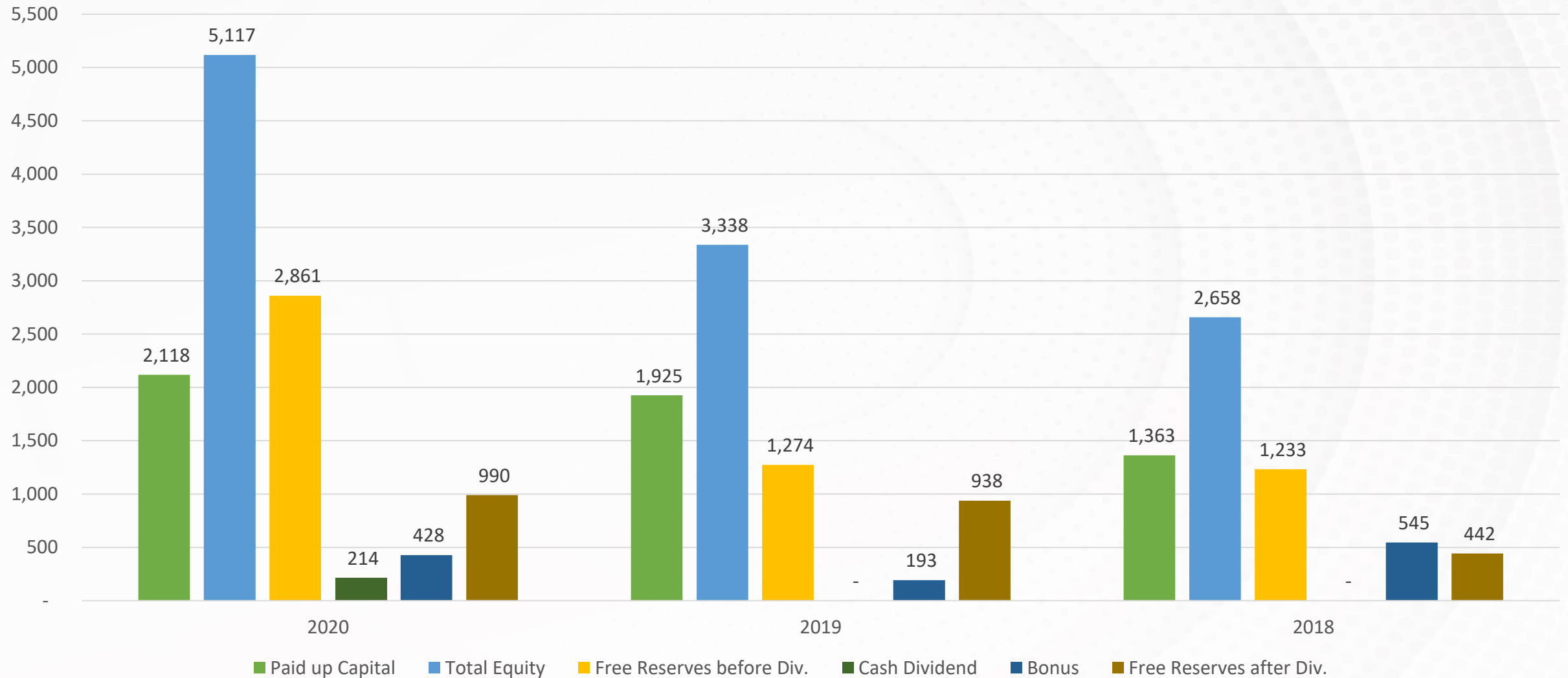
Dividend Payout Ratio

For the year ended December 31st, 2020



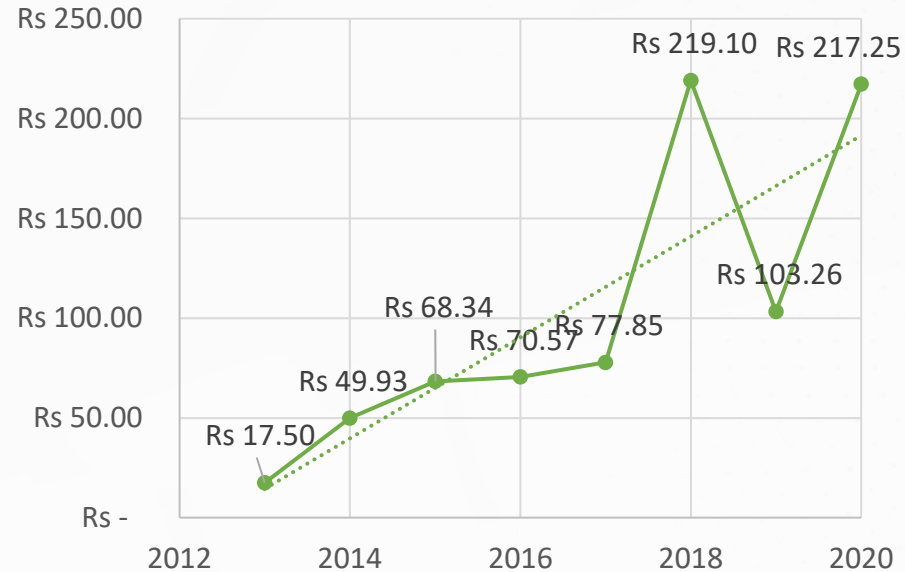
Capital, Total Equity, Free Reserve and Dividends

For the year ended December 31st, 2020



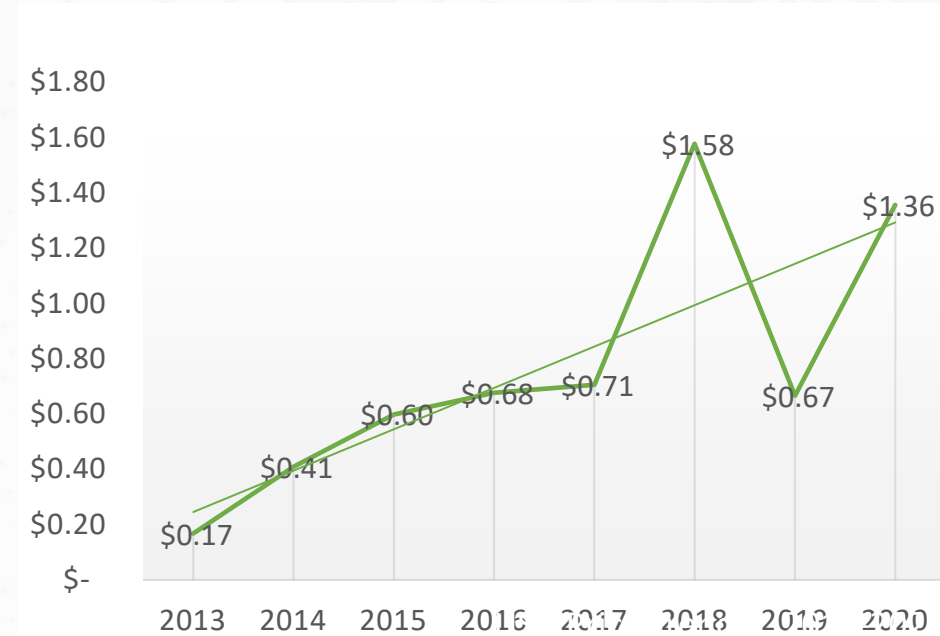
Avanceon Stock Performance & Investor Return (Dividend & Bonus Adjusted)

Trend in PKR



PKR Price Trend-H1(2013-2020)

Trend in USD



Cumulative Investor Return

Avanceon Group of
Companies Stock
Performance 2013-
2020

1100% 

Current Business in Hand

Breaking our own Sales Record Two Years in a Row!



Year	Back Log
2018	\$38 Million
2019	\$56 Million
2020	\$47.5 Million
2021	Projection



\$ 47.5 M

Avanceon Group of
Companies Business
Backlog as of
Jan 1, 2021

NET SALES IN 2019

Highest Yearly Sales
Growth in our
Company's History

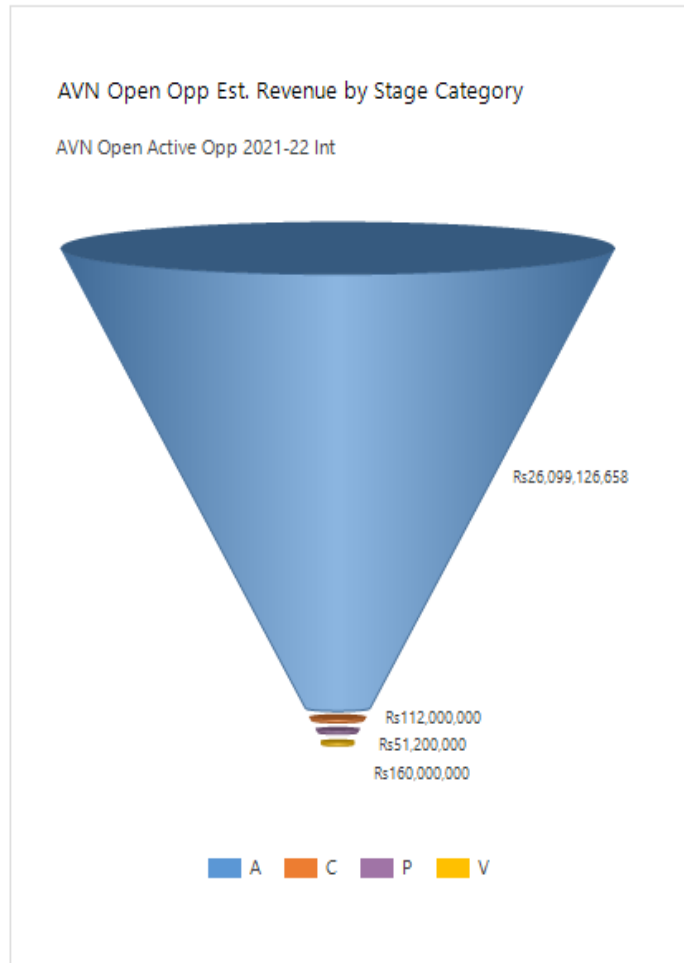
41% ↑

NET SALES IN 2020

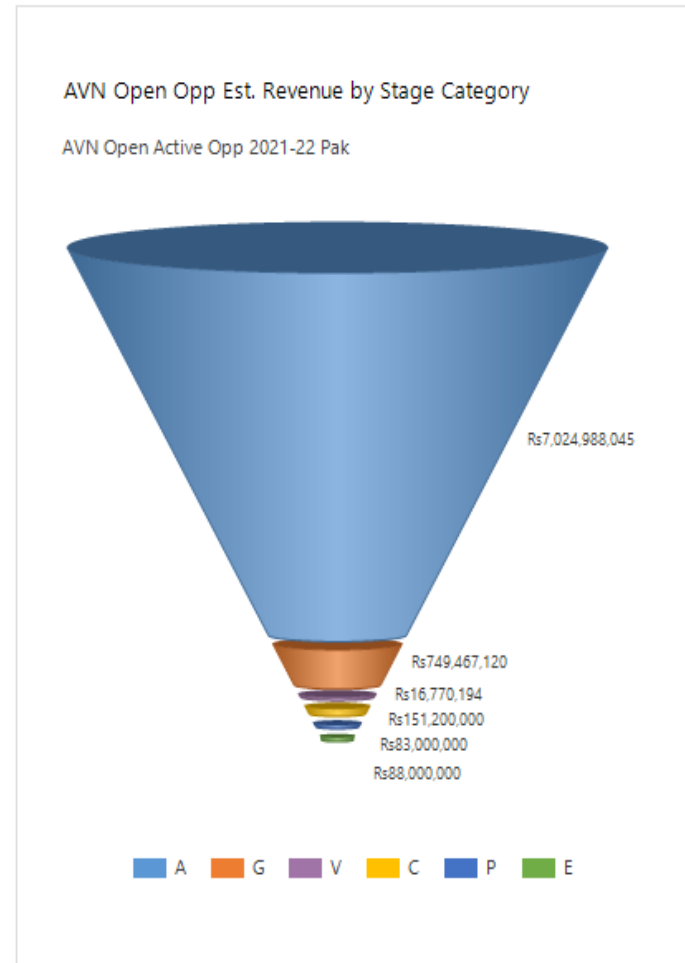
Surpassing our
Highest Sales
Record in 2020

32% ↑

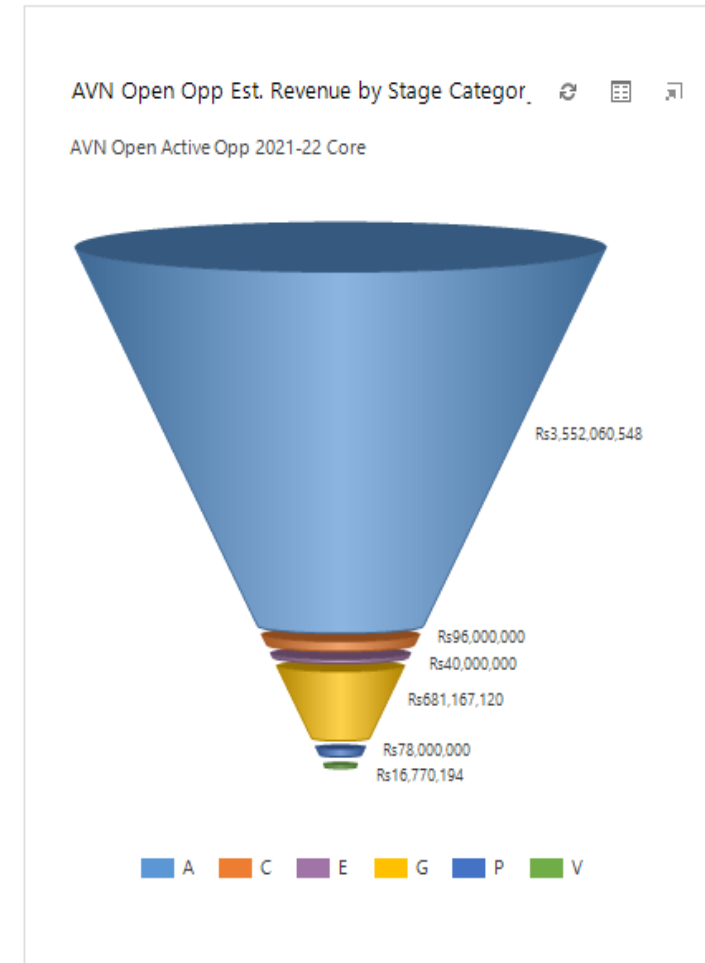
Automated Sales Management



A: Active Prospect
E: Evaluation



G: Goals Shared
P: Proposals



C: Champion
V: Verbal Approval Received

Corporate Plan of Avanceon Limited for FY 2021

Corporate Plan of Avanceon Limited

For the Period 2021

	Projected for FY 2021		Actual	Actual & Audited	Actual & Audited
	2021	2021 -H/Q2	2021 -Q1	2020	2019
	(Rupees in thousand)			(Rupees in thousand)	
Revenue from contracts with customers	8,697,757	3,837,246	1,279,082	6,444,692	4,896,158
Cost of revenue	(5,713,317)	(2,530,183)	(816,188)	(4,603,147)	(3,412,208)
Gross profit	2,984,440	1,307,062	462,894	1,841,545	1,483,950
Administrative and selling expenses	(769,219)	(384,609)	(153,844)	(684,524)	(705,256)
Other operating expenses	5,000	(79,496)	(79,496)	(4,300)	(4,463)
Other operating income	100,000	51,267	51,267	162,990	313,051
	(669,214)	(412,837)	(182,072)	(525,834)	(396,668)
Profit from operations	2,315,226	894,225	280,822	1,315,711	1,087,282
Finance costs	(169,370)	(63,119)	(21,040)	(132,337)	(124,342)
Profit before tax	2,145,856	831,106	259,782	1,183,374	962,940
Taxation	(299,020)	(74,755)	(14,951)	(138,395)	(50,764)
Profit for the year	1,846,837	756,351	244,831	1,044,979	912,176
			Restated		
Earnings per share - basic (Rupees)	7.23	2.96	0.96	4.93	4.74
Earnings per share - diluted (Rupees)	7.08	2.90	0.94	4.82	4.64

Corporate Plan of Octopus Digital Limited for FY 2021

Corporate Plan of Octopus Digital Limited

For the Period 2021

	Projected for FY 2021		Actual	Actual & Audited
	2021	2021 -H/Q2	2021 -Q1	2020
	Rs in '000'			
Revenue from contracts with customers	671,968	335,984	167,992	277,114
Cost of revenue	(183,603)	(91,802)	(30,601)	(22,207)
Gross profit	488,365 73%	244,182 73%	137,391 82%	254,906
Administrative and selling expenses	(47,557)	(16,645)	(4,756)	(15,346)
Other operating expenses	2,500	-	-	(217)
Other operating income	5,000	-	-	-
Profit from operations	(42,554) 445,811	(16,645) 227,538	(4,756) 132,636	(15,562) 239,344
Finance costs	(2,110)	(1,582)	(527)	(37)
Profit before tax	443,701	225,955	132,108	239,307
Taxation	(24,538)	(12,269)	(6,135)	(30,666)
Profit for the year	419,163	213,686	125,974	208,641

Management Results of AMS Business Segment

For the Period Ended 31st December 2020

Managemnt Account AMS Business Segment For the Period Ended 31st December 2020	Dec 31, 2020 (Rupees)
Transfer of Profits from Avanceon on AMS Business Segment	319,570,355
Revenue from contracts with customers	35,871,629
	<u>355,441,984</u>
Administrative and selling expenses	(15,346)
Other operating expenses	(217)
	<u>(15,562)</u>
Profit from operations	<u>339,880</u>
Finance costs	(37)
Profit before tax	<u>339,842</u>
Taxation	(30,666)
Profit for the year	<u>309,177</u>

The following table demonstrates the AMS revenues earned from different geographical locations of the Group transferred to the Company:

	Pakistan	Dubai	Qatar	Total
	Rupees			
AMS Segment Revenues of Group	187,055,350	241,314,072	84,855,237	513,224,659
Cost of AMS Segment of Group	(84,304,042)	(82,342,830)	(27,007,432)	(193,654,304)
Gross profit	<u>102,751,308</u>	<u>158,971,242</u>	<u>57,847,805</u>	<u>319,570,355</u>

Octopus Digital Limited Financial Results

For the Period Ended Q-1 2021

REVENUE FROM CONTRACTS WITH CUSTOMERS

	Un-Auditd Mar 31, 2021	Un-Auditd Mar 31, 2020
	----- PKR -----	
Transfer of Profits from Avanceon on AMS Business Segment	111,337,511	-
Revenue from contracts with customers	56,654,414	4,950,500
	<u>167,991,925</u>	<u>4,950,500</u>

The Company acquired the business of After Market Support (AMS) segment of Avanceon Limited as explained in note 1.2 with effect from 01 January 2020. However, due to operational and procedural reasons, Avanceon Limited continued to carry on business with its customers of AMS segment after the effective date of the contract upto 30 September 2020. Therefore, as of this date, the entire AMS segment's revenue net of direct cost recorded by Avanceon Limited relating to period after effective date was transferred to the Company after retaining an administrative charge.

The following table demonstrates the AMS revenues earned from different geographical locations of the Group transferred to the Company:

Transfer of business:

	Pakistan	Dubai	Qatar	Total
	-----	-----	-----	-----
	Rupees			
AMS Segment Revenues of Group	50,145,001	119,179,899	111,552,873	280,877,773
COGS & Administrative Costs	(28,449,128)	(74,159,410)	(66,931,724)	(169,540,262)
Transfer of Profit	<u>21,695,872</u>	<u>45,020,489</u>	<u>44,621,149</u>	<u>111,337,511</u>

COVID-19 Business Response Plan

Key Objectives of Avanceon COVID-19 Business Response Plan



SAFETY

Prioritize People Safety
First and Foremost



COMMUNICATION

Unfiltered
Communication
with all Stakeholders



BUSINESS CONTINUITY

Reshape Strategy to
maintain business
continuity



SEAMLESS RECOVERY

Build resilience and
prepare for recovery

COVID-19 Challenges and Our Response



Challenges

- Transfer a 350+ workforce on a remote connected platform
- Formulate Smooth Cash Flow plan to address unanticipated expenses
- Monitor the pulse of the organization. Ensure Crisis Mode Readiness



Our Response

- Launched and Implemented Work from Home in 5 Days. All Systems in 'GO Mode'
- Financial safety net created to accommodate unforeseen scenarios
- All Communication meetings via Video Conferencing.

Octopus Digital Ltd.

Objectives and Outlook

Value Proposition

We enable digital Dashboards for your plant within 1-2 weeks at a monthly subscription



All inclusive monthly subscription



Perpetual & periodic modifications – are all-inclusive monthly subscription

Benefits

- ▶ No upfront investment,
- No software license costs,
- No hardware costs,
- No hassle of design or architectures,
- No engineering costs or
- No development hours & certainly
- No long Q&A sessions or project meetings

Dashboards are available

- ▶ On a single click
- From anywhere
- At any time
- For any manufacturing or process area
- Production, Operations, E&I, Utilities
- OEE, Energy, Optimisation, Loop tuning

You can unsubscribe at any time without any hidden or visible costs

What is Topware™ ?



Digital Dashboarding

KPIs Dashboading
Reporting for Decision Support



Prediction & Prescription

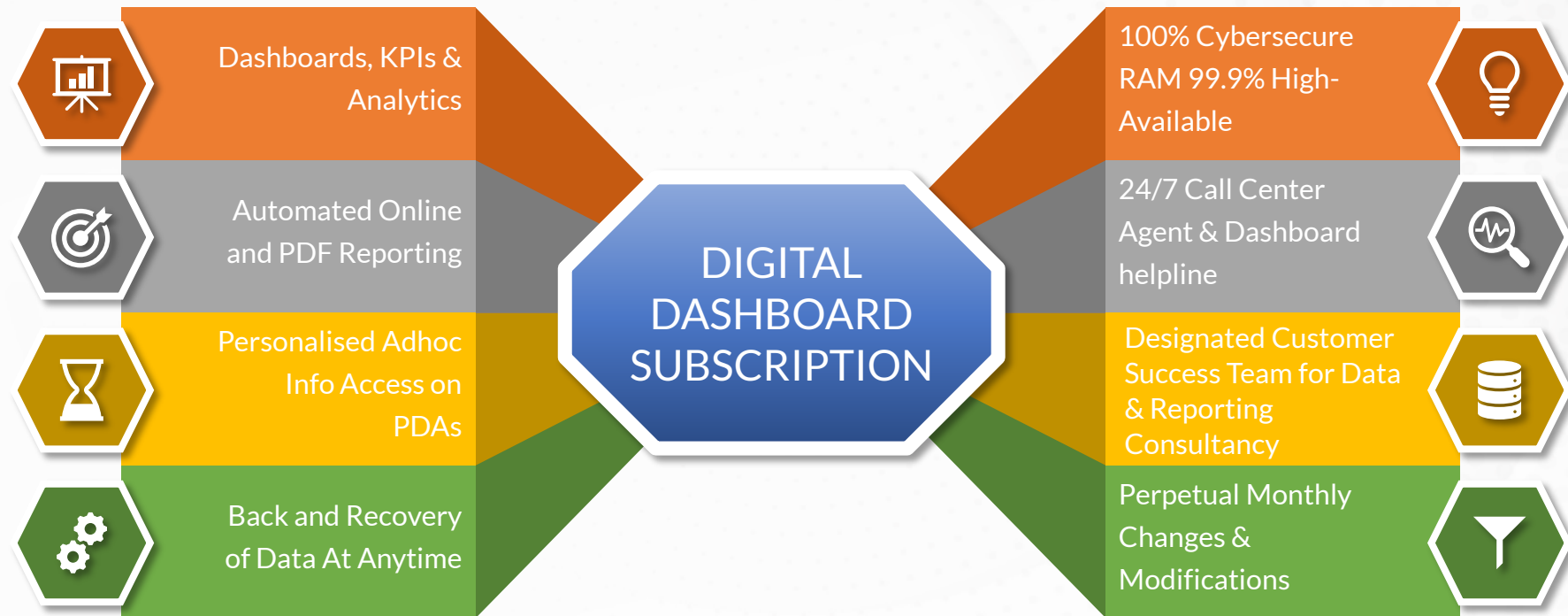
Asset Management
Predictive Maintenance



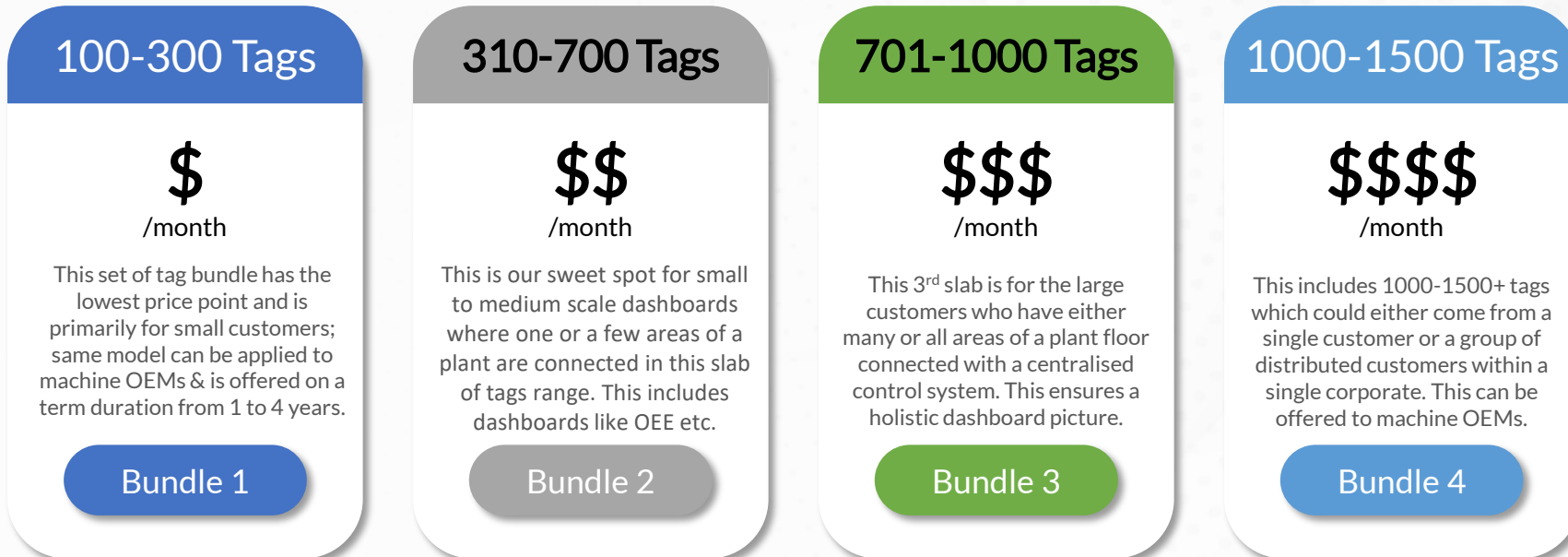
Autonomous Command Center

IIoT, Digital Twinning based on
Build, Train, Maintain, Install

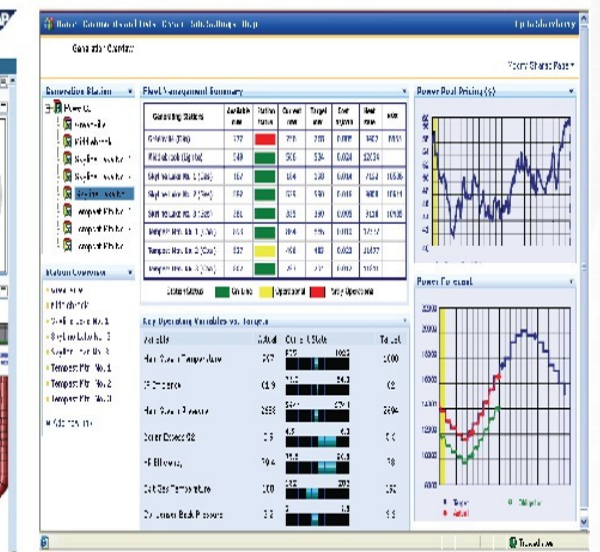
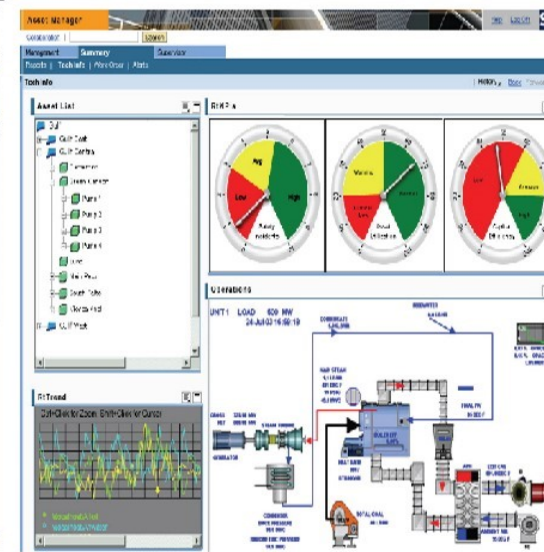
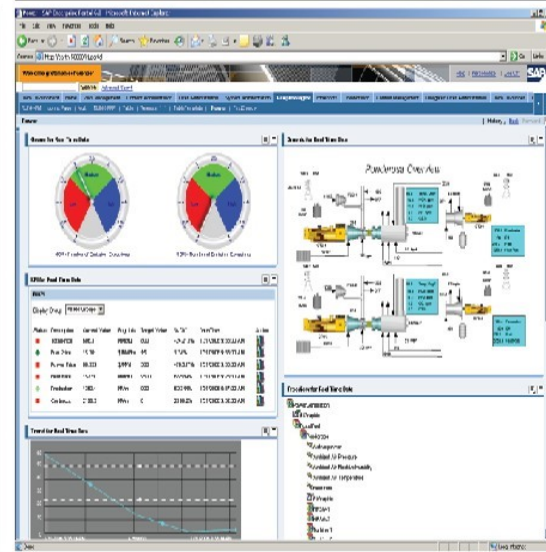
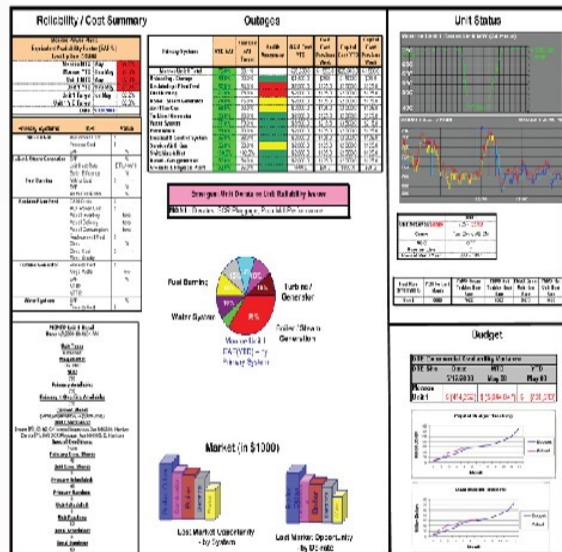
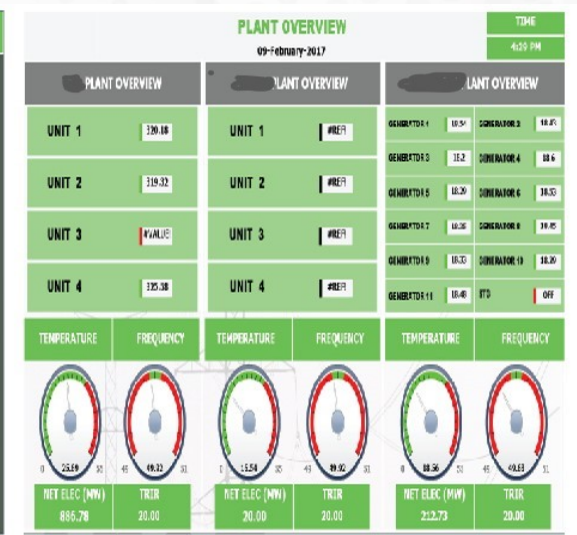
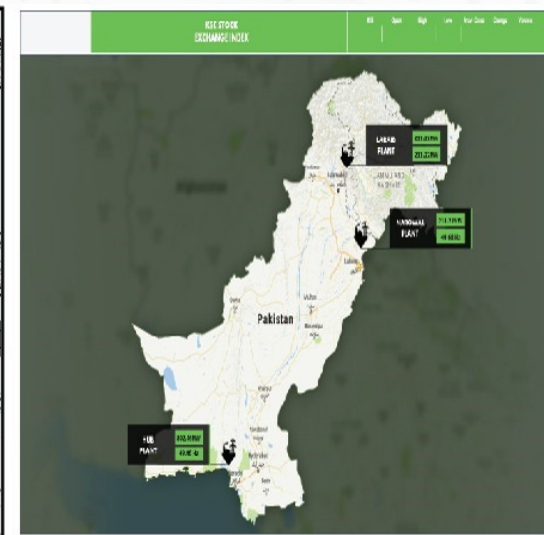
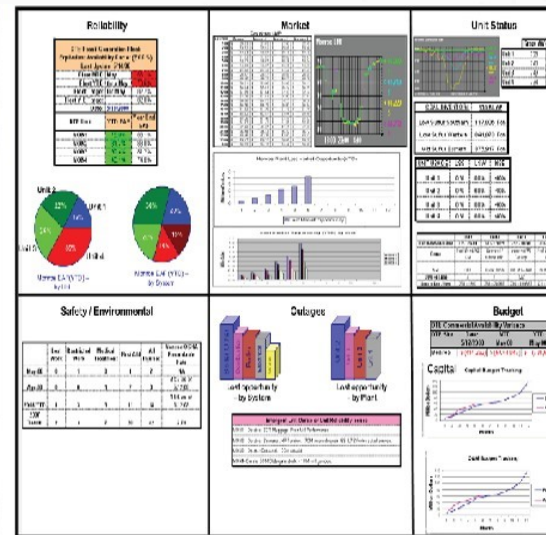
What's included in a digital subscription?



Subscription Pricing Model (For Channels & Customers)



Digital Dashboards and Prediction KPIs



Six Strategic Dimensions of Octopus Digital Business

Partner Ecosystem

Rolling Strategy

- Develop Avanceon SBUs as SIs
- Develop SIs for MENA and US launch



Organisation Team

Keep engagement on agenda

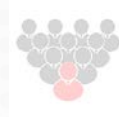
- Growth mindset OKRs for teams
- Cross functional teams
- Major focus on trainings



Sales & Marketing

Goals and Targets

- Subscriptions in 7 geographies with clear OKRs
- Both vertical and horizontal upselling



Delivery Excellence

Required behaviours/values

- Customer success to ensure customer retention upselling



R&D, Training, Dev.

Life Long Learning

- Open source cloud technologies learning paths



Internationalisation

Geocentricity

- Ally, Alter, Accede, or Avoid
- USA and Qatar to be focus areas



Objectives and Key Results 2020-21

Five-Dimensional Business Update



Sales Success

Fresh contracts with major multinationals incl. Fuel Retail, FMCG, Food and Beverages, Tobacco & Batch Manufacturing



Digital AMS

AR/VR and dashboard powered After Market Support business is set to double service revenue in Pakistan and MENA



Partnerships

Signed MoU with Pakistan's oldest power producer HUB Power to go digital and service power plants regionally



Customer Success

Vertical and horizontal upselling to multiply each subscription by x5 via customer success process & team



Global Scale

Partnership and POCs with Microsoft in Qatar and Avanceon LP in the US have been spotted and underway

Cross Industry Proofs of Concept

Recent POCs

Major multinationals for Digital Dashboards, Prediction via Machine Learning and Cloud Computing without any Capex Investment



Batch Manufacturing

Cloud Integration with ERP Data for Machines and Equipment Efficiency

Tobacco

Cloud Migration of Product Integrity and Traceability Matrices

Food & Beverage

Complete Cloud Migration of the Beverage Production Quality System

Ethanol & Sugar

Replacing Industrial Historian with Cloud Native Data Lake

FMCG

Operational Efficiency Improvement through KPI Dashboarding

Octopus Digital & HUB Power

Industry 4.0 & Digital Transformation Partnership MOU Signing Ceremony





Spinoff

Demerger

AMS revenue to
double with
additional digital
upselling

- 45 Maintenance contracts with 10 shortlisted sell
- All AMS services will be AR, VR, remote connectivity capable
- Upselling AI-powered Dashboard and data analytics
- Brand building of Octopus Digital incl. digital presence achieved

“

Sometimes the best types of problems to solve are the ones users don't really know are problems until you fix them.”

Laura Klain

OmniConnect™ @ Scale 2021-22



Scale

This Decade

From banks to
hospitals, shoemakers
to retailers, insurance
to tech

Every company will
be an AI company

- Exhaust our SLA market both in Pakistan and MENA
- Launch OmniConnect™ in the US & Qatar
- POCs in Qatar underway with Ashghal, Lusail and a leading Qatari Hospital
- Use cases to target across industries & markets



<<WFH>> | <<MFH>>

MENA Reorientation for Digital

Pipeline Exhaustion Pakistan

Direction2030 #Topware

Topware™ Digitalization Services Suite

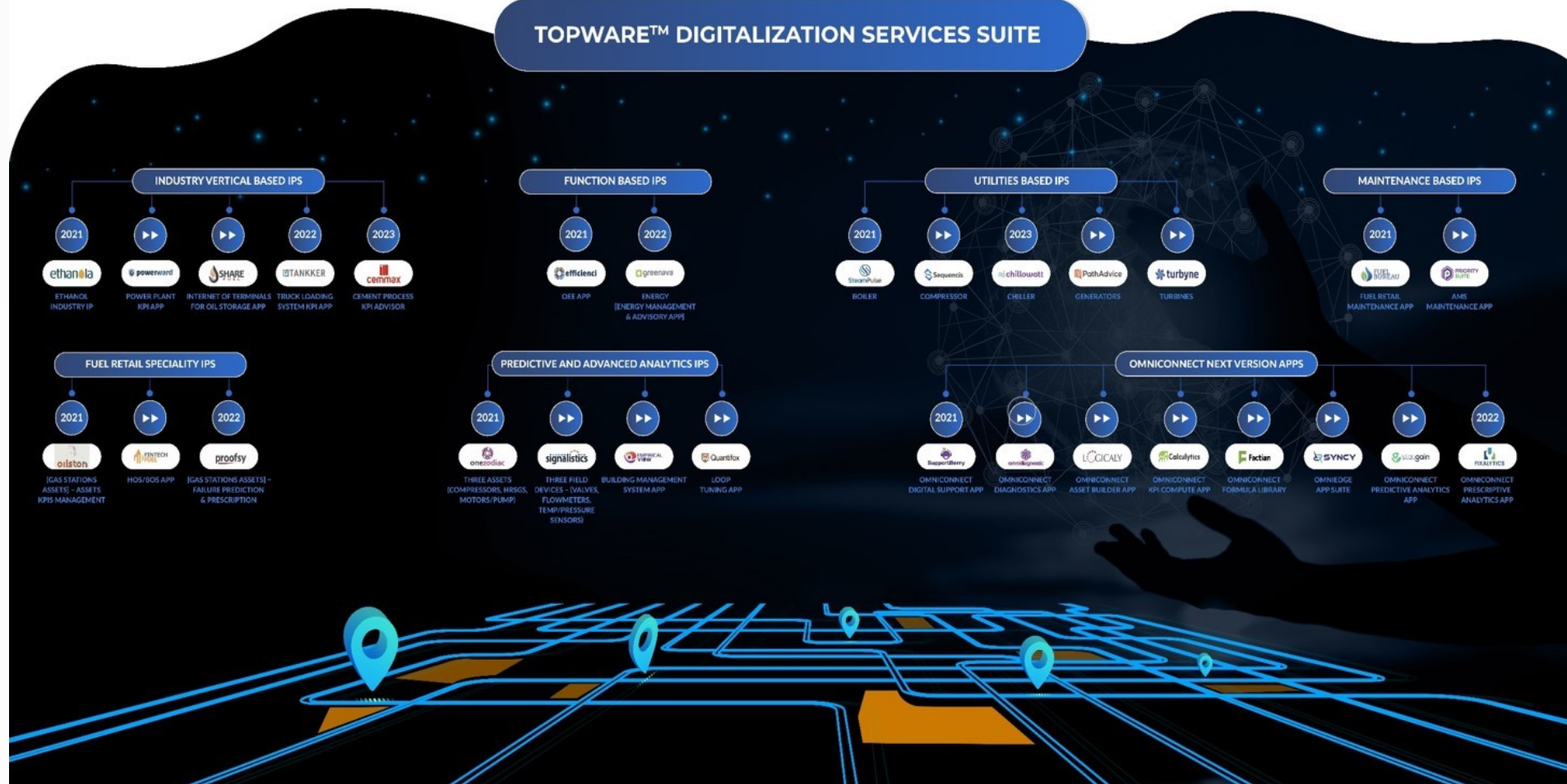


Product Timelines and Strategic Roadmap

OmniConnect™ Platform & Vertical Applications

2021 - 2023 DEVELOPMENT PLAN

TOPWARE™ DIGITALIZATION SERVICES SUITE



FuelBureau™ Dashboarding Suite

Monitor and improve fuel retail business by KPI Dashboarding

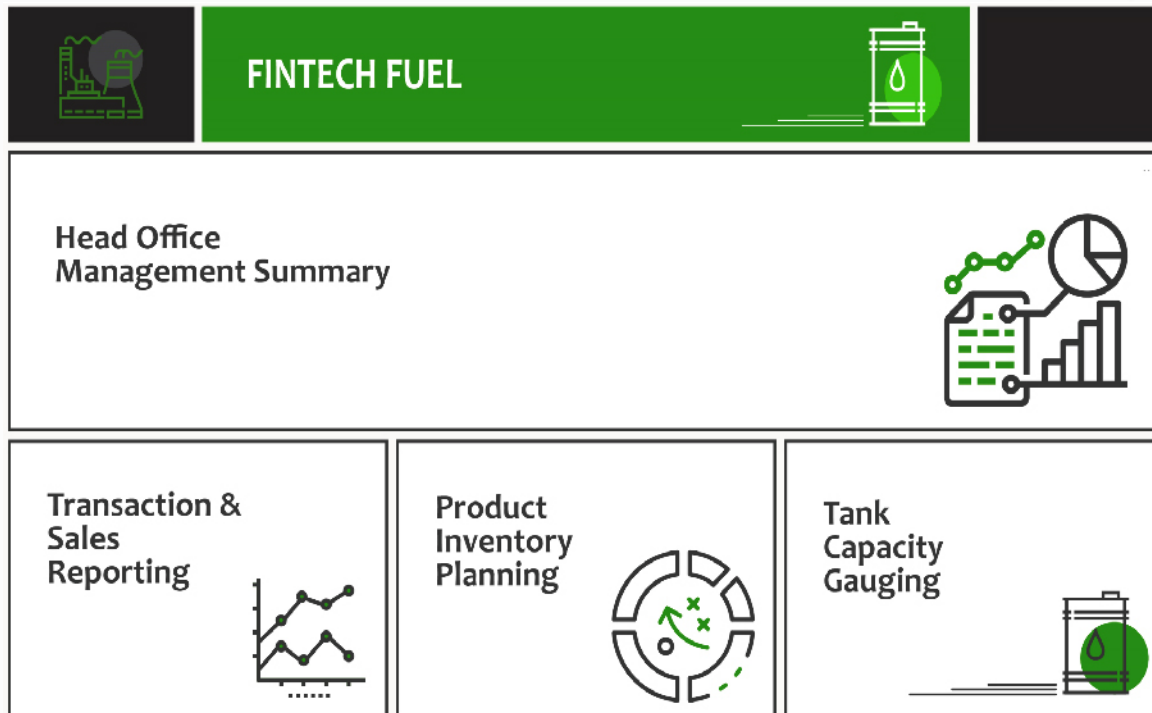
FuelBureau™ Platform Application Suite

	FUELBUREAU PLATFORM 	OCTOPUS DIGITAL
 Transaction Management, Product Inventory and Capacity Planning	 Asset Monitoring, Efficiency Enhancement and Digital KPIs	 Predict Shutdown, Reduce downtime
 Reimagining Maintenance by Digital Work Order Management	 Internet of Terminal, Digital Twin of Oil Terminals	 Digitalization of Fleet Management KPIs
 RestAPI for ERP Connectivity & Beyond	 Energy Management & Advisory App	 Contact us for 24/7 Support

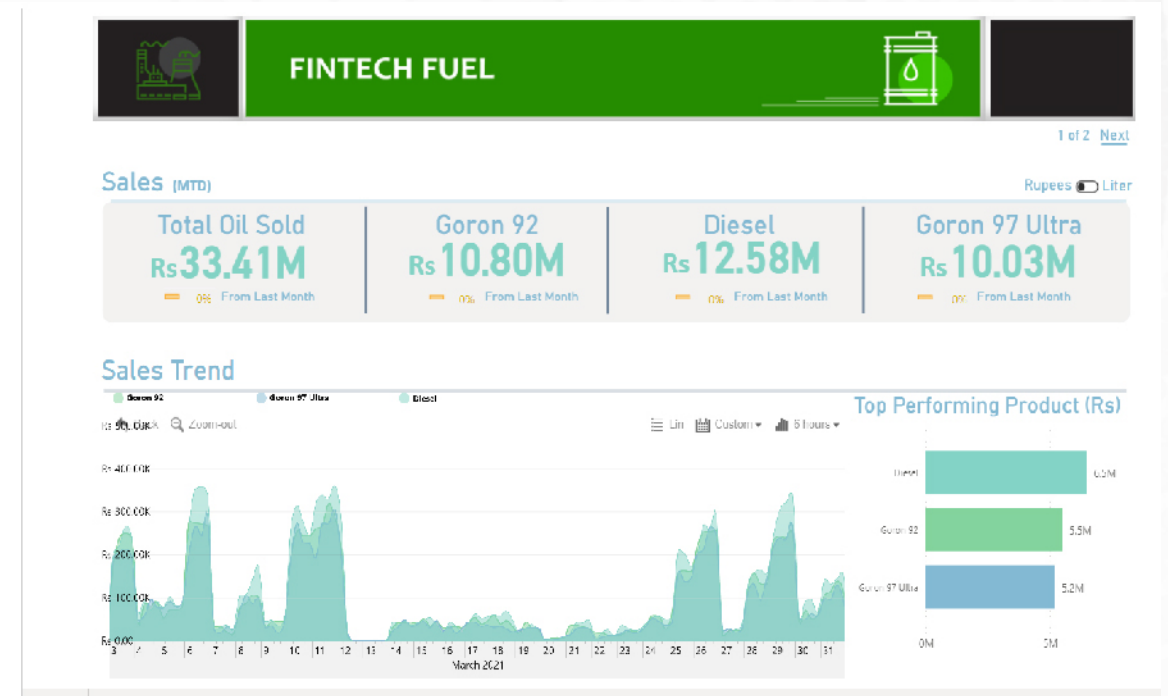
FintechFuel™ App

FintechFuel™ - Cloud-hosted role-based app for transactional and inventory data visualization.

Main Menu



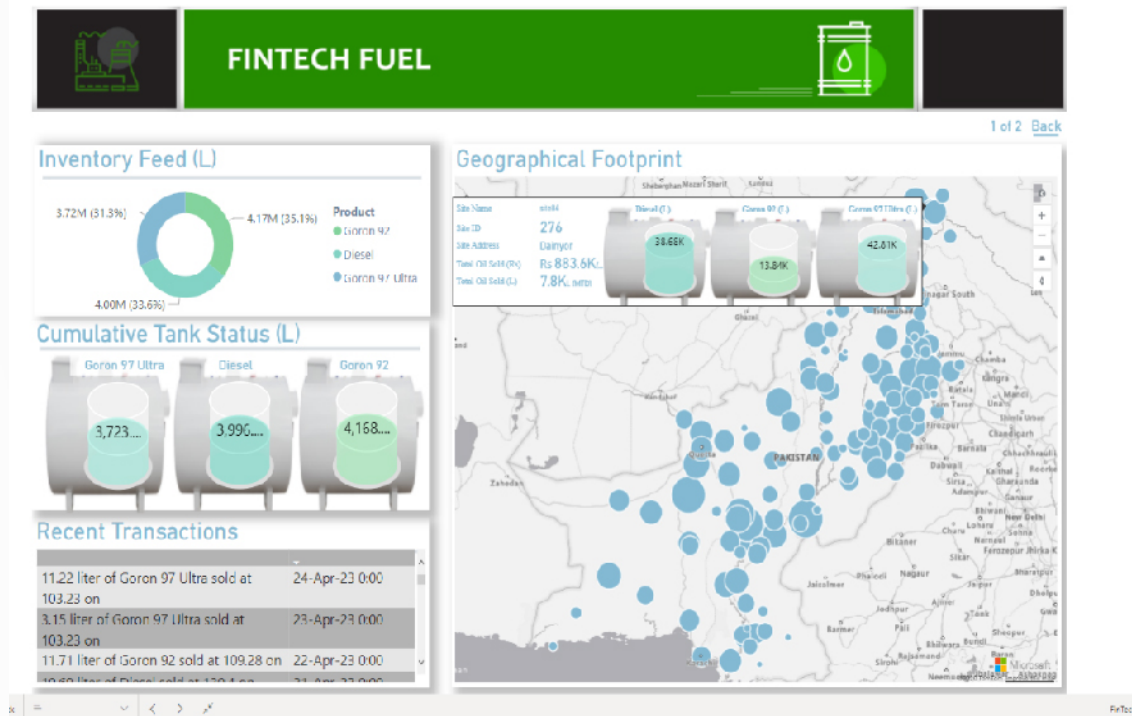
Sales Report



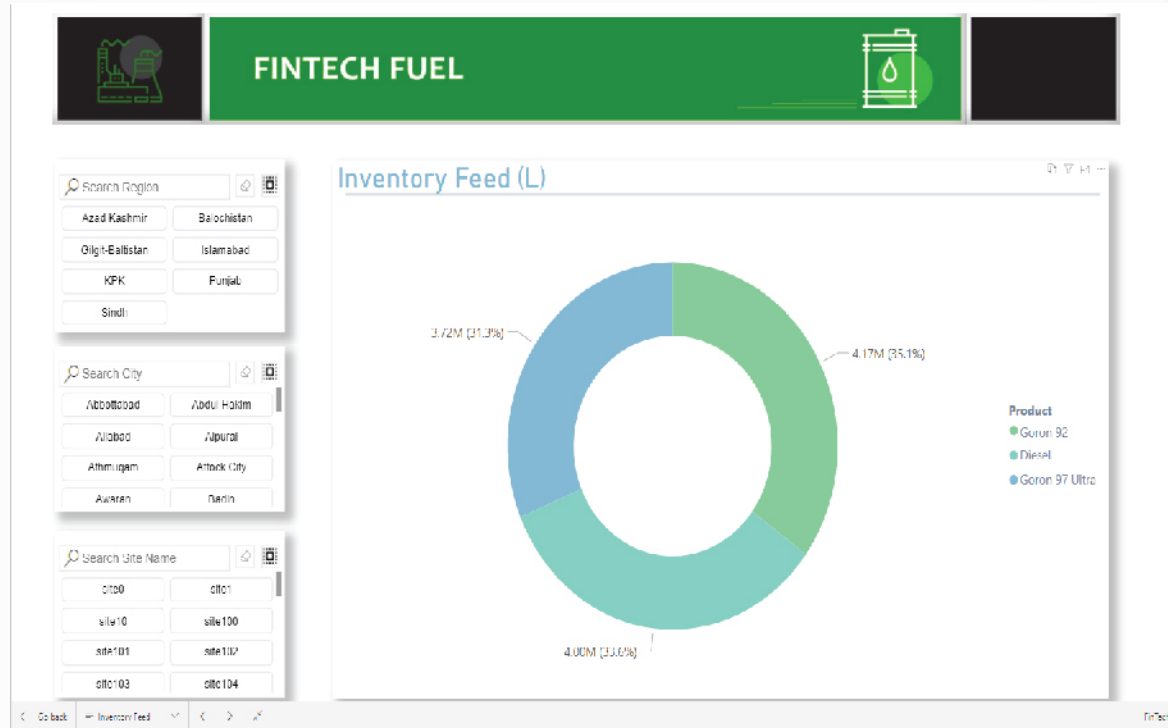
Inventory Status, Tanks Status and Geographical Footprint

Sample- Detailed Sales Trend and Transactional Data

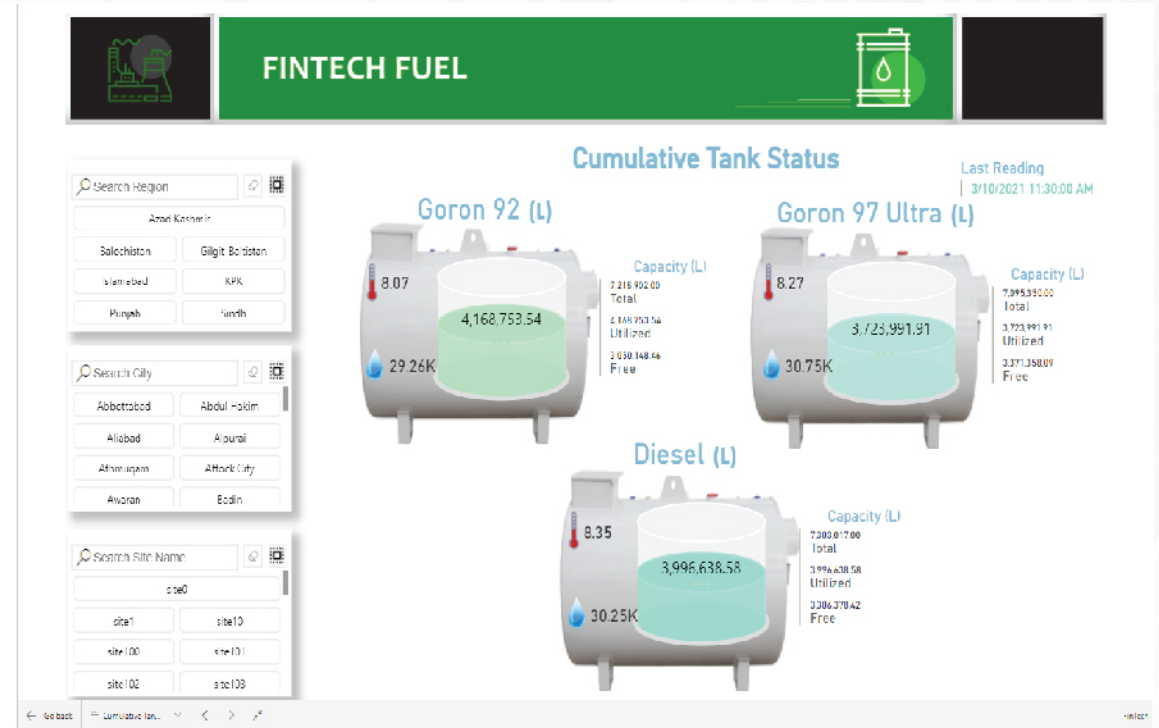
Drill down the information to region, city, station and product



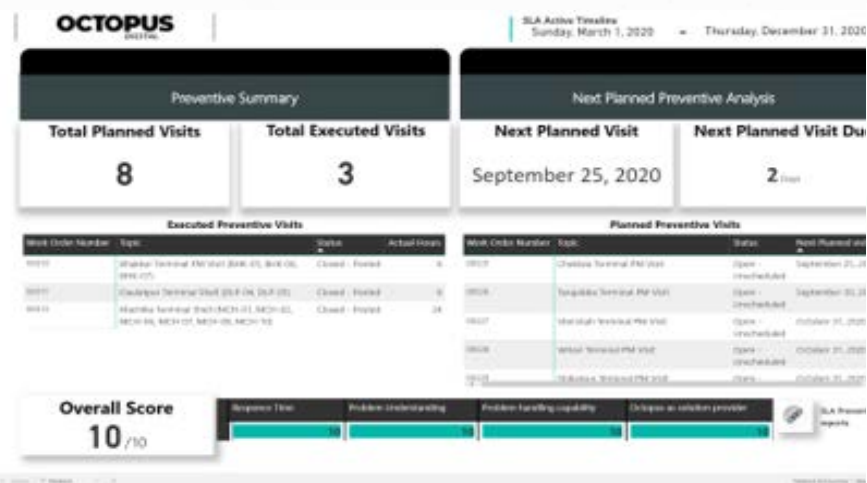
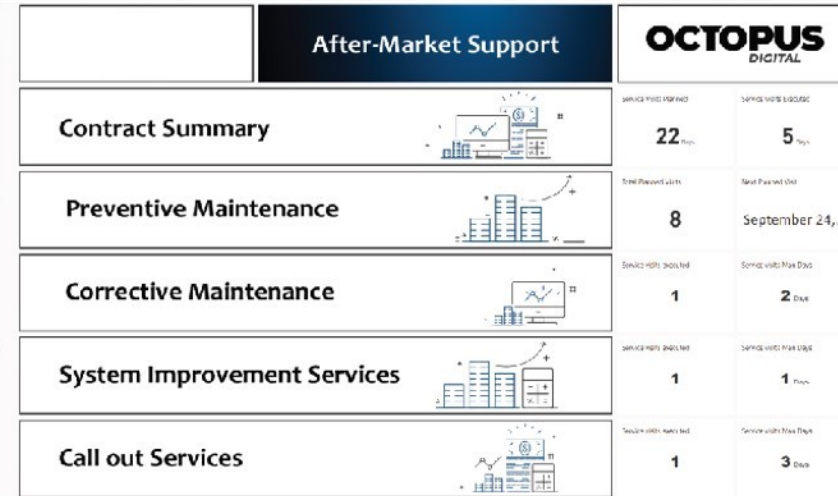
Sample- Inventory Status Detailed



Sample- Tank Status Detailed



FuelBureau™ Dashboarding Suite Work Order Management System



Basis of FuelBureau™ Dashboarding Suite

Unique Offerings of Topware™ Dashboarding & Reporting Subscription

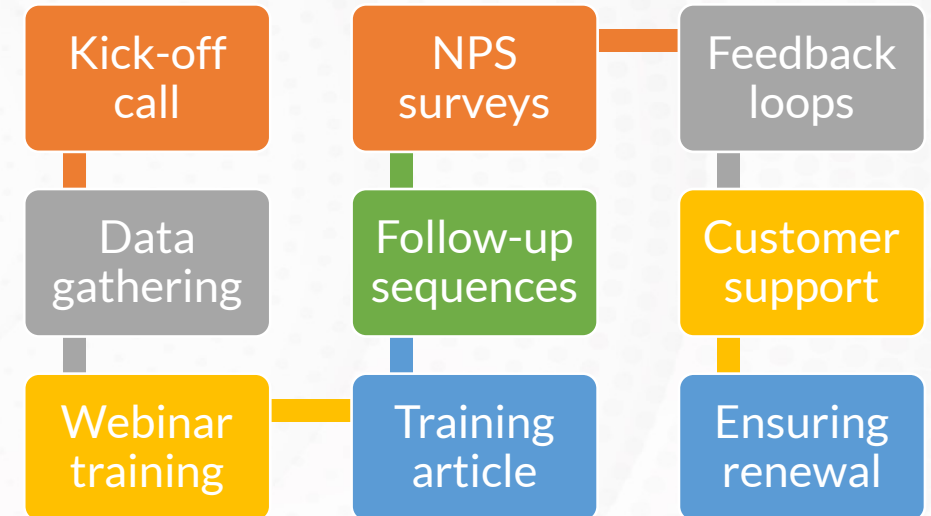
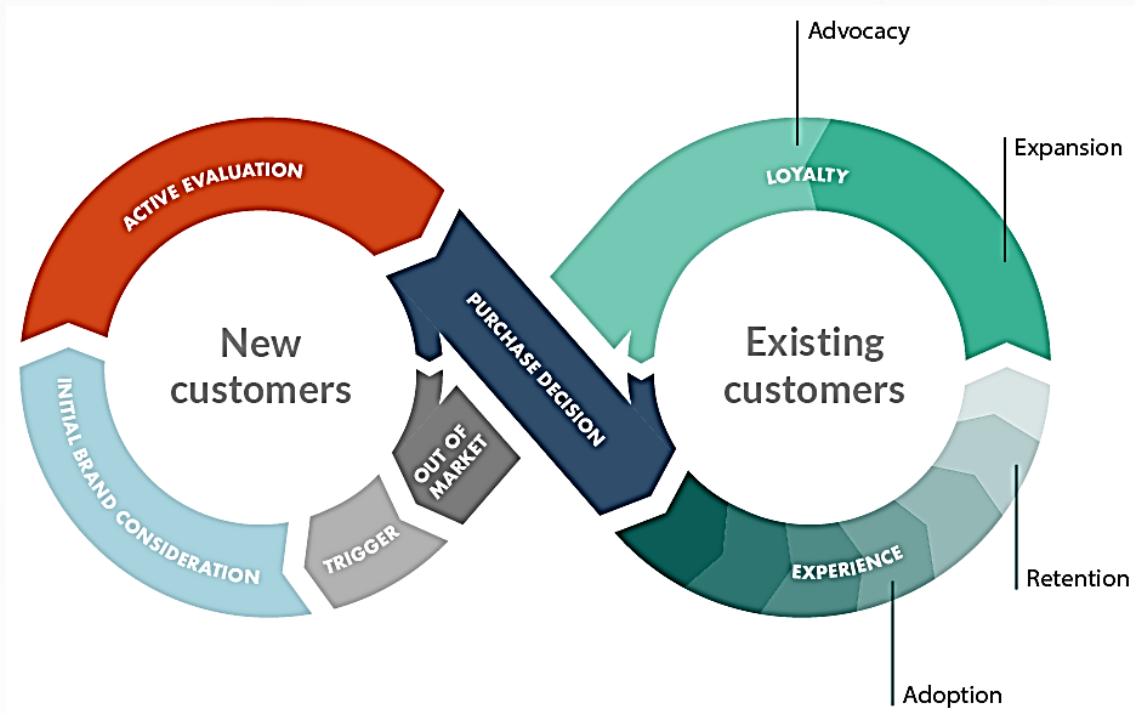
- Online accessibility via Microsoft Azure 24x7x365
- Dashboarding & Reporting secured from Cloud
- Data storage on a cloud native data lake for analytics
- Power-BI for reports & data analysis
- Oil accounting and asset performance monitoring
- Perpetual changes and modifications





Customer Success Management OKRs for Octopus Subscriptions

Customer Success starts from Day 1



NPS

The Net Promoter Score has become one of the most important benchmarks for customer success and qualitative feedback.

Your NPS should be measured at least every quarter!



An improving NPS score means that your business is becoming more valuable to its customers.

NPS has become really popular simply because of its simplicity. Only a single question is used, something like "How likely are you to recommend [Product] to a friend or colleague?" The customer then picks their response from a 0-10 scale.

0 means a customer will not likely recommend your product or service.



10 means your doing amazing and your customers are very likely to recommend your product or service.



CUSTOMER SATISFACTION SCORE (CSAT)

The CSAT score asks a questions such as, "How would you rate your overall satisfaction with [Product]?"

Customers then give a response on a 1-5 scale.
(Or at least that's a popular format.)



Your resulting CSAT can be represented as a percentage between 0-100 based on how many customers were "satisfied" or "very satisfied."



Customer Satisfaction Score (CSAT)

How would you rate your overall satisfaction with [Product]?

1. Very unsatisfied 2. Unsatisfied 3. Neutral 4. Satisfied 5. Very satisfied

CSAT



% customers who
responded 4 (satisfied)



and 5 (very satisfied)

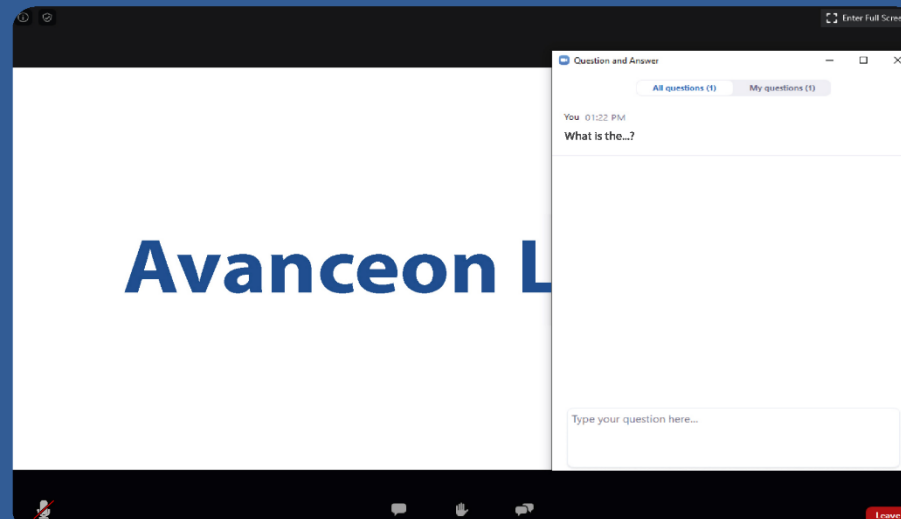
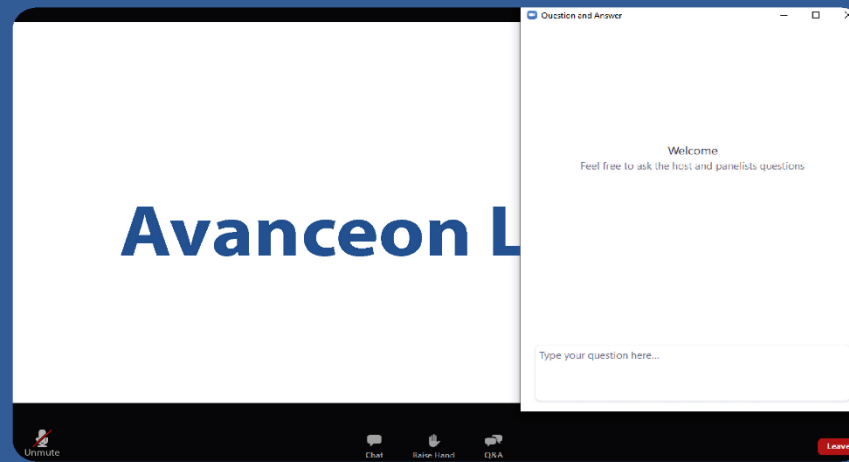
Octopus Digital Learning University



Thank You
for your Time

Here is how you can
Ask a Question

Click the 'Ask a Question' button if you have a query.
A pop up box will appear where you can type your question.



All the mics will be muted by the presenter,
If you need to ask a question, please press 'Raise Hand' and the
presenter will unmute your mic.



✓ Useful Tips.

- Need to Ask a Question? Get the Presenter's attention by typing your question and then raising your hand for a quick response.
- To achieve a smooth flow of the webinar and ensure all questions are addressed in a timely manner, the presenters will reserve the right to mute/unmute the audience's mic.
- Please keep your questions relevant to the subject of the webinar

The Zoom Meeting ID for the briefing will be shared with respective shareholders and analysts via email seven days prior to the event.

In case of queries and information, please contact marketing@avanceon.ae

For technical queries, please contact network@avanceon.ae

Thank you –
Department of Marketing
Avanceon Limited