

Think SMART. Think TZ.

## TARGET 1

## PROFITABILITY

## TARGET 2

## Build Annual Recurring Revenue

Target for FY20 ARR is circa \$3M

TZ is a technology leader in the smart electronic lock market.

To achieve profitability and growth, TZ is shifting its focus from technology development into sales and business development in current areas of participation and new application sectors.



# **TZ 2011**

A NEW INVENTION

BUT NO PRODUCTS AND NO CLIENTS





## Electro-Mechanical Locks

Electric motor or solenoid actuation

### Dumb switch:

- › On/Off only, no intelligence
- › Form factor, size & weight limitations
- › High power needs to actuate
- › Creates electromagnetic fields



## TZ SMarT Locking Devices

State-of-the-art Shape Memory Alloy actuation

### Intelligent node in a system:

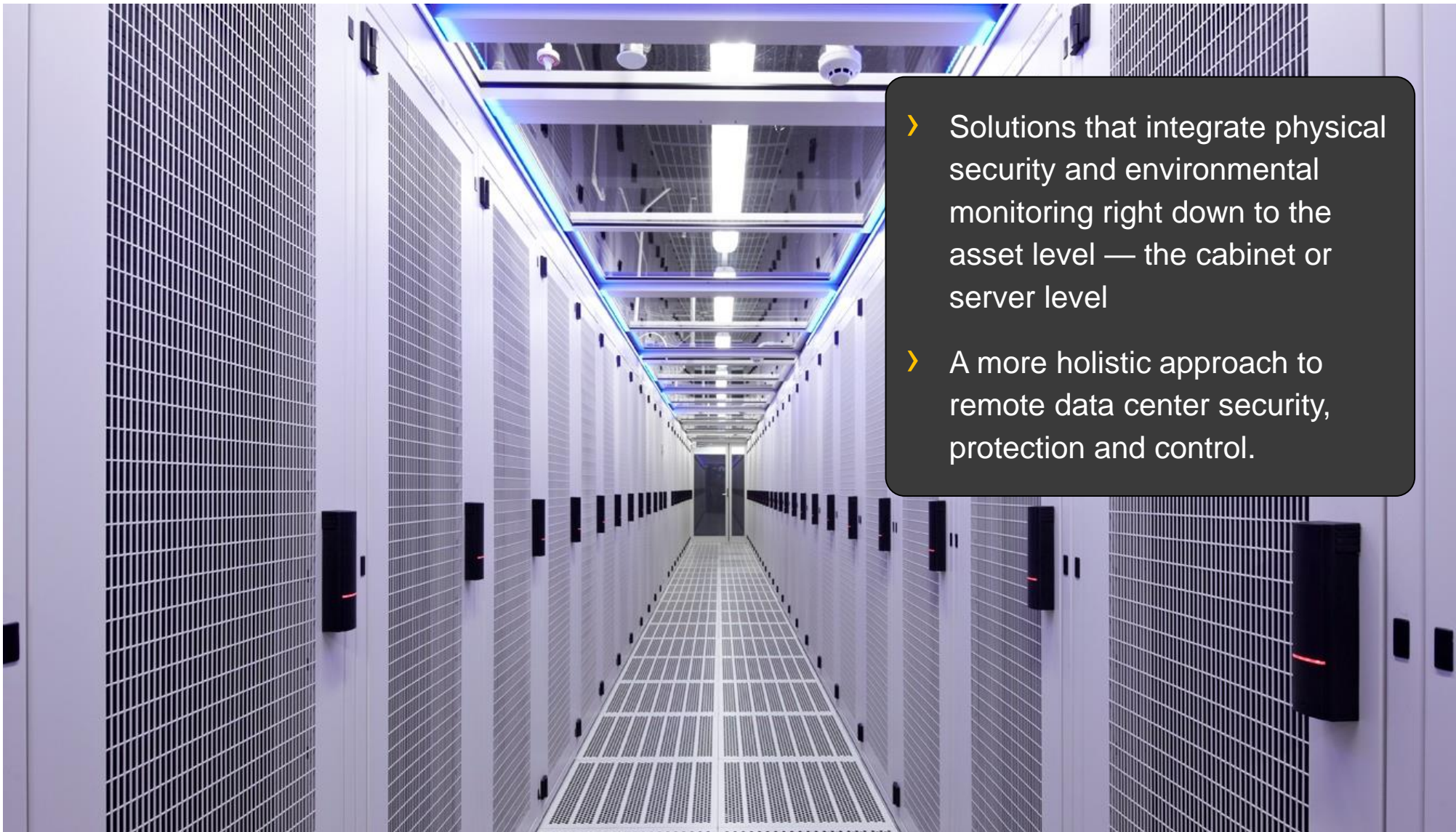
- › Embedded logic controller
- › Flexible form factors, small size, lightweight
- › Low power needs
- › No electromagnetic fields



# TZ 2012

## NOW WE HAVE PRODUCTS





- › Solutions that integrate physical security and environmental monitoring right down to the asset level — the cabinet or server level
- › A more holistic approach to remote data center security, protection and control.



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TZ Smart Cabinet Security Business

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NEXT DC



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Supported by Major Data Centre Operators



- › 47 billion parcels were shipped globally in 2014;
- › 83 billion parcels were shipped globally in 2018;
- › Forecasted parcel growth of 19% in 2019.



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TZ Smart Locker Business

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Photo: ST



Singapore  
**POST**



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Supported by Major Postal and Logistics Players

# TZ 2020

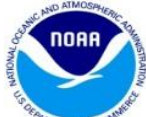
## NOW WE HAVE CLIENTS



## Colocation/MSP Data Centers



## Government & Education



CANADIAN SECURITY INTELLIGENCE SERVICE

## Healthcare



## Telecommunications



## Other



## Technology



## Entertainment/Hospitality



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TZ Smart Cabinet Security Customers

## Postal and Logistics



## Banking and Finance



## Residential



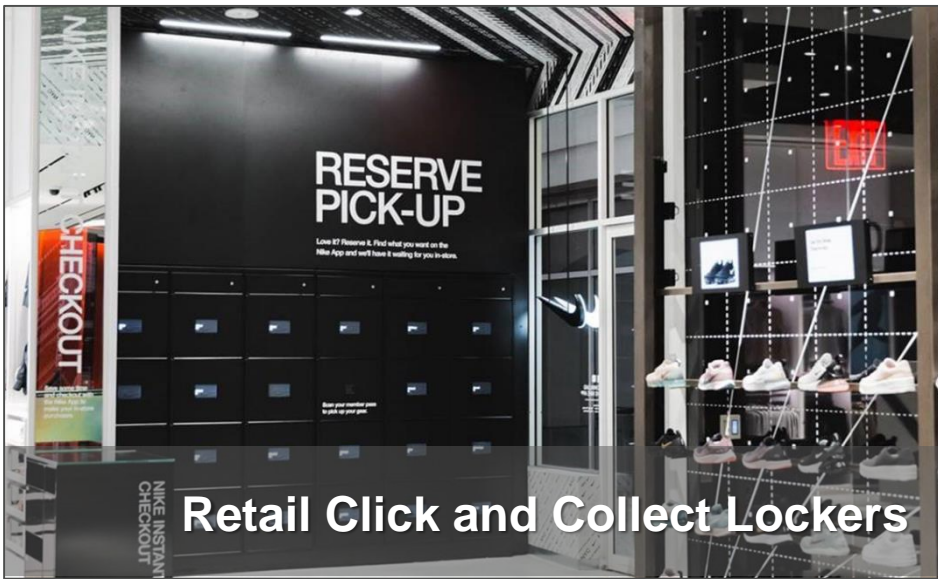
## Educational



## Corporate







**Retail Click and Collect Lockers**



**Universities and College Mail Centres**



**Campus Package Management**



**Corporate Day Lockers**



- › There are 9,463 post-secondary schools registered with the US Government.
- › 100 new RFP tenders anticipated for smart lockers in 2020
- › The US market has an addressable opportunity of US\$450M.







- › Most clients are now subscribing for the full annuity service.
- › The split between “Software Maintenance Fee” and “Hardware Maintenance Fee” is approximately 80/20. That is 80% of recurring revenue is from “software”.
- › Established on-going maintenance contracts with major customers – Sing Post, UPS, DSV, Apple, KPMG
- › Active programs are in place to push annuity services – HW maintenance, SW maintenance and hosting services
- › Use new software upgrade releases to secure on-going maintenance subscription



# **TZ 2020**

## NEW APPLICATIONS







**New  
Multi-Purpose Lock**

## SMArtBus Extender

- › Extends a SMArtBus segment up to 40m



## SMArtLink GPIO

- › 4 GPIO for sensing and control from the SMArtBus



## SMArtLink Wiegand

- › Wiegand convertor to SMArtBus



## SMArtBus Controller

- › USB to SMArtBus convertor used with Gateway and external PSU



## SMArtBus Hub

- › Supports 4 x TZ SMArt Devices



## SMArtLink USB

- › Connects USB scanning devices to the TZ Devices EcoSystem



## SMArtLink ENET Bridge

- › Connects SMArtBus segment to Ethernet WAN



## TZ Enterprise Layer

- › Comprehensive enterprise level applications for specific segments
- › API Integration capability with third party systems

## TZ Applications Layer

- › Industry specific mobile and cloud applications

## TZ SMART Gateway Devices

- › Secure gateway capability between the TZ Device EcoSystem and higher level applications

## TZ SMART Link Devices

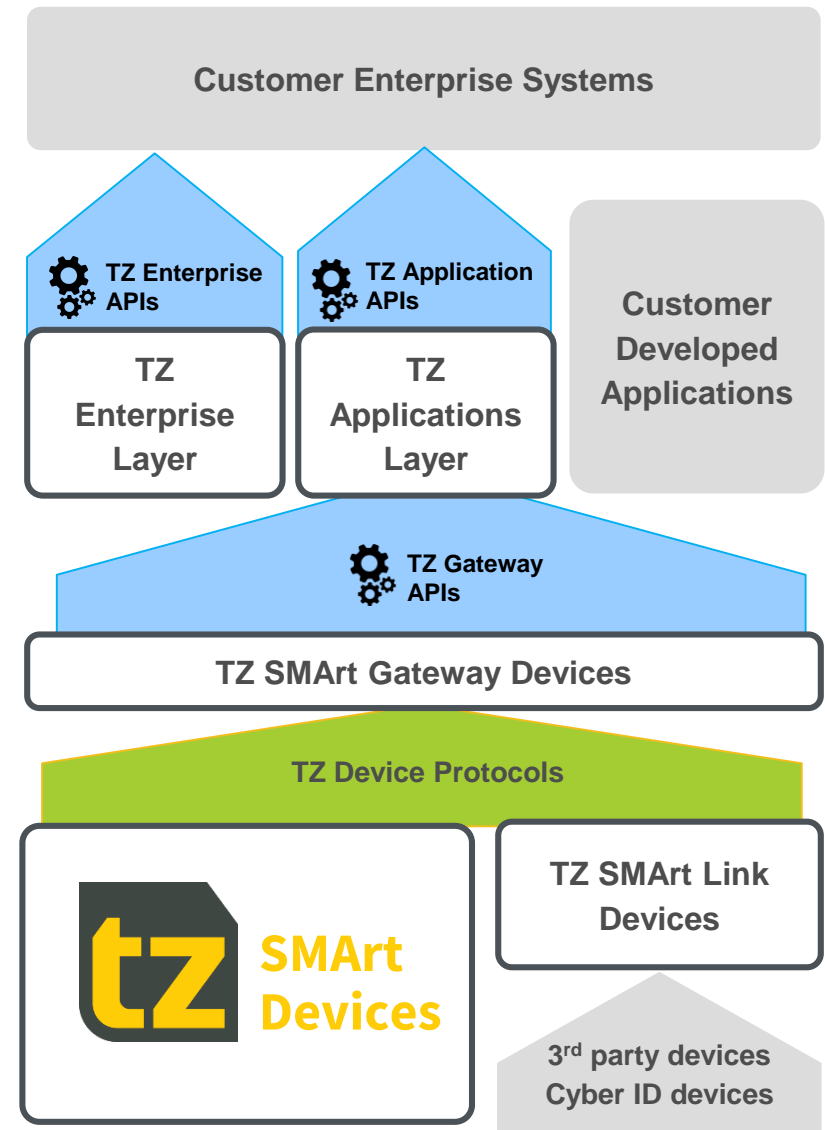
- › Integrate 3rd party devices, GPIO and CyberID devices such as Barcode readers, RFID into the TZ Device Network

## TZ SMART Devices

- › Light-weight, energy efficient SMA actuated Locking and Fastening Smart Devices.

Software

Hardware





## FULLY AUDITED AND CONTROLLED MEDICINE CABINETS

TZ to find global distribution partners for supply to  
Hospital, Medical and Health organisations

## SECURE RETAIL CABINETS

TZ to find global distribution partners to cover retail  
cabinets and display units



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New Applications

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## SECURE GUN AND EQUIPMENT CABINETS

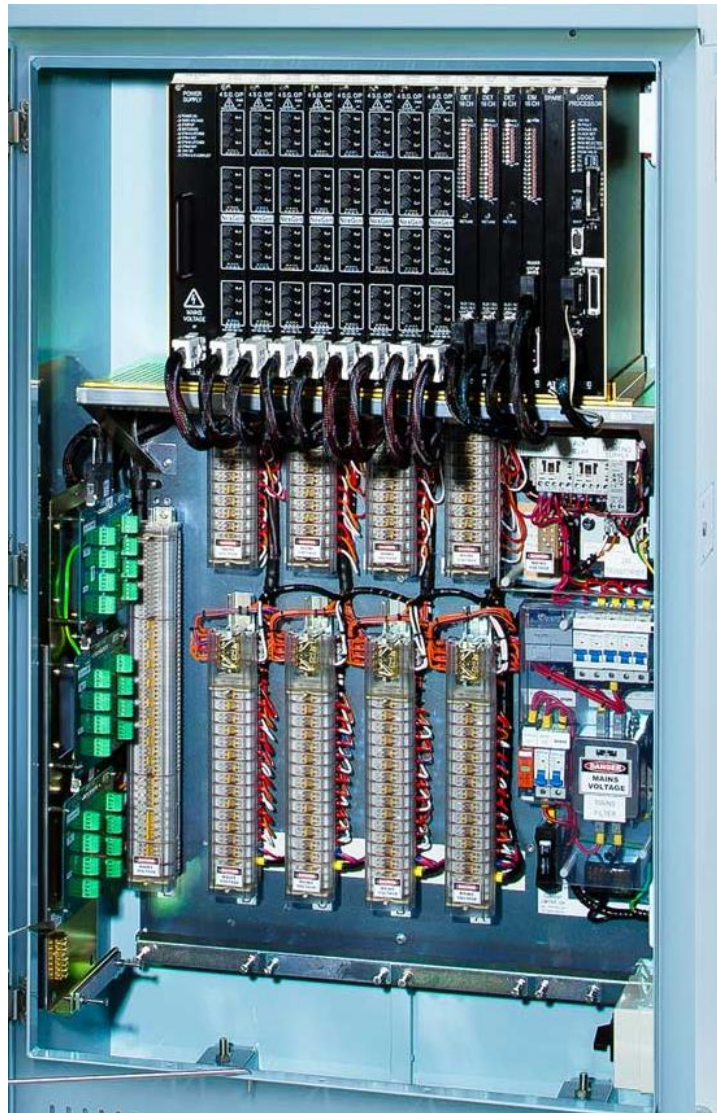
TZ to find global distribution partners for cover defence and police departments

## ACCESS CONTROL FOR CABINETS AND DRAWERS FOR THE HOME

TZ to find global distribution partners to support B2C offering for the home







## ACCESS CONTROLLED ELECTRICAL CABINETS

- › Electricity Grid Security
- › Traffic Light Boxes

Distribution MOU in negotiation with Traffic Management Infrastructure Company



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## New Applications

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# **TZ 2020**

## FINANCIAL SUMMARY



	2014	2015	2016	2017	2018	2019*
REVENUE	A\$8.4M	A\$15.1M	A\$20.8M	A\$21.5M	A\$17.4M	A\$17.4M
GROSS MARGIN	49%	44%	30%	45%	51%	49%
ADJUSTED EBITDA	(A\$8.55M)	(A\$4.47M)	(A\$5.28M)	(A\$2.95M)	(A\$2.64M)	(A\$3.5M)
LOSS AFTER TAX	(A\$11.80M)	(A\$6.44M)	(A\$7.03M)	(A\$6.48M)	(A\$11.69M)	(A\$4.4M)

The introduction of AASB 15 in FY2019 changed TZ's revenue policy. The table on right shows 2019 results with adjusted comparative 2018 results.

Under TZ's previous policy, revenue was recognised on a percentage of cost completion basis, whereas the new policy in FY2019 recognises revenue when performance obligations have been satisfied.

FY2019 margin affected by the large rectification cost for UPS in the USA (\$440,000).

	2018	2019
REVENUE	A\$15.0M	A\$17.4M
GROSS MARGIN	50%	49%
ADJUSTED EBITDA	(A\$3.9M)	(A\$3.5M)
LOSS AFTER TAX	(A\$13.0M)	(A\$4.4M)



# FY2020

**REVENUE**      \$20.2M

**EBITDA**      \$0.6M





# THE OFFER

SPP @ 10.5 cents per share

TZ Limited has raised over \$65m in capital to develop and prove the product over the past 9 years

SPP shareholders now get a chance to buy into the Company at a valuation of circa \$8M

... a significant discount to the capital raised so far for TZ's investment in technology



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