

Q Technology Group Limited

CEO presentation – AGM 22 November 2018

2018 achievements

- 2017 was largely focused around improving the stock position to generate cash to fund the business, whilst improving the back end purchasing and operations.
- 2018 was about starting the business rebuild on multiple levels after over 50% of the workforce left between July 16 and Sept 17 and the loss of a major supplier in FY17.
- Despite the poor financial result in FY18, noting the normalized EBITDA of QSS, there were some significant achievements in FY18, as follows:
 - - gradual and steady improvement in morale, minimal staff turnover
 - - strong sales in Vic from Metro trains in Vic
 - - Commonwealth Games
 - - Improved supplier relationships including major supplier
 - - Closed WA office, saving c\$500k pa, now managed from SA

2018 achievements cont

- - Closed second service premises in Graham St saving c\$50k pa
- - QSS website re launched
- - QAlumia re launched, albeit sales less than expected
- - New Vic Sales Manager
- - New QLD BDM
- - New NSW Branch Manager
- - Continued focus on cost control
- - Continued focus on inventory management

FY19 so far

- Despite an improved and detailed FY19 business plan, Q1 sales less than expected, with some projects delayed and new Flir Tru witness wearable camera and Saros cameras releases delayed.
- Lost distribution of Bosch and resultant time and effort wasted.
- USD declined causing margin % to decline, delay before 2 price rises can take effect.
- Flir Distribution agreement signed for a further 2 years.
- Better focus and engagement with NUUO.
- Renewed focus on alarms with a new supplier/product being released next week to increase our run rate business with upside to better service all the customers needs.
- Another mid tier supplier being reviewed to strengthen CCTV product range and fill the gaps/price point.
- A new range of IP intercoms and access control expected to be released in Q3.
- Move to distribution of Uniview brand, expanded range from QAlumia.

FY19 so far cont

- New Zoho CRM introduced.
- Cordells project lead generation tool introduced.
- Better QSS marketing presentations, leading to seeing more consultants in Q3+.
- New Vic Branch Manager, freeing up resources to assist with product development.
- Further sales recruitment in December 18.
- Further opportunities in thermal cameras / solar farms.
- Continued focus on inventory management.
- Continued focus on cost control.
- Project pipeline quality improving.

Summary

- Good things happening.
- 2 steps forward and 1 step back.
- Committed suppliers with quality products.
- Release of Tru Witness wearable camera, Saros cameras in 2H.
- Continue with project focus and building pipelines by seeing more customers.
- Rebuild run rate business with new products and brands in late Q2+.
- Continue to improve the QSS team.
- Senior management team are on board and committed.
- Turnaround plan pushed back 6 months, capital raising announced to support delays.

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