



MaxSec Group Limited
2015 Annual General Meeting
12 November, 2015

Chairman's Address

Dear Shareholders and other guests,

It is my pleasure to welcome you to the MaxSec Group Limited 2015 Annual General Meeting.

It was very pleasing to note the following amongst the highlights for the year:-

- We have reported another profitable year, reporting a 120% increase in Net Profit after taxation from last year and consolidating a number of years of continuous profits.
- We released a number of new products to the market.
- We are continuing to develop new innovative products including an TCPIP/POE convertor, a door alarm unit and a multi door controller.
- We have appointed a new sales resource dedicated to opportunities in the Middle East.

Further progress was made on the Group's strategic objectives, that were outlined back at the 2010 Annual General Meeting, and the CEO will detail the progress against those strategic objectives which included:-

- Develop and launch new products to increase market share and profitability.
- Targeted acquisitions to grow product portfolio, revenue and products.
- Implementation and continued development of a direct sales model for traditional core markets and a distribution model for developing and other markets

In addition to making progress against the Groups strategic objective we continue to review and implement further working capital maximization initiatives.

Once again I would like to take the opportunity here today to sincerely thank management and staff for their dedication and effort and to thank shareholders for their support during the past financial year.



MaxSec Group Limited
2015 Annual General Meeting
12 November, 2015

Chief Executive Officer's Address

[Cover Slide]

[Forward Looking Statements Slide]

Thank you Rob. Ladies and Gentlemen, thank you for attending the 2015 Annual General Meeting of MaxSec Group Limited. My name is Geoffrey Cleaves and I am the Group CEO.

I am pleased to report that your Board, Management and Staff have all contributed to achieving \$411,470 profit for the 2015 financial year. This profit is a 120% increase on the previous financial year and is now the fifth consecutive financial year that the company has reported a profit.

Rob has previously touched on many of the highlights of the last 12 months and I would now like to elaborate on what our Chairman has mentioned.

[Highlights Slide]

During the last financial year the group achieved its fifth consecutive net profit of \$411,470, 120% higher than the 2014 financial year supplying product to major projects such as Sydney Airport, Australian Department of Foreign Affairs and Trade and Victorian Comprehensive Cancer Centre project.

Revenue of \$5,202,243 was 65% higher than the previous financial year and shareholder's funds increase by 15% over the financial year ended 30 June, 2015.

During the last 12 months we have appointed four new authorised distributors continuing our strategy of creating distribution channels for our world class products and more recently we have established a sales resource in Dubai in the Middle East to drive sales opportunities in this market.

[Growth Strategy Scorecard Slide]

The Board remains committed to the following key strategic objectives, which are continually being implemented as economic conditions permits:-

- Develop and launch new products to increase market share and profitability.
- Targeted acquisitions to grow revenue and profits.



- Implementation and continued development of a direct sales model for traditional markets and a distribution model for developing and other markets.
- Continued working capital maximization initiatives.

The Board and Management has consistently worked throughout the year to develop new products and examine and implement opportunities to grow the business in the short, medium and long term.

[Share Capital Slide]

There are 203,673,643 fully paid shares on issue. During the year a substantial shareholder, Pandon Holdings Pte. Limited, exercised 14,000,000 options that had been issued in 2009 and 2010 at an exercise price of 2.0 cents each to provide an additional \$280,000 to the group.

The top 20 shareholders hold 87.98% of the shares in the Company.

[Key Financials Slide]

As mentioned in the highlights, Revenue for the last financial year was a 65% improvement on the previous financial year with Net Profit After Tax increasing from \$187K in the 2014 financial year to \$411K in the 2015 financial year.

The gross margin decreased from 64.6% to 50.2% reflecting the product mix and channels to sale during the year and operating expenses have increased by 14% reflecting our increased efforts in promoting and marketing the BQT Solutions brand and products in our target markets.

[Shareholder's Funds Slide]

Shareholder's funds increased by 15% during the 2015 Financial Year. Shareholder's funds have increased by 165% from July 2010 when the current strategy was announced by the Board.

The year on year movements in the balance sheet represent a higher level of sales in the last quarter of the 2015 financial year and inventory increases anticipated to service the business during the initial quarters of the 2016 financial year.

[PipelineSlide]

As at the end of October, 2015 our sales pipeline records over \$24 million of identified sales opportunities through our 3 FTE sales resource.

We anticipated that our developing markets in the USA, Middle East and South East Asia are showing the most potential for growth.

During the 2015 financial year our sales were approximately \$1.75 million per FTE sales person, we expect that this figure will increase for the year ended 30 June, 2016 to approximately \$2.0 million per FTE sales persons.

[New and Emerging Products Slide]

Management continue to build on our product portfolio to develop and commercialise new products based on new and emerging trends in the access control industry.

During the last year we have developed and released several new products, including stand alone and integrated single door biometric kits for the distribution market, OSDP output readers to cater for new access control panels being released on the market, our BT853 card and pin reader with LCD screen and a door guard reader as a replacement for triple bias reed switches.

Products currently under development include a TCPIP/POE convertor which will provide every reader in our M2000 range with the ability to work as an IP reader and new software that will extend the capabilities of our readers and biometric products, providing features such as a biometric template database, time and attendance solution and a multi door controller system.

[Factors Driving Access Control Demand Slide]

The heightened security threat level globally and the realisation that it is not just government or infrastructure that is at risk but also business and private interests are often the focus of attacks has been driving risk analysis within organisations which has had the effect of accelerating the demand for updated security technology across all levels of the market.

[Movements in Technology Slide]

The use of insecure legacy 125Khz and CSN/UID which offer no protection against hacking and cloning and the key breach in a popular proprietary access control smart card and reader system no longer meets the needs and requirements of security conscious end users and their consultants and specifiers.

The use of biometrics and increased security options on many commonly available consumer goods is also driving end users to be more security aware and accepting of biometric technology.

[The BQT Solutions Advantage Slide]

The Management and Board have built a reputation for BQT Solutions' products and we continue to build a network where we have the advantage of:-

- A trusted, quality product range with a reputation for high security and reliability.
- A leading supplier of high security access control smart card and reader products.



- An established Portfolio of multinational blue chip clients in the higher security marketplace.
- A growing portfolio of branded distributors.
- A developer of new innovative products for emerging trends in security.
- Our products are competitively priced higher security “out of the box” solutions.
- We are flexible, agile, timely and cost effective custom and tailored access control solutions, and
- We have the ability to supply and provide support globally.

[Diverse Market SectorsSlide]

Our product portfolio provides a wide range of products with a track record of successful implementation into an assorted range of projects in diverse market sectors.

[Market Model Slide]

Our evolving market model demonstrates our market coverage and the various touch points of successful sales.

A key factor in successful sales is our ability to educate the various touch points in our technology and product features.

[Examples of our Distributors, System Integrators and End Users Slide]

The following three slides provide an overview of our blue chip authorised distributors, system integrators and the end users of BQT Solutions’ products.

[Our Global Support Slide]

Our growing network of sales offices throughout the world offers a global network of support for BQT Solutions products and a firm base for increasing the sales resource for growing our pipeline of opportunities.

[Cover PageSlide]

Your Board remains committed to grow the business to return value to all the investors in MaxSec, the next twelve months will be both challenging and also exciting as we take the Company forward.

We will now provide you with an opportunity to ask questions.

<Questions>

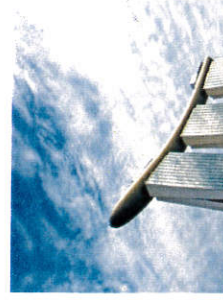
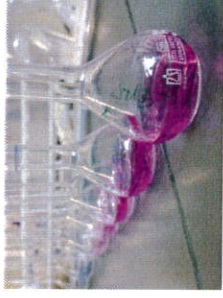
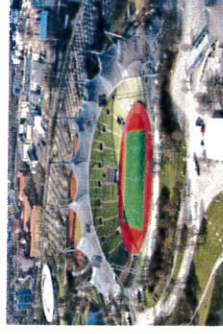
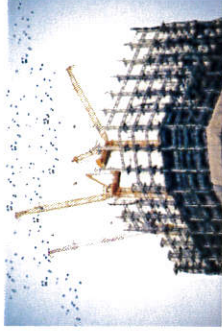


Thank you, I will now pass you back to Mr Broomfield to continue with the official business of the meeting.

MaxSec Group Limited (ASX:MSP)

Leading edge access control and locking solutions

FY15 Results Investor Presentation



Forward Looking Statements

Notes to Presentation

This presentation is given on behalf of MaxSec Group Limited (MSP).

Information in this presentation is for general information purposes only, and is not an offer or invitation for subscription, purchase, or recommendation of securities in MSP.

Certain statements throughout this document regarding the Company's financial position, business strategy and objectives of Company management for future operations, are forward-looking statements rather than historical or current facts.

Such forward-looking statements are based on beliefs of the Company's management as well as assumptions made by and information currently available to the Company's management. Such statements are inherently uncertain, and there can be no assurance that the underlying assumptions will prove valid.

All data presented in this document reflect the current views of the Company with respect to future events and are subject to these and other risks, uncertainties and assumptions relating to operations, results of operations, growth strategy and liquidity of the Company.

Highlights

- The group achieved its fifth consecutive net profit for the FY2015 of \$411,470, which was 120% higher than the previous year.
- FY2015 Revenue was \$5,202,243, 65% higher than the previous year revenue of \$3,143,898.
- Shareholder's funds increased in FY2015 by 15% from the previous year. Since July, 2010, Shareholder's funds have increased by 165%.
- The group has appointed four (4) new authorised distributors in the last 12 months, continuing our strategy of creating a distribution channel for our world class products.
- The group has now established a sales resource in Dubai in the Middle East to directly drive sales opportunities and enquiries in this buoyant market.

Growth Strategy Scorecard

The Board is committed to the following key strategic objectives, which are continually being implemented as economic conditions permits:-

- Develop and launch new products to increase market share and profitability.

The group is developing several new products and has released a number of new products to market during the past 12 months.



- Targeted acquisitions to grow revenue and profits.

The group is continually assessing potential acquisition opportunities in synergistic markets and industries .



- Implementation and continued development of a direct sales model for traditional markets and a distribution model for developing and other markets.

During the past 12 months we have appointed 4 new distributors in key markets and established a sales resource in Dubai, UAE.



- Continued working capital maximization initiatives.

Management continue monitoring and implementing strategies to control costs and to maximise the Group's working capital.



Share Capital

- Total Shares on Issue: 203,673,643
- Total Options on Issue: 14,200,000
- Top 20 Shareholders hold 87.98% of Shares

Substantial Shareholders	No. Shares	% Held
Pandon Holdings Pte. Limited	40,587,771	19.93%
Ekoglobal Pty. Limited	24,760,788	12.16%
Cadence (90) Investments No. 1 Pty. Ltd	22,090,870	10.85%
Pierce Atlantic Pte. Limited	20,836,289	10.23%
Michael McGeever	15,000,000	7.36%
4C Controls Inc	12,800,000	6.28%
	136,075,718	66.8%

Key Financials

	<u>2014</u>	<u>2015</u>	<u>Year on Year %</u>
Revenue	3,144	5,202	65%
Gross Margin %	64.6%	50.2%	-14.4%
Operating Expenses	2,117	2,412	14%
EBITDA	251	570	127%
Net Margin %	5.5%	7.6%	2%
EBIT	192	417	117%
NPBT	187	411	123%
NPAT	187	411	123%

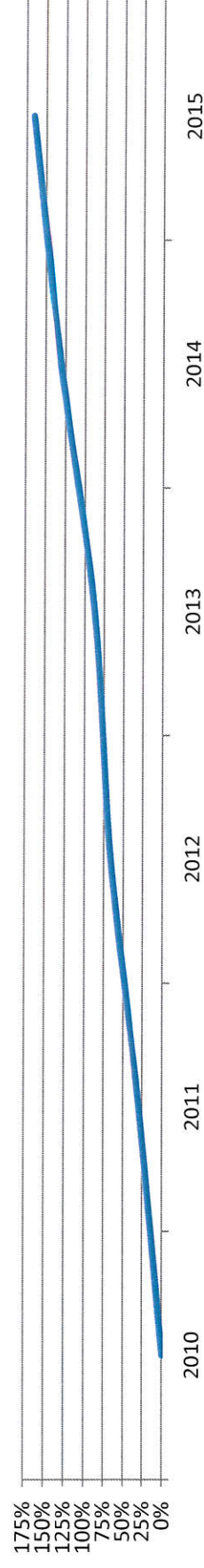
Shareholder's Funds

	(\$000's)	2014	2015	Year on Year %
Current Assets				
Cash and cash equivalents		1,054	682	-35%
Receivables		653	2,177	233%
Inventories		663	879	33%
Other assets		80	94	18%
Total current assets		2,450	3,831	56%
Non-current Assets				
Plant and equipment		42	64	52%
Intangibles		1,577	1,893	20%
Total non-current assets		1,619	1,957	21%
Total Assets		4,069	5,788	42%
Current liabilities				
Payables		342	1,567	358%
Provisions		208	172	-17%
Total current liabilities		550	1,738	216%
Non-current liabilities				
Provisions		39	44	13%
Total liabilities		589	1,782	203%
Net Assets		3,480	4,006	15%

Reduction in Cash and increase in Receivables and Payables and Inventory reflects higher actual sales and anticipated sales in the future period

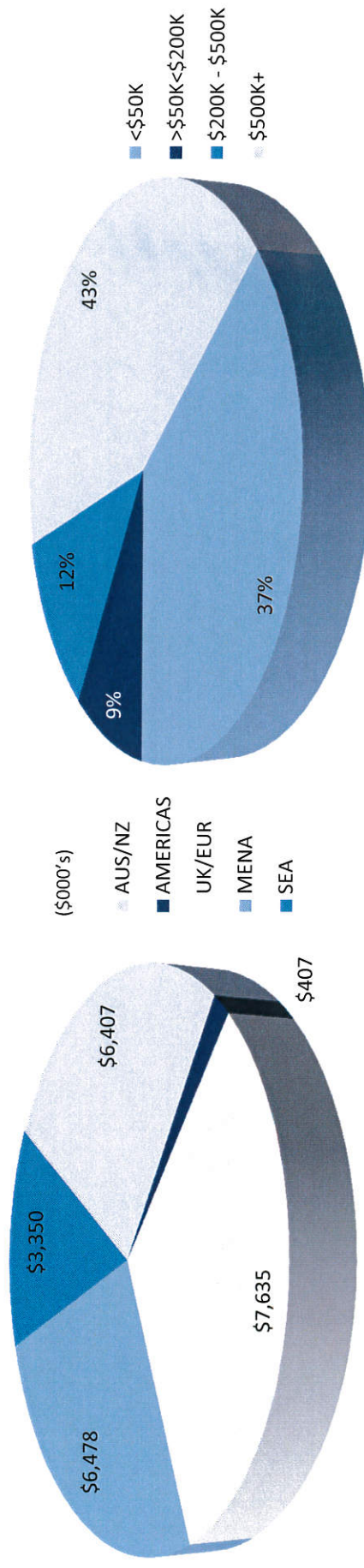
Shareholder Funds

% Cumulative Increase in since FY2010



Pipeline

- As of the end of October, 2015 our 3 FTE equivalent sales staff had generated a pipeline of over \$24 million of opportunities identified for direct sales.
- Our developing markets in the USA, Middle East and SEA are showing the most potential for growth.
- Sales revenue for FY2016 is expected to be around \$2M per FTE sales person (FY2015 \$1.75M).



BQT Solutions – New and Emerging Products

- We have released a number of stand alone and integrated system biometric units that have been developed for the distribution market.
- Several models in our reader range have been extended to include OSDP output, an emerging protocol on access control panels, we have been working with a number of ACS panel manufacturers to ensure compatibility.
- We have developed a reader based door guard as a replacement for costly triple bias reed switches.
- Our TCP/IP/POE Convertor is at prototype stage, once completed our entire smart reader and biometric range may be IP connected.
- We are developing software to extend the capabilities of our readers and provide biometric database and time and attendance solutions to our range.

Factors Driving Access Control Demand

- The heightened security threat globally has been driving risk analysis within organisations, accelerating the demand for updated secure technology.
- During the period 2012 to 2014 terrorism attacks doubled in frequency.
- The increased focus on security is driving demand through all levels of the market.
- There is a greater realisation that electronic access control as part of a holistic approach to security offers security and flexibility in terms of both authentication and verification

Targets of the 13,911 terrorist attacks worldwide in 2014



Source : US Department of State

Movements in Technology

- Many organisations are using 30 year old 125kHz legacy technology or have moved to CSN/UID access control technology that offers no security against hacking and cloning.
- A popular proprietary access control smart card and reader technology used by a vast number of organisations and businesses has been hacked and the entire system has had its secret encryption keys exposed, making all users potentially subject to unauthorised intrusion.
- The use of these insecure legacy access control technologies no longer meets the needs and requirements of security conscious end users who are looking to adopt high security products such as:
 - Encrypted, uncompromised Smart Card and Reader Systems,
 - Multi factor authentication (Card, PIN and Biometrics),
 - Verification and Authentication Biometric devices.
- Mandatory and best practice standards are also guiding security and safety conscious end users into implementing technology which mitigates risk against liability (e.g. locks that release upon request under sideload pressure).

The BQT Solutions Advantage

- A trusted, quality product range with a reputation for high security and reliability.
- A leading supplier of high security access control smart card and reader products.
- Established Portfolio of multinational blue chip clients in the higher security marketplace.
- Growing portfolio of branded distributors.
- New innovative products for emerging trends in security.
- Competitively priced higher security “out of the box” solutions.
- Flexible, agile, timely and cost effective custom and tailored access control solutions.
- Ability to supply and provide support globally.

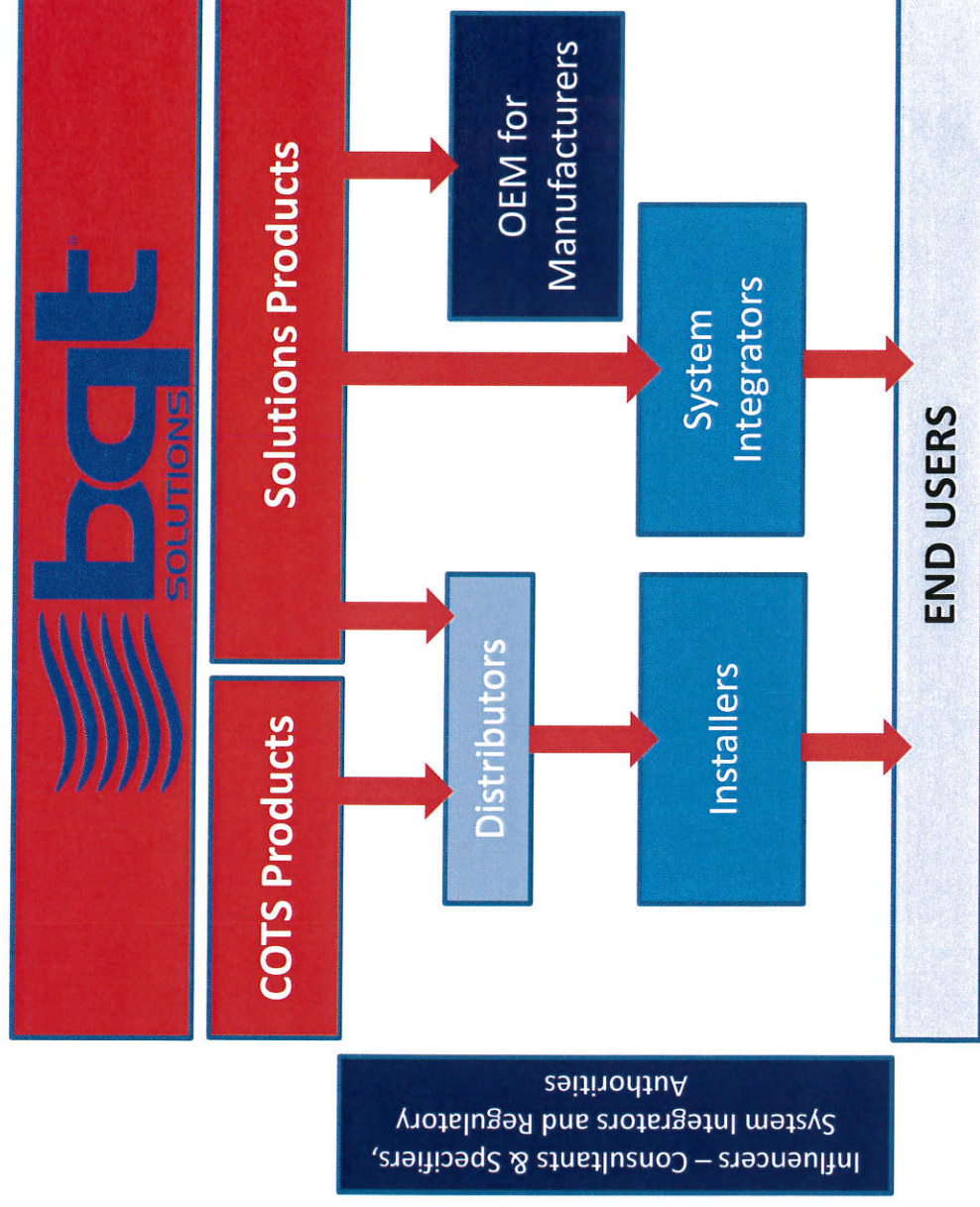
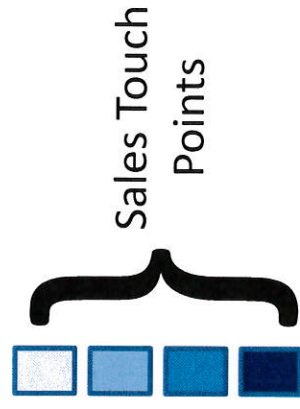


Diverse Market Sectors

- Our wide product portfolio of Access Control products caters for a diverse range of market sectors



Market Model

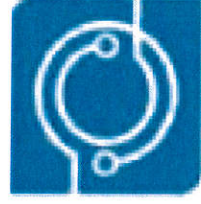


Examples of our Customers - Distributors

Honeywell

NESS
Security Products

seadan
security & electronics



LSC

locksmiths supply company



SAT
SECURE ACCESS TECHNOLOGIES

Examples of our Customers – System Integrators

SIEMENS

Schneider
Electric

Honeywell

SECOM



**United
Technologies**



Security & Technology Services



**Johnson
Controls**



mitie

STANLEY

Security Solutions



Sielox



Examples of our End Users



Global Support

