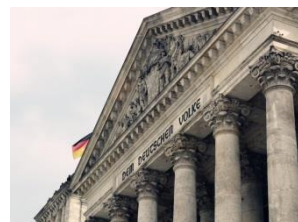
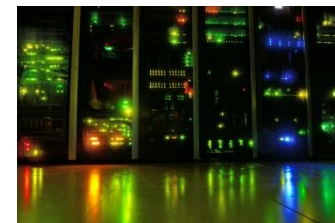


MaxSec Group Limited (ASX:MSP)

Leading edge access control and locking solutions

Investor
Presentation
January 2016



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.

Summary of Offer

- MSP is raising up to \$2.1M via an issue of up to 70 million shares at 3 cents each; and
- MSP is reviewing a proposal for an underwritten pro-rata non-renounceable rights issue** to raise up to \$4.1M via an issue of up to 136.8 million shares at 3 cents each.

Capital Structure	Million
Existing Shares	203.7
Private Placement Shares	70.0
Rights Issue**	136.8
Total Shares	410.5
Market Capitalisation after offers @ 3 cents	\$12.3
Options on issue following offers*	21.2
Fully diluted shares on issue after offers	424.9

**6.5M management opts at 2.5c (05.2020)/ 6.7M gen opts at 3c (12/2017)/8M gen opts at 3c (12/2018)*

***MSP expects to confirm if it is proceeding and the detailed terms of the rights issue prior to market open on 29/01/16*

Shareholders

- The current top 20 Shareholders hold 87.98% of shares currently on issue (pre-offer(s))

Current Substantial Shareholders	No. Shares (M)	Pre offer(s)
Pandon Holdings	40,587,771	19.9%
Ekoglobal	24,760,788	12.1%
Cadence (90) Investments	22,090,870	10.9%
Pierce Atlantic	20,836,289	10.2%
Michael McGeever	15,000,000	7.4%
4C Controls Inc	12,800,000	6.3%

Overview



- MaxSec (ASX: MSP) is the holding company for BQT Solutions, and is an emerging brand as a leader in Smart Card Readers, Biometrics and more recently in Electronic Locking products.
- MaxSec group is head quartered in Sydney, Australia and is expanding its international routes to market, with a focus on MENA, Europe, USA and SEA.
- Chris Fergus (SVP Strategy and Business Development) and a team of senior industry specialist will drive new international business development opportunities, including in security transportation and logistics sectors. **Chris is personally investing A\$360,000 in the offer.**
- MaxSec has recently launched a new product line that has been adopted by several blue chip customers, including defense, transportation and financial services.
- MaxSec have transferred the same technology used in many critical security applications into off the shelf products, unlike many others in the industry they offer secure miPASS2 products for medium security applications and miPASS3 for high security applications, and their master keys have not been hacked and disclosed to the market (like certain industry incumbents).

Senior Management Team



Geoffrey Cleaves, Executive Director and CEO has over 25 years' experience in finance & operations management within the property, media, print, manufacturing, oil & gas & investment sectors, last 20 years in senior management positions with both listed and unlisted corporations such as Stockland Group, Chase Corporation, Milton Corporation, Trafalgar Corporate Group, Australian Petroleum Fund and the Independent Print Media Group. Geoff is a professional manager and his core competencies include general management, investment, asset and funds management, treasury and finance.



Chris Fergus, Executive Director and SVP Strategy and Business Development. Based in Dubai, Chris is a UK national and has worked for the FTSE 100 and world's leading security services provider, G4S, for over 20 years. Joining the company as a graduate trainee in 1994, he has since worked across a number of continents, most recently as Regional Managing Director, Middle East, managing a portfolio of Security & FM joint ventures, with a total revenue in excess of USD 1bn. Chris has extensive experience of the security integration and services sectors, including the IVL sector, having previously led the global IVL division within G4S, based in both New York & London.



James Alston, CFO - international operations is a UK National with 26 years' work experience in both the professional services sector and industry. James qualified as a Chartered Accountant in 1992 with PwC, where he worked for a further 11 years, including two secondments over a 5 year period to NatWest Acquisition Finance and PwC South Africa. James spent 11 years at G4S in various roles in the UK including; Group Finance, Cash Services and Justice Services. Latterly, he worked directly with Chris Fergus as Regional Finance Director of G4S Middle East. He had direct responsibility for businesses up to \$520m revenue in the UK and in the Middle East, regional oversight of businesses with a total revenue of USD1bn. James was most recently the FD of the African Region of leading Hotels and Hospitality Group, Starwood, with 35 business units across Africa and revenues in excess of USD420m.



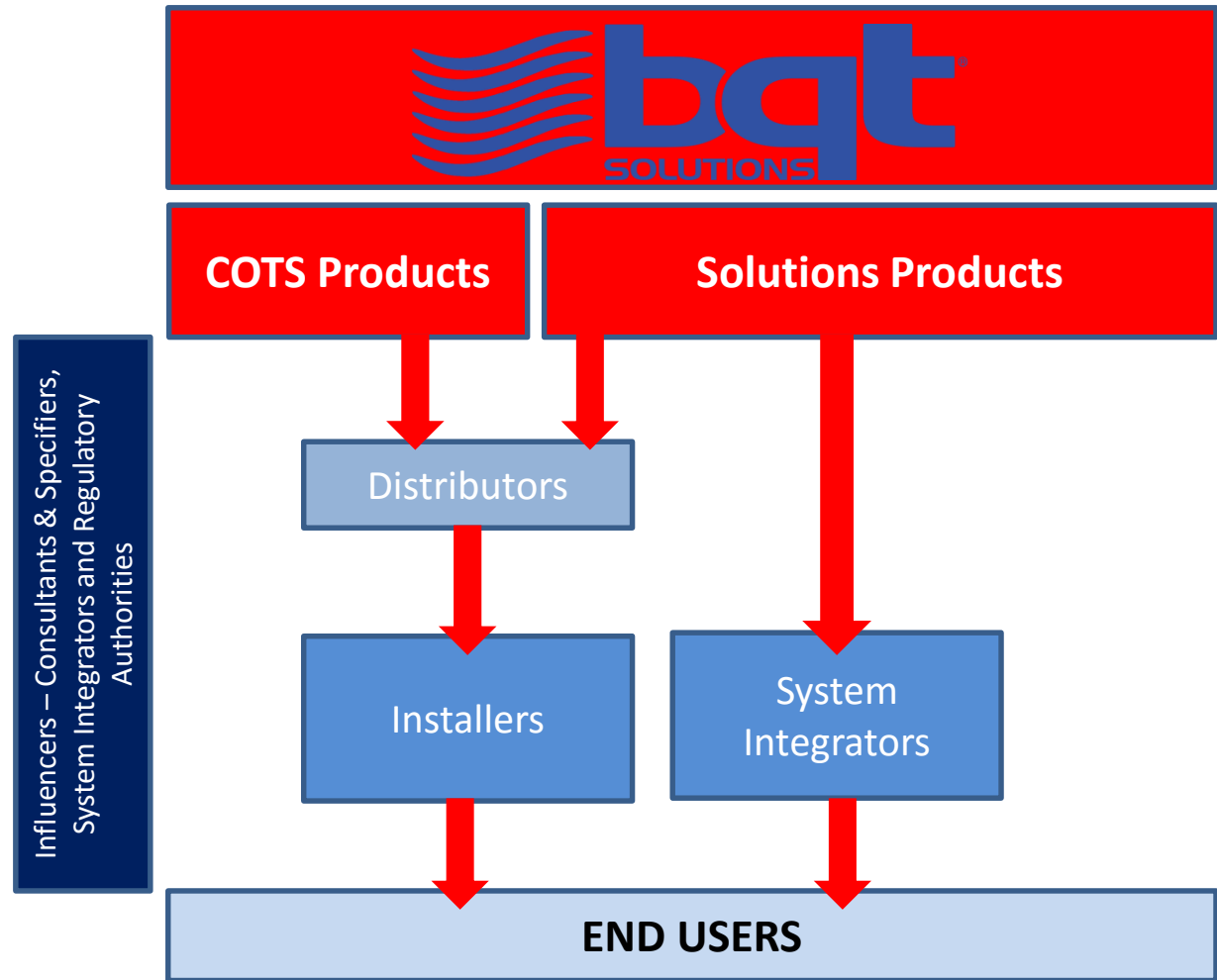
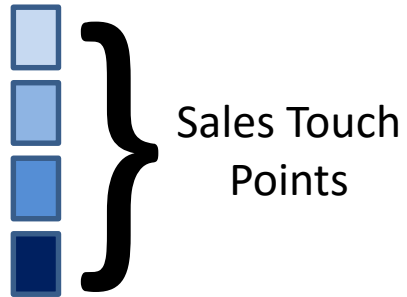
Chris Haslem, Group Sales & Marketing Executive has over 28 years of experience in Project Management, Service Delivery and Quality Control. Chris has a deep technical knowledge and extensive experience in the design, deployment and commissioning of Major integrated access control projects and a vast knowledge of security distribution within Australia and overseas. Chris also has a vast network of contacts globally and is highly respected within the Security Industry

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.



Market Model



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 Customers - Distributors

Honeywell

NESS
Security Products

seadan
security & electronics



LSC
locksmiths supply company

TRANS TECH
SYSTEMS
IDENTIFYING SOLUTIONS

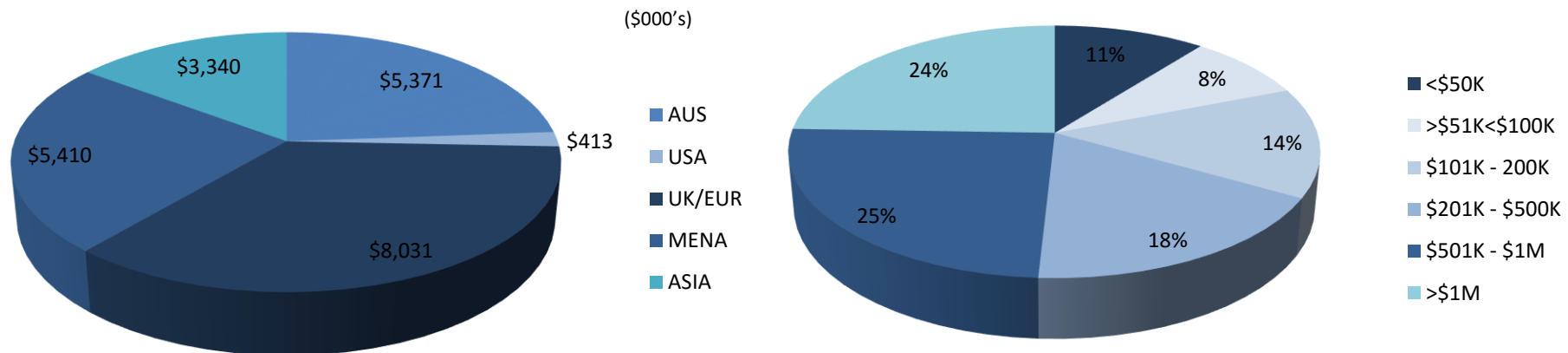
SAT
SECURE ACCESS TECHNOLOGIES

Examples of our End Users



Current Pipeline

- As of the end of December, 2015 our 3 FTE equivalent sales staff for BQT had generated a pipeline of over \$22 million of opportunities identified for direct sales.
- Chris Fergus is already working on a new pipeline of international adjacent market opportunities worth in excess of \$20M, with a 12 to 18 month close horizon.
- Our initial efforts in markets in the USA, Middle East and SEA are showing potential for significant growth.
- Sales revenue for FY2016 is expected to be around \$2M per FTE sales person (FY2015 \$1.75M). We expect to have at least 10 sales FTE for the FY2017 year.



Pipeline Opportunities

A small selection of examples of current pipeline opportunities are:

- UK Government upgrade and expansion of Smart Card Readers through CPNI and other projects. (@USD375K).
- Middle East Office Tower (@USD150K).
- OEM Supply of Alarm Pads for US Alarm Panel Manufacturer (@USD90K).
- DESFire upgrade for Australian Government Department (@AUD278K)
- NZ Hospital Project (@AUD135K)
- Property Trust Security Upgrade (@AUD150K)

Highlights

- Chris Fergus appointed to drive new strategy and business development opportunities, including in the transportation and secure logistics market segments.
- 3 business development resources achieved FY2015 revenue of \$5,202,243 (\$1.7M each), 65% higher than the previous year revenue of \$3,143,898.
- The planned 10 sales resources in FY2017 should achieve \$20M in revenues.
- Net profit for FY2015 of \$411,470, which was 120% higher than the previous year.
- 4 new authorised distributors have been appointed in the last 12 months, kick starting our strategy of creating various distribution channel for our world class products.
- The offer proceeds will be used to expand head count to generate new revenue opportunities and to support working capital requirements.

Global Market Growth

- The Global Access Control Market for Cards and Readers, Biometric Controllers and Management Software is expected to reach **USD10.4 billion by 2020**, growing at a CAGR of 10.6% between 2014 and 2020.¹
- The wider Electronic Access Control Systems (EACS) market is forecast to reach **USD16.3 billion by 2017**, growing at a CAGR of 7.0% from 2012 to 2017.²

‘The need for Electronic Access Controls has grown manifold in the wake of threats becoming increasingly complex.’²

The sudden civil uprisings in the Middle East and Africa are compelling the governments and enterprises to rethink of their security measures.’²

1. Marketsandmarkets.com/Pressreleases/access-control.asp (Application: Commercial, Residential, Military and Defence, Government, Industrial, Healthcare, Education) Global Forecast and Analysis to 2020.
2. Marketsandmarkets.com/Pressreleases/access-control.asp (EACS: Authentication Systems, Biometrics, Card Based, Touch Screens & Keypads, Door Contacts, Intruder Alarms & Perimeter Security) Global Forecast & Analysis to (2012 -2017).

Major Players

A selection of the major players operating in BQT Solutions markets:

- Smart Card Readers and Biometrics
 - HID Global (Part of Assa Abloy Group, Sweden)
 - Farpointe Data (Part of Dorma Group, Germany)
 - 3m Cogent (US)
 - Gallaher Group (NZ)
 - SAFRAN Group (France)
 - Suprema (South Korea)
 - Samsung Techwin Co. Ltd (South Korea)
 - NEC Corporation (Japan)
 - Salto (Spain)
- Electric Locking
 - Assa Abloy, Sweden
 - Kaba, Switzerland
 - FSH (Part of Allegion Group, Ireland)
 - Schlage (Part of Allegion Group, Ireland)
 - Salto (Spain)

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 and assets 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 side-load pressure).

FY 2015 Key Financials (30 June 2015)

(\$'000)	<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%

Balance Sheet (30 June 2015) (pre-offer)

	(\$000's)	<u>2014</u>	<u>2015</u>	<u>Year on Year %</u>
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%