

27 April 2016

Lodged by ASX Online

The Manager  
Company Announcements Office  
ASX Limited  
Level 4, 20 Bridge Street  
Sydney, NSW 2000

Dear Sir/ Madam,

Please find attached TZ Limited's March 2016 Briefing Presentation which will be the subject of analyst briefings in the coming weeks.



**KENNETH TING**  
Executive Director

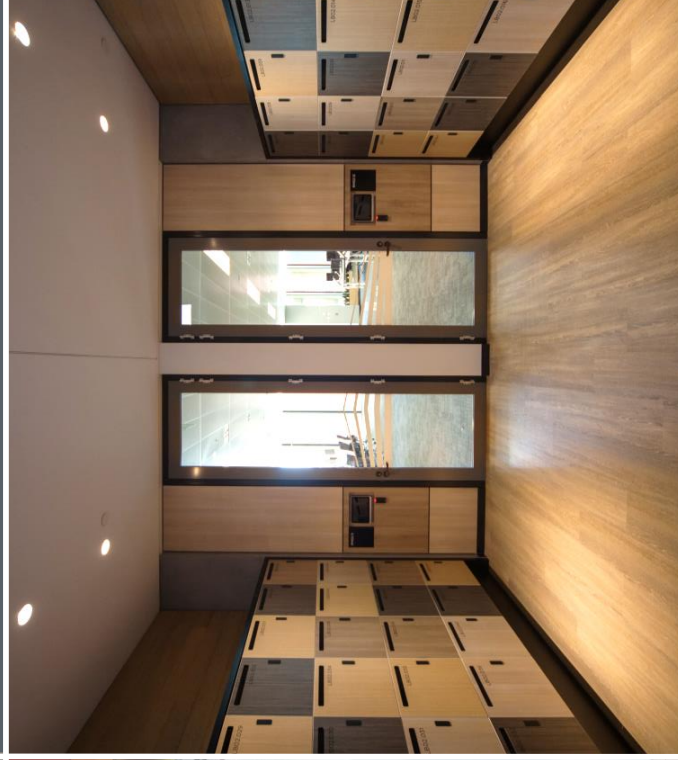
### **About TZ Limited**

TZ Limited is a technology company that is listed on the Australian Stock Exchange. TZ is the leader in SMARt Device™ technology combining state-of-the-art SMA actuated intelligent fastening and locking devices with TZ remote software control. TZ's systems deliver asset level protection and compelling solutions for security, monitoring and control applications across a number of market segments. The Company currently supplies market leading solutions to major corporations worldwide to the Data Centre industry and in the Automated Parcel Locker and E-Commerce market.

For additional information on TZ Limited, please visit [www.tz.net](http://www.tz.net).




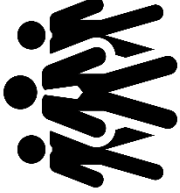




# TZ LIMITED - MARCH 2016 BRIEFING



1

# TZ Introduction

 <p>Share Price</p>	 <p>Market Cap</p>	 <p>Offices</p>	 <p>Employees</p>	 <p>Patents</p>
 <p>ASX:TZL</p>	<p><b>\$0.095</b></p> <p><b>\$44M</b></p>	<p>Sydney (HQ)</p> <p>Brisbane</p> <p>Singapore</p> <p>San Francisco</p> <p>Chicago</p>	<p><b>65</b></p> <p>Management (8)</p> <p>Sales/Admin (11)</p> <p>Engineering (27)</p> <p>Software (19)</p>	<p><b>&gt;180</b></p> <p>applications</p> <p>16 countries</p> <p>&gt; 50 granted</p> <p>40 patent families</p>



**Strong year-on-year revenue growth:**

**FY2013 = A\$2.7M**

**FY2014 = A\$8.5M**

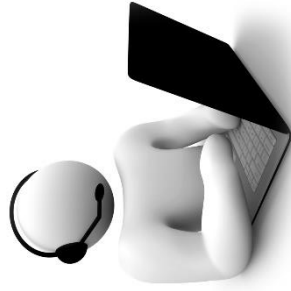
**FY2015 = A\$15.2M**



**Established business with large blue chip corporate client base will support on-going growth to 2017 and beyond.**



**Strategically coupled with client's business due to tight software integration means substantial captive customer base.**



**Annuity revenue business developing from installed base. Software and service maintenance program formally launched to all customers.**



**Expenses up only 14% with resource investment mainly in west-to-east coast US sales and service infrastructure.**



**Rapidly developing opportunities for broad based distribution and product licensing underway.**

# Our Business ...

## infrastructure protection

- Data Centre Rack Security
  - ~ 25M installed base
  - + 2M new cabinets per year
- addressable opportunity: > US\$120M (estimated)

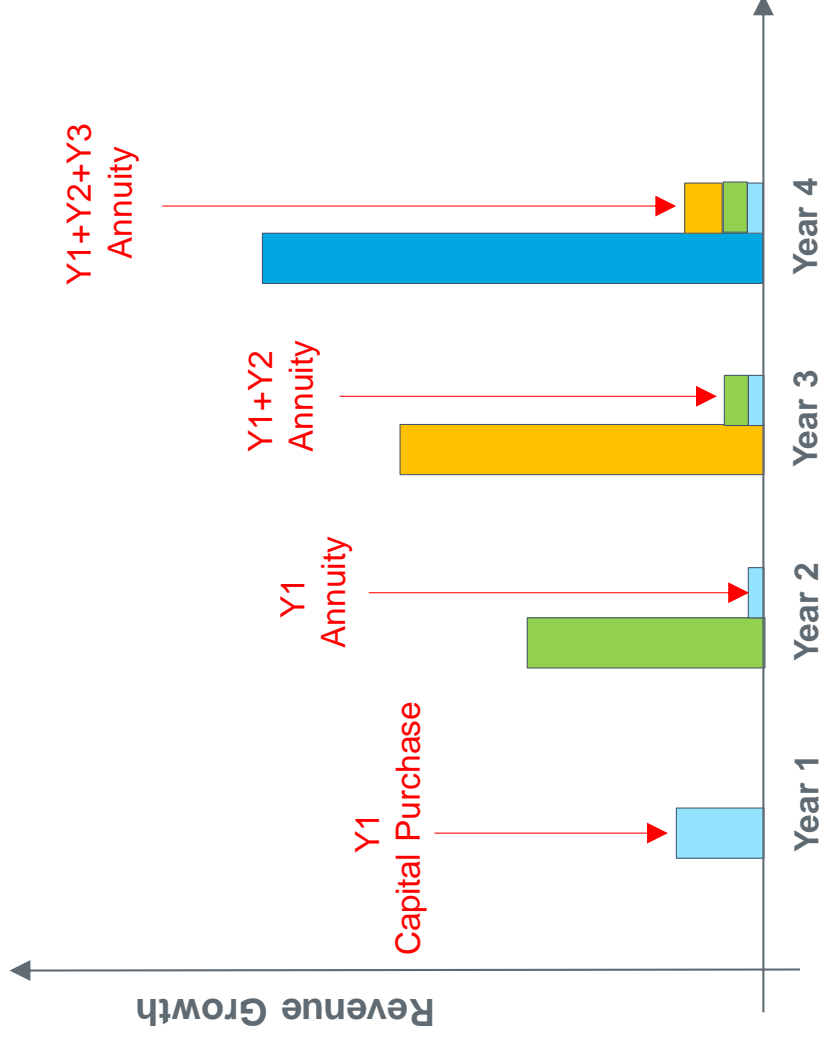
## packaged asset delivery

- Intelligent Lockers
  - > 250,000 Locker Units per year
  - > 5,000 Locker Banks per year
- addressable opportunity: Global, Large > US\$500M

## Revenue Model

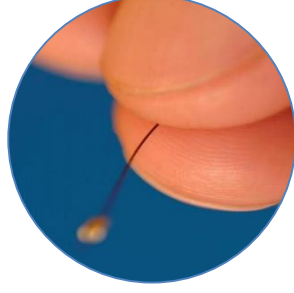
- once off    once off    annuity    service fee
- hardware    software    software    support
- sale    license    maintenance    services

## Strong Annuity Revenues



**Annuity = SW Maintenance + Service / Support Fees**  
**= Target 10% of previous year's sales value (cumulative)**

# Our Technology ...



Nickel Titanium  
Shape Memory Alloy (SMA)

TZ is the leader in SMART Locking Device™ technology combining state-of-the-art SMA actuated intelligent locking devices controlled over the internet with TZ software

## TZ Smart Devices

Shape Memory Alloy Actuated Locking Device

### Supports Electronic Trends:

- Embedded logic controller
- Smaller – 1/10th volume of Solenoids
- Lighter – 1/100th weight of Solenoids
- More Efficient, Less Power Hungry

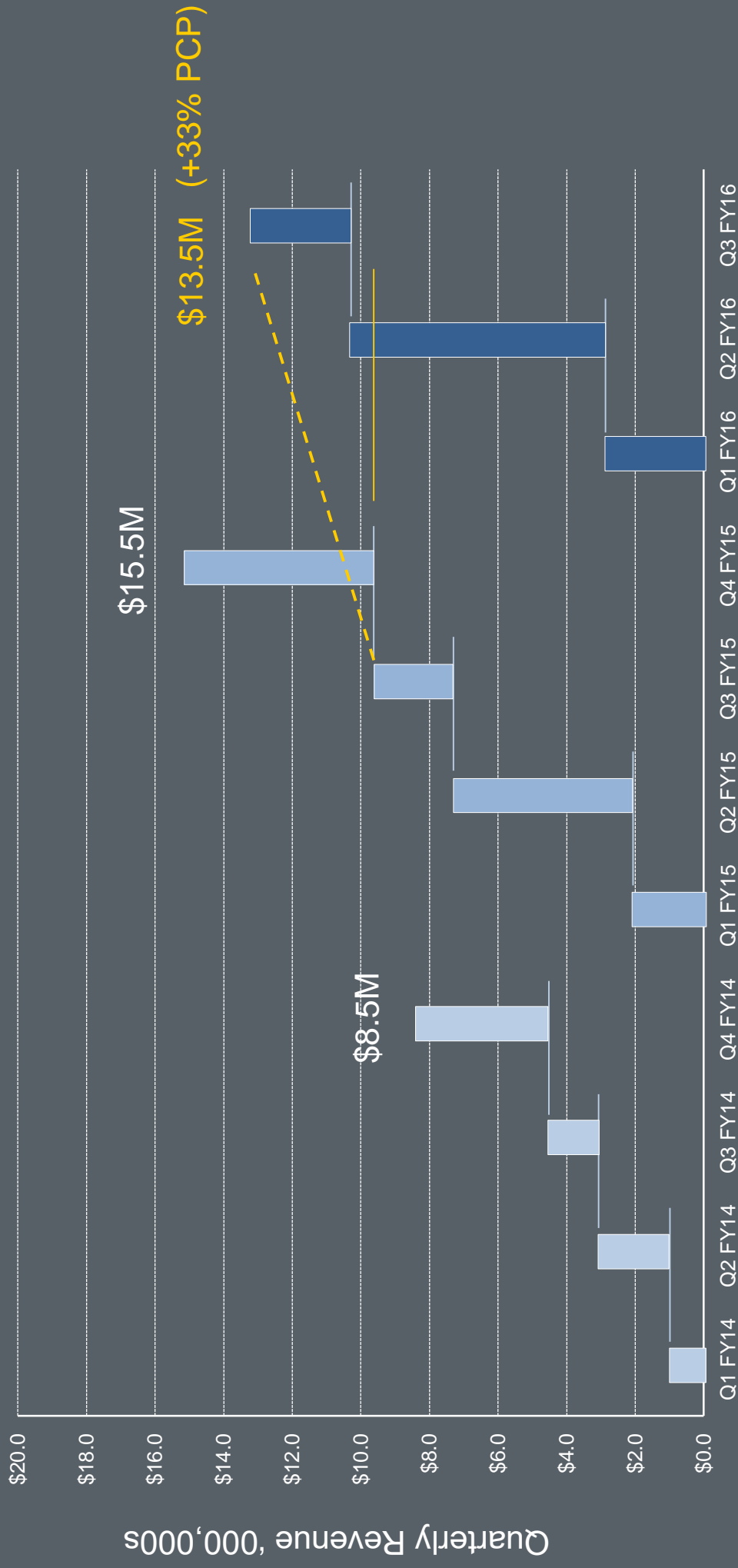
### Highlights:

- Proprietary technology with clear functional advantages - **Lighter, Smaller, Smarter**
- Digital Locking Device with embedded microchip with integrated sensing and switching – IOT functionality
- Only SMA actuated locking device in the world ...  
NASA Tech Brief – Product of the Year 2005

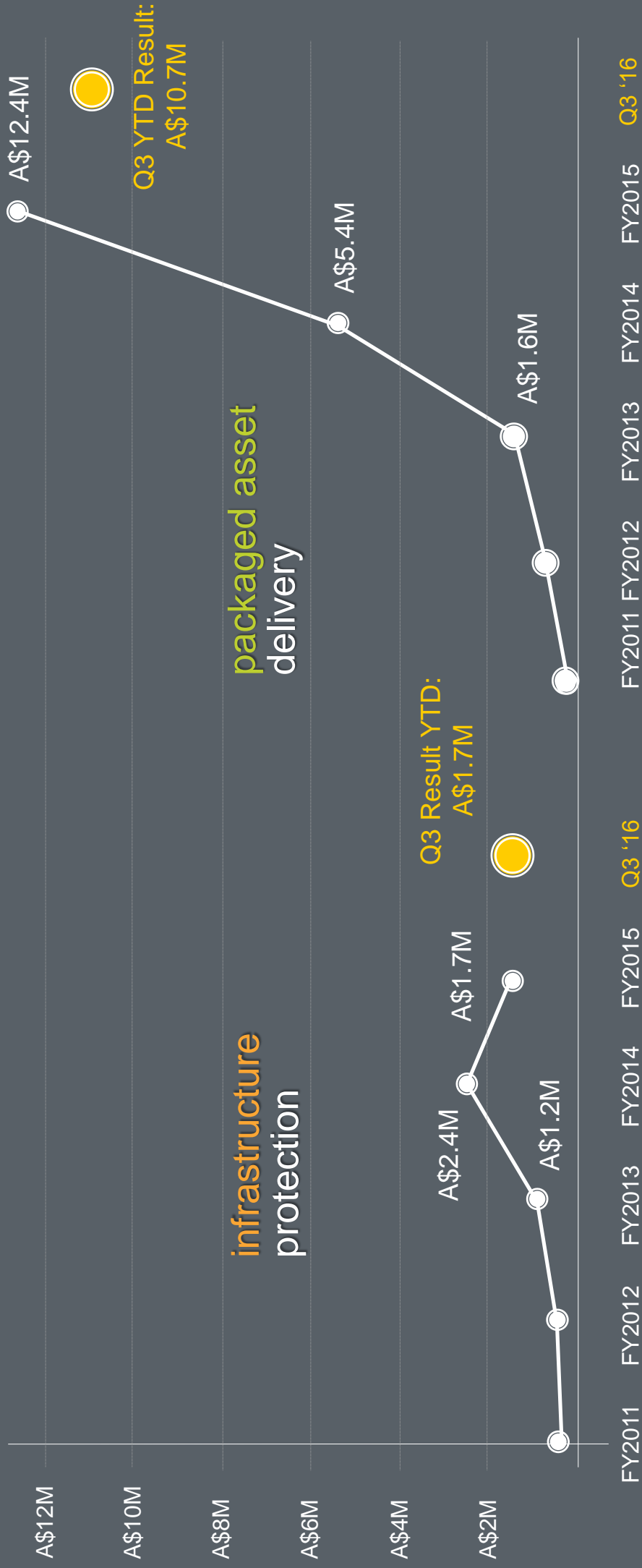
# 2

## Financial Performance

# Growth Continues in 2016

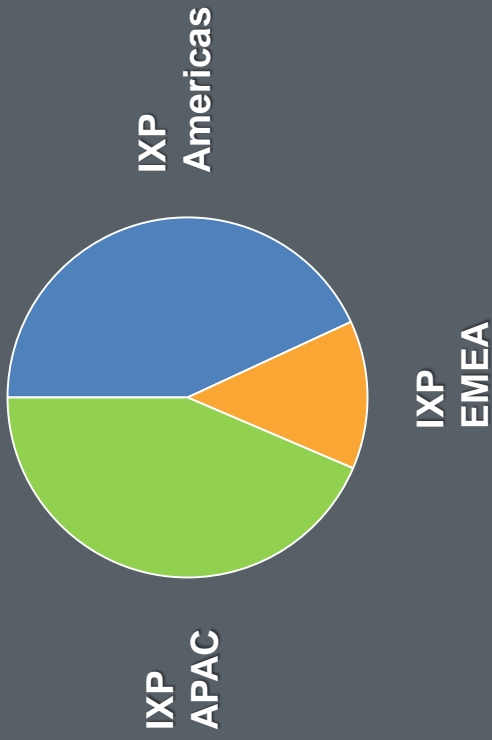


# Strong Revenue Growth



**infrastructure**  
protection

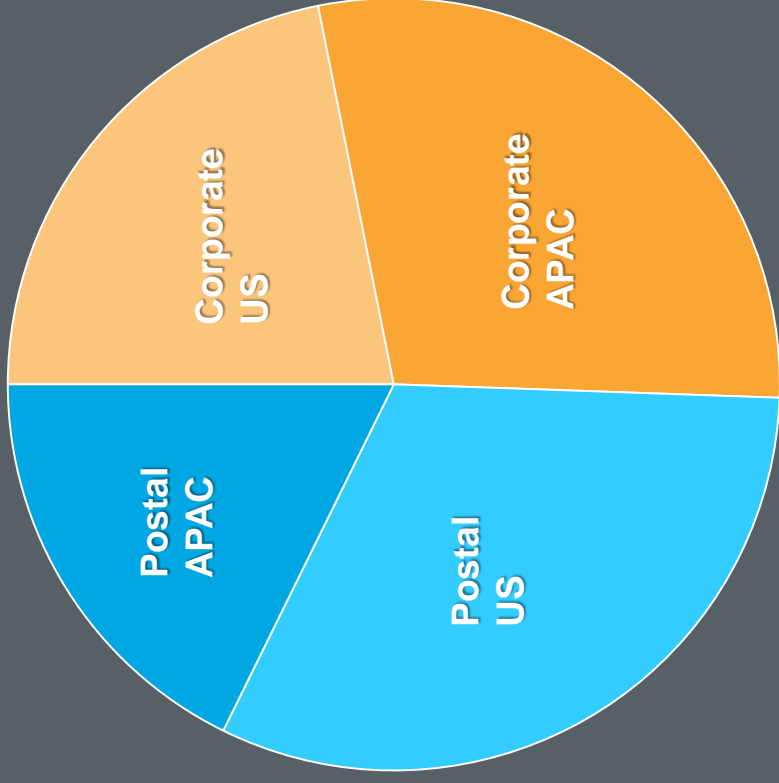
YTD Revenue = A\$1.7M



Strong sales growth in all  
geographies and across all  
sectors

**packaged asset**  
delivery

YTD Revenue = A\$10.7M



# 3

## Business Streams



Data Center Security



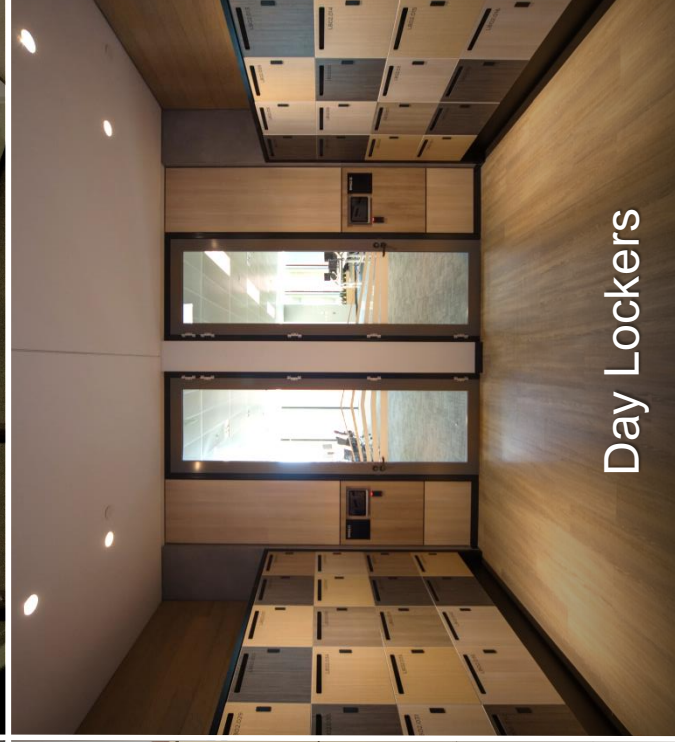
Corporate Mail Lockers



Residential Lockers



Educational Lockers



Day Lockers



Postal Lockers

# Anatomy of a Deal ...

infrastructure  
protection



**Evaluation**  
10 to 20 Cabinets

Stand-Alone  
Trial



**Pilot**  
50 Cabinets

↑  
**Server  
Software**

2016



**DC Roll-Out**  
500 to 1000 Cabinets

Integrated into  
DCIM System

2017



**Standardisation**  
> 1000 Cabinets

Roll-out to all DC  
New and Retrofit

Majority of Existing Contracts  
(IXP and PAD)

packaged asset  
delivery



**Pilot**  
5 to 10 Banks

Controlled  
Locations

Basic  
Services



**Extended Pilot**  
10 to 20 Banks

Broader Test  
Locations

Basic  
Services



**Phase 1 Roll-Out**  
50 to 100 Banks

Network  
Establishment

Launch E-Commerce  
B2C Services



**Accelerated Roll-Out**  
Progressive > 100 Banks

Infrastructure  
Development

Service Expansion  
B2B, B2B, C2C

## CORPORATE LOCKERS

- Customer list represents the world's largest software, technology and financial services corporations.
- Business categorised by strong recurring sales to established installed base and expanding pipeline of new corporate clients embracing new mail management programs.
- Distribution relationship formalised with Ricoh USA, Inc. which provides significant expansion of geographic reach and access to extensive corporate customer base.
- Ricoh launch 4<sup>th</sup> April 2016 - Ricoh's Managed Service and Business Development resources proactively promoting TZ Locker Solutions to the US Corporate and Higher Education Sectors.
- Ricoh's book of potential sales opportunities growing strongly.
- Ricoh Affiliate Agreement provides for engagement with Ricoh subsidiaries worldwide. First sale to European retailer secured will underpin on-going collaboration with Ricoh Europe.
- Discussions progressing with other managed services organisations in US and Australia.



## CORPORATE DAY LOCKERS

- The Day Locker business continues its impressive sales performance with further sales in Australia to the established customer base.
- First Day Locker sale in Asia ... 800 Day Lockers for Singapore Post executive offices. Great reference to grow our corporate business in Asia.
- New sales are also expected in the US within the coming months, starting with a major San Francisco based cloud computing corporation.
- Expansion of Australian business expected as new customers are anticipated in the coming months, Day Locker sales growth looks extremely promising for the Company.



## EDUCATIONAL SECTOR

- This sector is potentially very significant given the 4,000 plus colleges and universities across the US.
- Vanderbilt University, which was completed mid last year, has provided a solid TZ reference for the Educational Sector.
- Tender requests have more than tripled with demonstrating TZ's increased awareness in this sector.
- New business includes Gonzaga University and a major upgrade to East Tennessee State University due for completion in June.
- TZ specified on a number of Universities scheduled for deployment in 2017.
- Some interest developing in Australia including early stage discussions with Macquarie University and University of Wollongong.



## POSTAL AND LOGISTICS

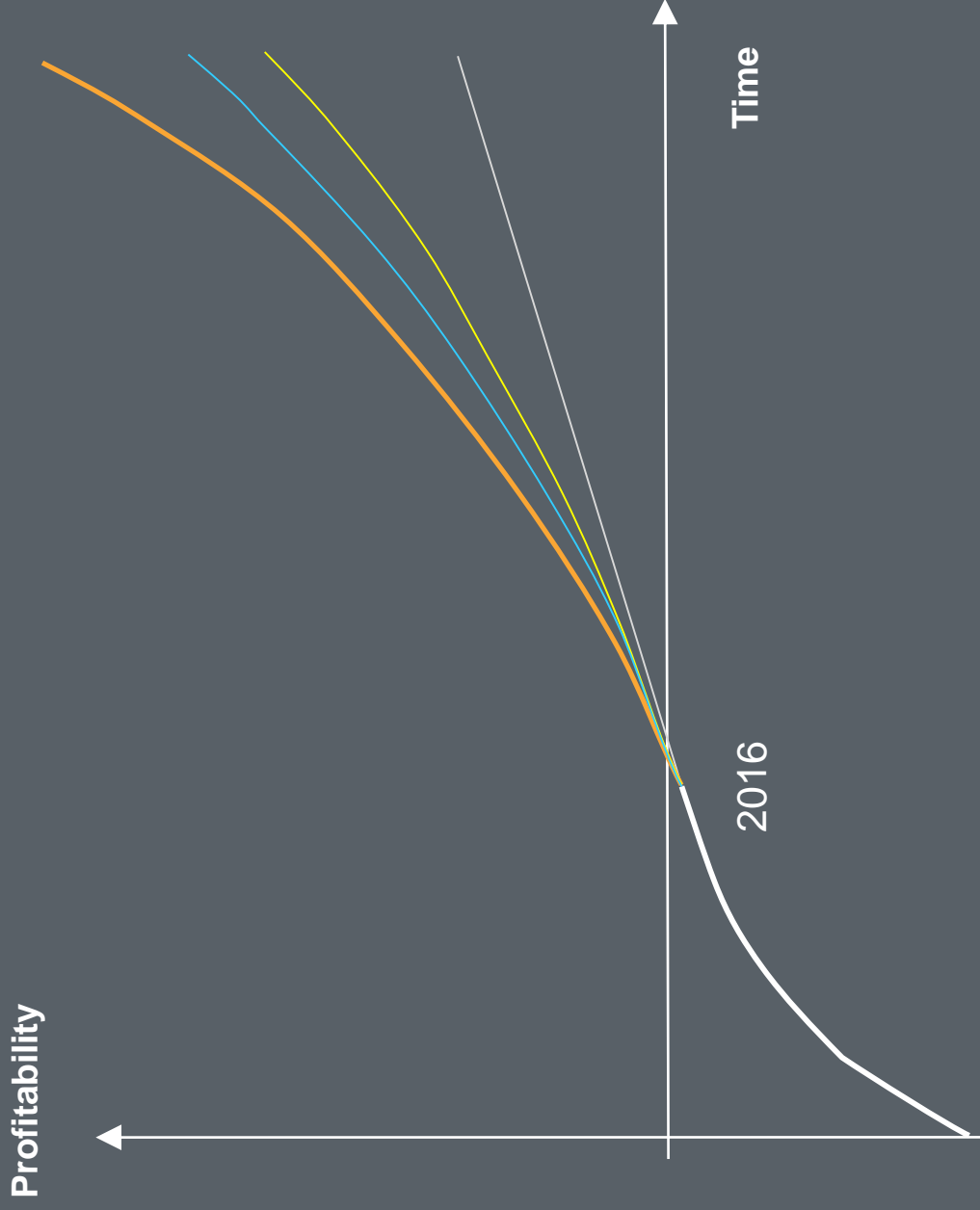
- Major on-going supply contract secured with Singapore Post provides for supply until 2018.
- This contract will support the Couriers Please roll-out in Australia and other possible regional deployments for Singapore Post and their subsidiaries.
- Multi-year supply contract has been secured with a US transport and logistics provider. This will drive strong sales in Q4 of 2016 and into early FY 2017.
- Poste Italiane and Pos Malaysia are still progressing with the roll-out of their expanded pilot programs and while deployment has been slow, we understand that both organisations are considering plans for broader deployment in 2017.



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## Moving Forward

# Exploiting Business Potential



## Business Focus ...

4. Accelerating the rate of commercial adoption by entering into licensing relationships with major OEMs
3. Looking into new applications for the technology and expanding into new sectors
2. Increasing the speed of penetration through new channel distribution partnerships
1. Improving operating conditions through more efficient utilisation of resources, extended credit terms and improved payment conditions.

- Successfully transitioned primary manufacturing of proprietary TZ components to China to materially improve manufacturing cost base
- Established sourcing capability in Asia to improve purchasing economies for off-the-shelf hardware components that support system offerings.
- Favourable credit terms established with key vendors is supporting improved cash flow management.
- Management has also negotiated upfront contractual deposits and improved progress payment terms from our customers, delivering a positive impact on the Company's working capital.
- Underpinned by strong contracts, the Company is now in a position to explore appropriate credit facilities to help bridge working capital requirements if needed.



**RICOH**  
imagine. change.



**Intelligent  
Lockers**

#### Secure Places for Shared Spaces

In the New World of Work, many organizations are moving away from traditional assigned workspaces – choosing the flexibility and cost savings of shared desks and storage. Without an effective plan for package delivery and personal storage, however, people in shared spaces are left feeling frustrated with ineffective processes. What happens if packages get lost or are delivered late? Your people need a place to store items and receive packages securely. Ricoh Intelligent Parcel Lockers and Ricoh Intelligent Day Lockers can help, giving open environments optimized processes and increased accountability.

#### Verifiable Package Delivery

Legacy package delivery processes consider leaving a package on a doorstep or desk to be a successful delivery – but shared workspaces mean that the old methods aren't good enough anymore. With employees working more from home or on the road, in-person delivery becomes increasingly difficult. University and college campuses and apartment complexes experience the same challenge, with recipients constantly on-the-go. There's a better way. Instead of tracking down individuals, Ricoh staff place packages into an Intelligent Parcel Locker. The system automatically tracks delivery – so you don't have to.

#### Self-service Retrieval

No need to worry about being at a certain desk for delivery. Intelligent Parcel Lockers allow you to retrieve packages – on your own timetable. When a package is delivered, you'll receive a notification with a secure pin code. Type the pin code into the designated locker control panel to open the locker and retrieve your package. It's as simple as that.

#### Smart Apps, Smooth Process

How do you get on-the-go users to embrace new locker technology? Put smart applications at their fingertips. Give users the ability to interact with your Intelligent Parcel Lockers and Intelligent Day Lockers via apps – so they can track packages and reserve temporary storage with just a few touches. With real-time system data available, users don't have to physically go to the lockers to see if a package has arrived or if a rental is available. Smooth processes save everyone valuable time and can help optimize user adoption.

#### Temporary Storage for On-site Workers

You don't want to have to take your personal belongings to your meetings, and workers may not necessarily want to keep all of their possessions within arm's reach while they work. Intelligent Day Lockers can give you a

temporary, personal storage option for your on-site personnel. Lockers can be assigned for a single day or longer – depending on your policies and workers' needs.

#### End-to-End Solution by Ricoh

We want you to get the most benefit from your Intelligent Parcel Locker and Intelligent Day Locker investment. That's why Ricoh is with you every step of the way. We can help design a solution specifically for your space and organization's requirements, oversee installation and deliver ongoing service – even staffing. With Ricoh as your intelligent Lockers partner, you can embrace the benefits of shared spaces while maximizing delivery and storage efficiency.

#### Why Intelligent Lockers?

- Solve the on-campus package delivery conundrum
- Apartments and open workplaces impact package delivery options
- Maintain Chain of Custody for confidential documents and valuable items
- Track processes with detailed reporting and accountability
- Support consumer's desire to self-serve

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- Established distribution relationship with Ricoh Americas to support accelerated deployment of TZ Smart Lockers
- Substantial base of managed services corporate accounts
- Significant number of sales people across the US
- National product launch 4th April 2016.

# RICOH

imagine. change.



Limited

Leveraging Distribution

- Market leading proprietary technology – only SMA actuated electronic locking devices in the world. Robust IP protection.
- Clear competitive advantages – integrated hardware + software + services model, “**cheaper, lighter, smaller, smarter**” than competitors’ locks.
- Strong year-on-year revenue growth anticipated with rapid penetration of existing segments
- Strategically positioned in large, global markets with structural growth – Cloud Computing, E-Commerce, Last Mile
- Large blue chip Corporate clients. Integrated in to client’s business models and core operating systems.
- Strong pipeline with roll outs to major global customers, large multi-year supply contracts. Growing annuity base. Retained and recurring business. Majority of customers in early stage deployment with significant revenue growth anticipated in the short to medium term.
- Scalable business model ...
  - Leveraging “Big Brother” distribution partnerships,
  - Margin upside as manufacturing costs reduce due to transition to Asia manufacturing and supply
  - Improving balance sheet as business moves to positive cash flow.
- Expansion into new growth opportunities:
  - Expanding into new application areas, i.e. healthcare, retail ..etc..
  - Continue technology licensing opportunities to accelerate technology adoption globally