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An innovative global leader in the field of telematics solutions for remote monitoring and tracking
Business Overview
2018 Financial Highlights

- **Revenues up** 10% to $6.0m (2017: $5.4m)
- **Gross profits up** 16% to $2.4m (2017: $2.1m)
- **Gross margin up** to 40% (2017: 38%)
- **EBITDA loss down** to $8,000 (2017: loss of $193,000, 2016: 781,000) before share option provisions
- **Recurring SaaS revenues up 18%** to $2m (2017: $1.7m)
- **Improved Hardware revenue mix** – reliance on low margin Helios products reduced to 48% (2017: 58%) of hardware sales
Strategy

Taking advantage of new opportunities in the growing logistics and IoT markets by **improved reliance** on:

- Starcom’s newer, more innovative and specialised products (Tetis, Kylos, Lokies and Helios-Hybrid) to improve competitiveness and margins
- Larger world-class clients to increase RoI
- IoT based solutions
- Helios products being redefined to meet modern market demand for telematics

**Hardware Segments**

- Tetis, 26%
- Kylos Air Connect, 16%
- Kylos, 7%
- Helios, 48%
- WatchLock, 2%

2017: Helios 58%
**R&D Developments**

We are collaborating with a number of companies to develop products to fit their specific needs and thereby building new solutions as yet not seen in the market

- **Helios** upgrade to support latest cellular networks (4G LTE) and reduce costs
- Bluetooth Low Energy (BLE) based accessories for **Helios** devices
- Project-oriented **Helios** development including integrations for mobile printers, electric motorcycles and cement truck on-board computers
- New generation of the **WatchLock** device range – “**Lokies**”
- **Tetis Dry** – upgrading battery solution to support longer trips
- Various sensors integration for **Kylos Connect** (including BLE) to expand our IoT platform
- LoRaWAN support for **Kylos Connect** along with a local LoRa-based sensors network
2019 Outlook

• 2019 expected to see the development of more significant and unique projects

• This will emphasise the technological advantage of Starcom in the tracking and monitoring market

• A positive start to the year with a number of new customer engagements and a new product launch announced (Lokies)

• Expand Sales and Marketing to capitalise on our marketing leading opportunities

• Focus on growing SaaS revenues and higher margin products (Tetis and Kylos)

• Working with more niche and specialist vehicle manufacturers – a growing market

• Our long-term collaborative partnerships with core customers is expanding into new customers (Cubemonk, ICL)
Starcom - Covering Every Aspect of Tracking

- Advanced IoT solutions
- Industrial machines management
- Ag-tech solutions

Online and Mobile Application Management Tools

- Compact personal tracking device
- Asset protection and management

Vehicle and Motorbike Tracking

Container Monitoring

Reporting Padlock
The Kylos Family

**Kylos Air**
- Sophisticated air cargo tracking and monitoring system
- Complies with the airlines regulations

**Kylos Compact**
- **Small** - fits into the palm of your hand
- **Highly adaptable** - attached to assets, worn by people and pets, hidden in items

**Kylos Sales % out of Total Hardware**

- 2016: 10%
- 2017: 15%
- 2018: 25%
**ICL** – with a market size of over 500K ISO tank containers in the world (in 2018), this segment is one of the target markets for Starcom products in our expansion to the supply chain monitoring and IoT development platform. Starcom and ICL have signed an agreement for the supply of over 1,000 Kylos units. Those units along with the specially designed decision support AI system will ICL to improve the supply chain.
The Kylos Family – leading projects

**Cubemonk** – a manufacturer of its own ULDs (unit load device). In order to facilitate its information needs, Cubemonk has tested a wide range of possible solutions. With an initial order of few hundred units of Kylos Air, Cubemonk has started its rollout to the market. Its production goal to the end of 2019 is 4,000 ULDs, all fitted with the Kylos Air.
Xplosive Solutions - In an industry worth over 2 Billion USD with cattle herds contain thousands of heads, cattle theft has become a serious problem in the South African market. In order to offer a cost effective and reliable solution, Starcom has cooperated with Xplosive Solutions from South Africa. Xplosive offers security and theft prevention solutions to the local cattle industry in South Africa with extensive knowledge of their needs and perpetrators operating methods.
The TETIS Family

**Tetis for Dry Containers**
- Monitors location, impact, container loss and theft
- Easy installation on container's door hinge
- Cellular engine (3G) and GPS/GLONASS
- Accelerometer, temperature and light detectors

**Tetis R for Reefer Containers**
- Detects deviation from temperature and humidity ranges – in real time
- Monitors deviation route, accident, damage, attempted break-in and unauthorized container door opening

**Tetis R Hybrid**
- Satellite (Iridium) and cellular (3G) HYBRID monitoring solution based on the Tetis R for dry & refrigerated containers
TETIS – Focused targeting

- Market acceptance of the product took off in 2017
- Growth accounts for approximately 26% of hardware revenues in 2018
- Focus remains on targeting providers of insurance solutions for the maritime industry

![Chart showing Tetis Sales % out of Total Hardware from 2016 to 2018](chart.png)
Based on the successful line of the WatchLock, Starcom is offering a new and revolutionary security and access control system – the Lokies.

- Designed for the “Mid” and “High end” markets, both B2B and B2C segments
- Smaller than the previous versions
- Keyless! Safer (user is identifiable) and more convenient
- Adaptable, increased battery capacity possibilities
- Expected to be launched in May 2019
The Helios Family

**Advanced**
- AVL (Automatic Vehicle Location) and Fleet Management
- **Real time** track and trace and complete fleet management telematics

**Hybrid**
- Vehicle location unit with **full fleet management**, combining cellular and Iridium connectivity
- Enables constant global communication
- Waiting final tender results of Global organisation with high volume potential

**TT – Track & Trace**
- Cost-effective AVL unit for vehicles and motorbikes
- Real-time **theft and accident alert**
- Tow detection
- Extremely **low power** consumption
Zero - On 25 February 2019, Zero Motorcycles announced a new revolution in the motorcycle market, the first-ever IoT based commercially available connected motorcycle. In two simultaneous exhibits, in Amsterdam and in New York, the new one-of-a-kind Zero SR/F was presented to the world, with rave responses.

Starcom’s IoT solution was utilised in the SR/F’s ground-breaking Cypher III operation system. Starcom’s Helios monitoring system was specially developed for Zero to fit their purpose and is incorporated into each motorcycle during its production.
Thank You