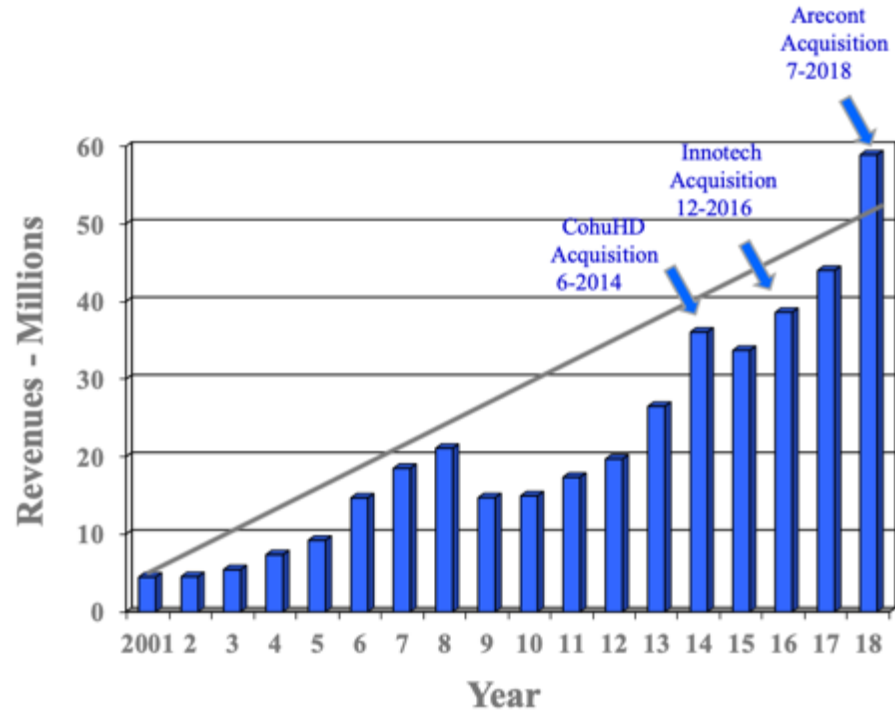


Costar Technologies, Inc. 2018 In Review

Part II

COSTAR
TECHNOLOGIES, INC.

2011 – 2018



Worldwide Ranking

50 SECURITY **secutech** Largest B2B Security, Fire & Safety and Smart Home Trade Fair in Vietnam 16 - 18 August 2018 | Ho Chi Minh City [Click Here For Booth](#)

Home Security 50 Feature Stories News Events

2018 Top Security 50 **2018 Security 50 by Region** 2018 Security 50 by Product Group

'18	Company	Main Product Group	Revenue (in US\$ millions) 2017	Revenue Growth 2016-2017
North America				
6	FLIR SYSTEMS (Surveillance and Security)	Video Surveillance	\$777.2	0.8%
7	ALLEGION (Electronic Products and Access Control)	Entry System	\$509.7	13.0%
10	AVIGILON	Multiple	\$408.6	15.8%
24	NAPCO SECURITY TECHNOLOGIES	Multiple	\$87.4	5.9%
33	IDENTIV	Entry System	\$56.4	6.8%
36	COSTAR TECHNOLOGIES	Video Surveillance	\$44.3	14.8%
42	VICON INDUSTRIES	Video Surveillance	\$26.7	-25.5%

Top 30 & Number 5 in North America



Source: www.asmag.com

Marquee Customers

National Accounts	Financial Accounts
  	 
   	  
 	 
 	
 	 
 	 
 	  

Marquee Customers

Transportation	Defense	Critical Infrastructure
		

Marquee Customers

National Integrators	End User Accounts
 	 
 	  
 	 
 	 
	  
 	

Marquee Customers

Distributors	Systems Integrators
       	      

Marquee Customers

Arecont Vision Costar Products Are Customer-Proven Around the Globe



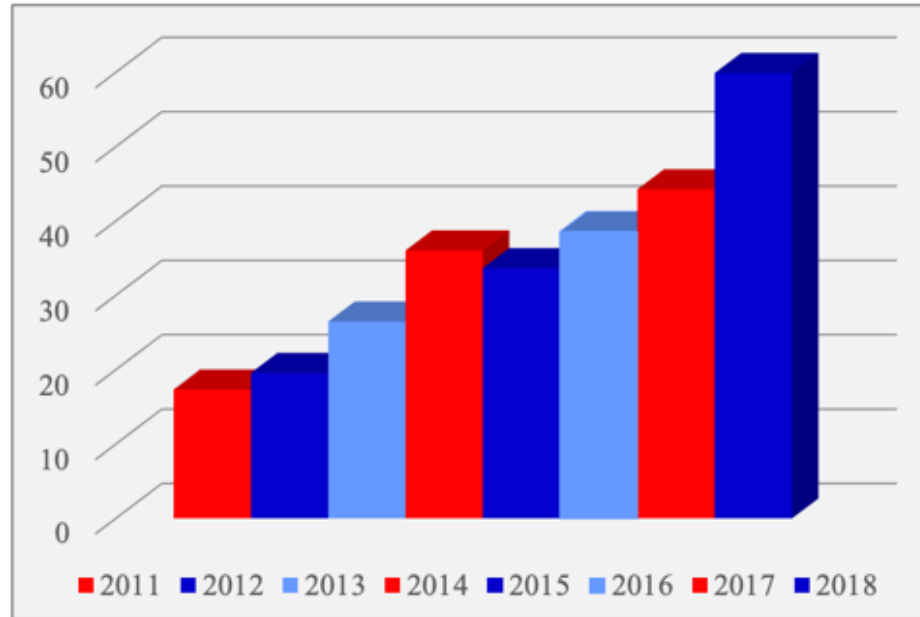
2016 - 2018

Year	2018		2017	2016
Revenues	\$ 58.91 M	↔	\$ 44.27 M	\$ 38.60 M
Gross Margin	\$ 21.75 M	↔	\$ 17.84 M	\$ 14.81 M
GM %	36.9 %		40.3 %	38.4 %
Operating Expenses	\$ 24.22 M	↔	\$ 13.56 M**	\$ 13.17 M*
Oper Exp %	41.1%		30.7 %	35.5 %
Operating Income	\$ (2.47 M)	↔	\$ 4.28 M**	\$ 1.13 M
EBITDAR	\$ 1.51 M	↔	\$ 3.73 M	\$ 2.04 M

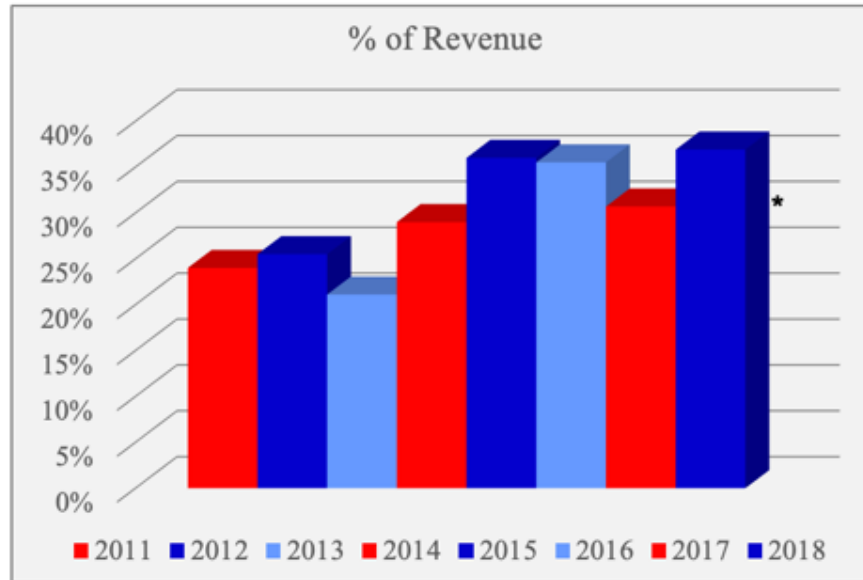
* Includes \$0.300M in transaction expenses

** Includes \$0.068 M in transaction expenses and \$2.07 M expense reduction relating to the change in fair value of contingent purchase price

Year Over Year Revenue Growth

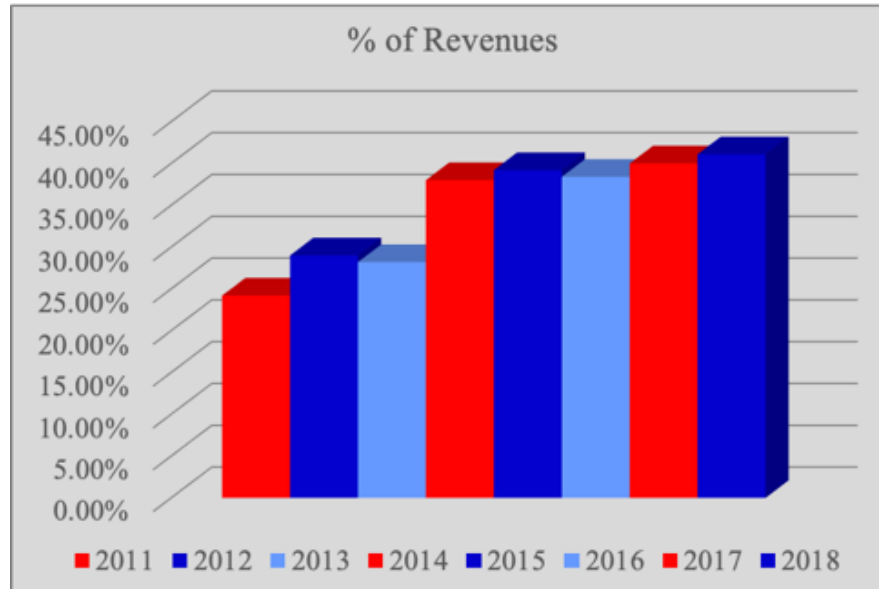


SG & A

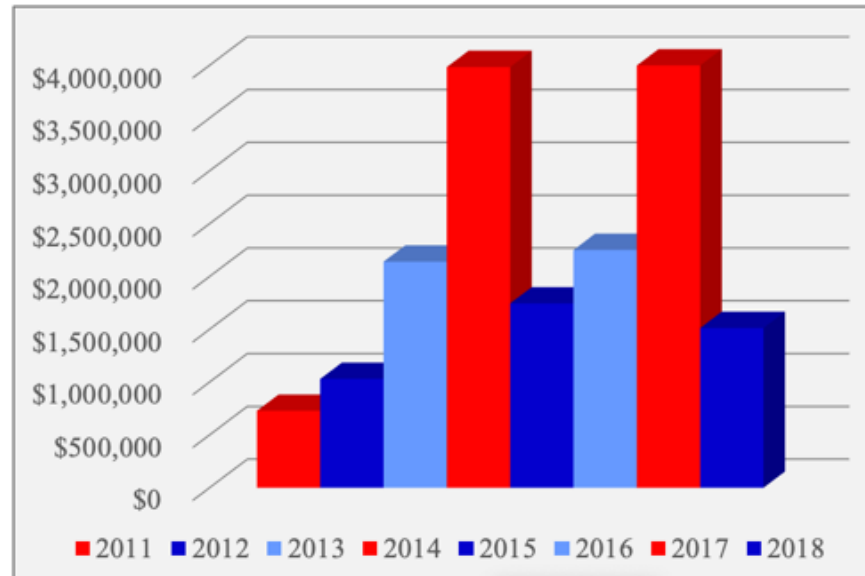


* Includes \$0.07 M in transaction expenses and \$2.07 M expense reduction relating to the change in fair value of contingent purchase price

Gross Profit Margin



EBITDAR



Operating Strategy

- Continue to Diversify Our Customer Base and Reduce Customer Concentration

- Continue to Transform CSTI Image From A Value-Added OEM Reseller to Manufacturing and Design
 - The Innotech acquisition increased our manufacturing and design divisions to 50% of our revenue
 - The Arecont Vision acquisition increased our manufacturing and design divisions to 75% of our revenue

Operating Strategy



- Utilize Our Efficient Market Channel Economics and Established Channel Partners to Grow our Non-Concentrated Customer Base
- Provide Superior Customer Service, Engineering Design, Sales, Technical Support, and Training To Our Internal and External Customers