



being there...

ZEN TECHNOLOGIES LIMITED

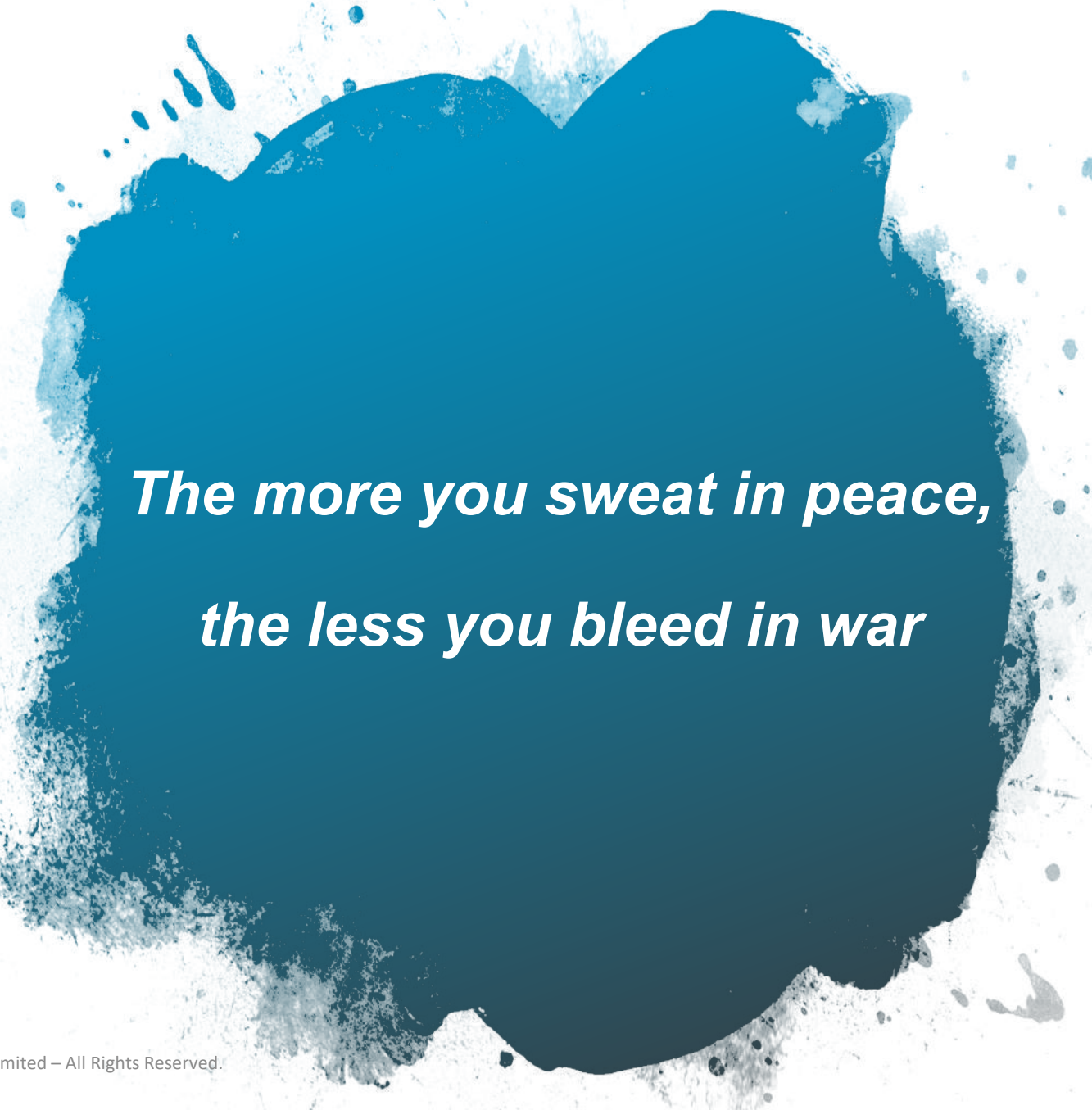


28th Annual General Meeting – 28th August 2021


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***The more you sweat in peace,
the less you bleed in war***



In the last few years Zen has made considerable investments in Anti-Drone technology. The company expects to start receiving orders from Indian armed forces.

Marketing & Sales team now focusing on Anti-Drone systems and remote demonstration of products receiving positive response.

Also focusing on non military applications like oil refineries and other strategic assets.



On 19th July 2021 Zen secured an export order of ~120 crores. We have the capability to execute this order in the current financial year. However, due to customer readiness, there exists a possibility of spill over to the first half of the next financial year.

UAE office is now functional and regular customer demos are leading to healthy enquiries.

Expecting ~ 60 crores of order to materialize in coming months.

Orders expected to flow in from USA office as well

*Investment in UTS will start to
payoff and we expect UTS to
achieve a turnover of 15 Cr in
FY22.*

*UTS is currently focusing on
developing more technologies
in the Anti-Drone space.*



***In Medical technologies we are
focusing on developing 2-3 new
products in the current financial
year.***

ESOPs

Some of our employees have dedicated their lives to Zen and been with the company for almost 2/3 decades.

Keeping their interests in mind the Company has decided to issues ESOPS to long standing and select new employees. ESOPs will also be issued to few key employees of subsidiaries as well.

- Entered FY2020-21 in a period of significant uncertainty related to macro factors beyond our control.
- The Company also witnessed a decline in financial performance due to appropriation of modernisation fund to fight Covid pandemic.
- Order book as on 31st March 2021 ~ INR192 crores
- The Company invested INR 11.97 crores in R&D during the year
- During the year the Company launched the following 4 new products
 - Anti-Drone Systems
 - Integrated Air Defence Anti Drone Simulators
 - Heavy Lift Drones
 - Drone and Anti-drone simulators
- The Company developed remote demonstration facilities to overcome the challenges of physical demonstration during Covid times. This resulted in the demonstrations going up from 2 per month to 4 per week.
- Strong Debt Free Balance Sheet supported by liquidity position of ~ INR 83 crores.

Zen's Business accelerators :-

1

Increasing predictability in turnover with scaling up of AMC segment.

2

Strong Government support to act as tailwind

3

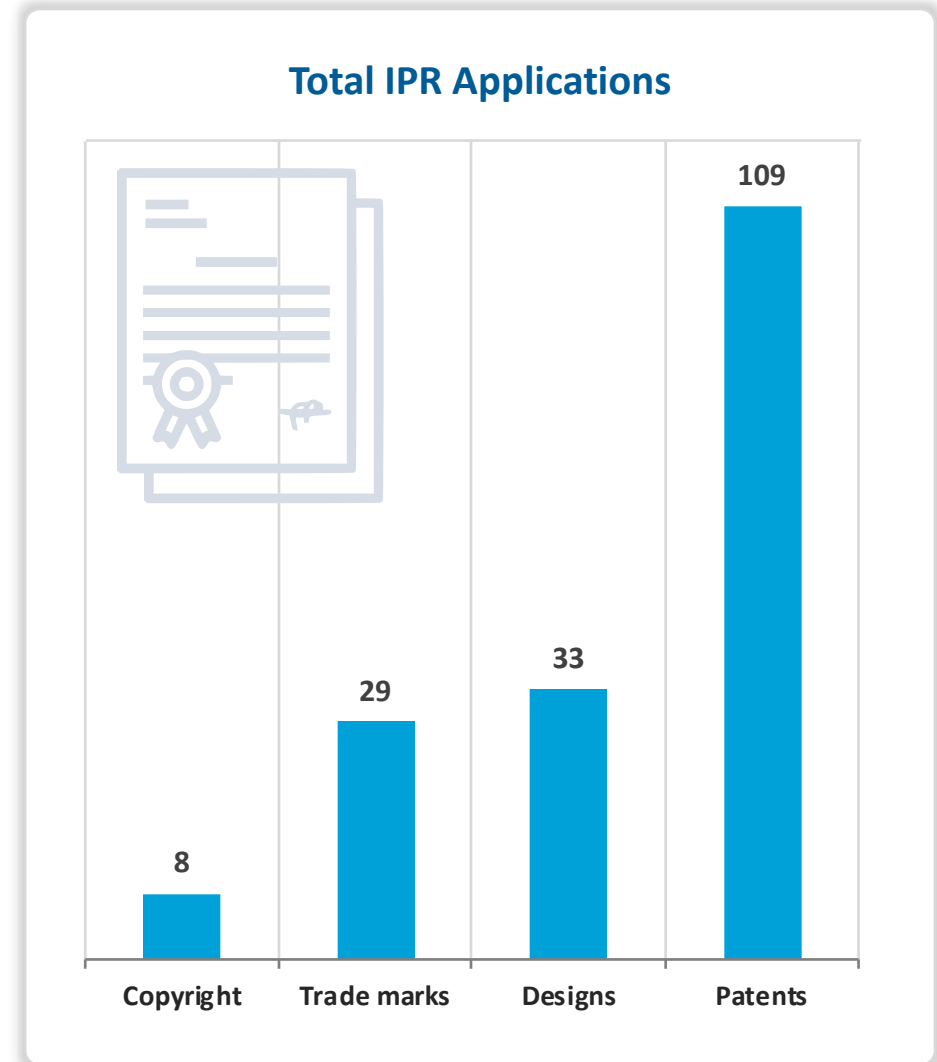
Focus on new products

4

Equipment sales order wins

Focused R&D driven organisation

- R&D Driven prototyping to develop state of the art training simulators
- Over 90 in-house researchers working on specialised in-house created domain libraries
- R&D investment of over 67.47 crores in the last 5 years, ~17% of revenues
- Filed 109 domestic and global patents applications of which 27 granted
- R&D spend though Investment in IPR has been prudently written off as expenses in P&L
- High investments made in R&D throughout the lifetime of the Company creates high entry barriers for new entrants.



1

Domestic

- Conducive regulatory regime has opened erstwhile closed single vendor business opportunities
- Aggressive Push towards MAKE – II
- INR 52,000 crores allocated towards equipment procurement from domestic defence industry.

2

Exports

- Strong support from government through line of credit through EXIM bank for foreign govts.
- Products developed under Make II procedure can further be exported significantly enhancing the opportunity size

3

AMC

Annual Maintenance Contracts

- Have reached ~INR 7.5 crores of quarterly AMC revenues
- Will achieve operational breakeven at quarterly 8.5 crores of AMC revenues.
- This will increase our risk appetite and help us focus more on Anti-Drone and other high end technology
- Continued engagement with customers result in potential upsell opportunities.



Combat Training Centre

- Handful of companies globally in this segment
- Large value add to the forces with simulated war-games / large scale joint exercises
- Potential order size of USD 25-100 million for a single installation



Indian Army training requirement of Rs 8000 Cr



Global addressable market size of more than USD 8 billion



Large installed base with AMCs – significant recurring income



Abundant Global Opportunities

- Zen's products are mature
- Growing credibility of Indian Defence Vendors with active government support
- Cost of Advanced simulators very prohibitive in Africa and Middle East
- Larger established players have no thrust for Smaller markets
- No ITAR restrictions on Exports

- The Company has an **Asset Light model** and outsources most of manufacturing to its supply chain.
- Mostly, software and final hardware integration is done at the Zen facility
- The Company's established vendors have adequate surplus manufacturing capacity to cater to any increase in demand
- Capex requirement will be negligible to execute larger size orders.
- The Company has adequate infrastructure. In the rare case of additional integration facility, there is surplus land in the existing facility

Zen poised for Growth like Bamboo Tree



Bamboos include some of the fastest-growing plants in the world,] due to a unique rhizome-dependent system. Certain species of bamboo can grow 36 inch within a 24-hour period, at a rate of almost 1 1/2 inch an hour



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THANK YOU

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