



ZEN TECHNOLOGIES LIMITED

Certified ISO 9001:2015, ISO 27001:2013, ISO 14001:2015, CMMI ML5
Regd. Office : B-42, Industrial Estate, Sanathnagar
Hyderabad – 500 018, Telangana, India
Phone: +91 40 23813281, Fax No: +91 40 23813694
Email: info@zentechnologies.com Website: www.zen.in
Corporate Identity Number : L72200TG1993PLC015939

Date: 20 September 2020

To
The Secretary
BSE Limited
Phiroz Jeejeebhoy Towers
Dalal Street
Mumbai- 400001

To
The Secretary
National Stock Exchange of India Ltd.,
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra (E), Mumbai – 400 051

Scrip Code - 533339

Symbol - ZENTEC

Dear Sir / Madam,

Sub: Corporate Presentation made at the 27th Annual General Meeting of the company.

With reference to the above mentioned subject, please find enclosed the corporate presentation made at the 27th Annual General Meeting (AGM) of the company held on Saturday, the 19th September, 2020 at 10.00 a.m. through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM").

This is for your information and record.

Thanking you

Yours Faithfully,

For **Zen Technologies Limited**

SINGH
HANSRAJ
Digitally signed by
SINGH HANSRAJ
Date: 2020.09.20
19:59:38 +05'30'

Hansraj Singh Rajput
Company Secretary & Compliance Officer
M. No. A38213

Works : Plot 36, Hardware Park, Near Shamshabad International Airport, Hyderabad - 501 510, Telangana, India



CMMI DEV / 5SM
Exp. 2022-01-30 / Appraisal #2306



being there...

ZEN TECHNOLOGIES LIMITED

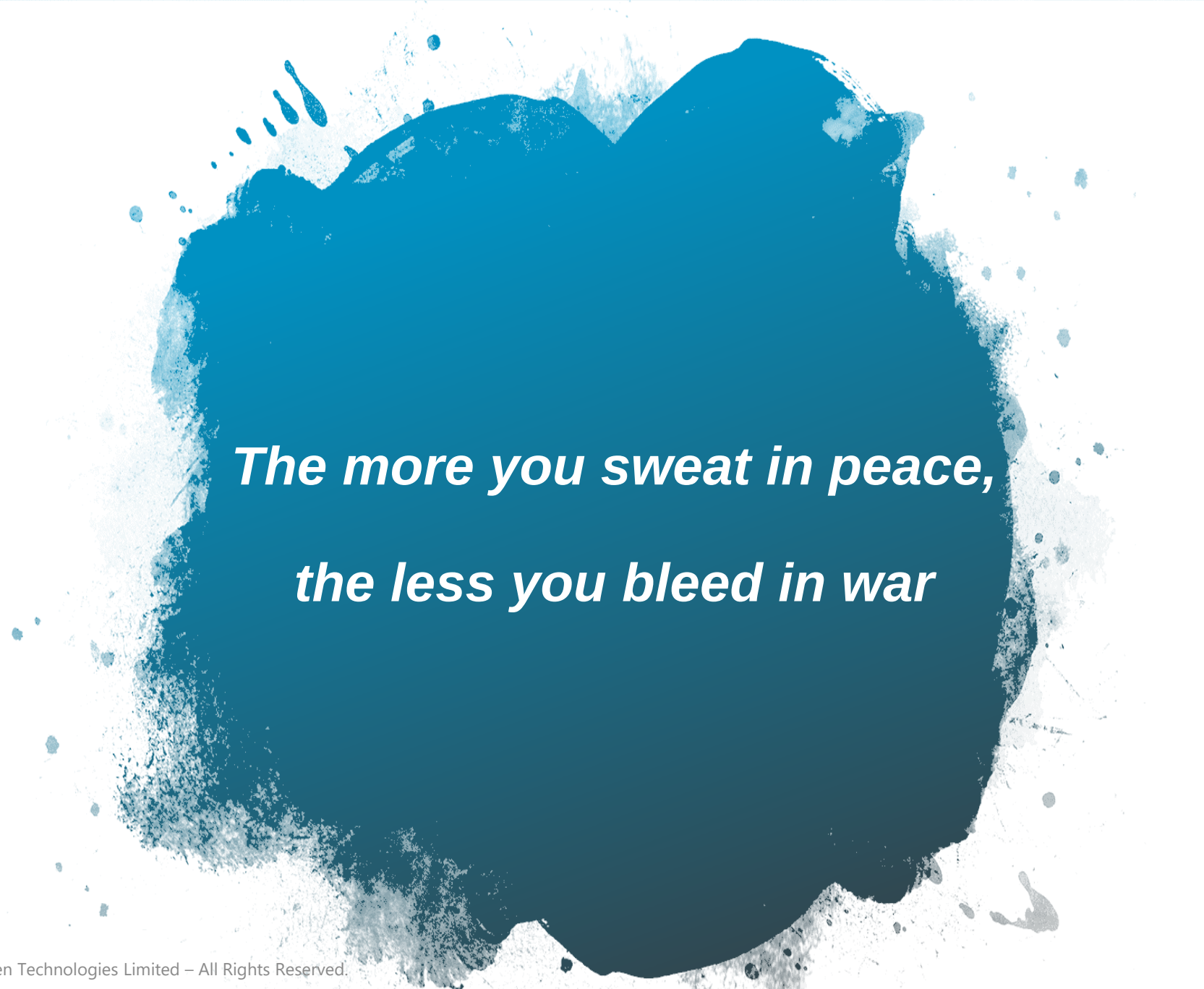


27th Annual General Meeting – 19th Sept 2020

BSE: 533339 | NSE: ZENTEC | ISIN: INE251B01027 | CIN: L72200TG1993PLC015939

WWW.ZENTECHNOLOGIES.COM

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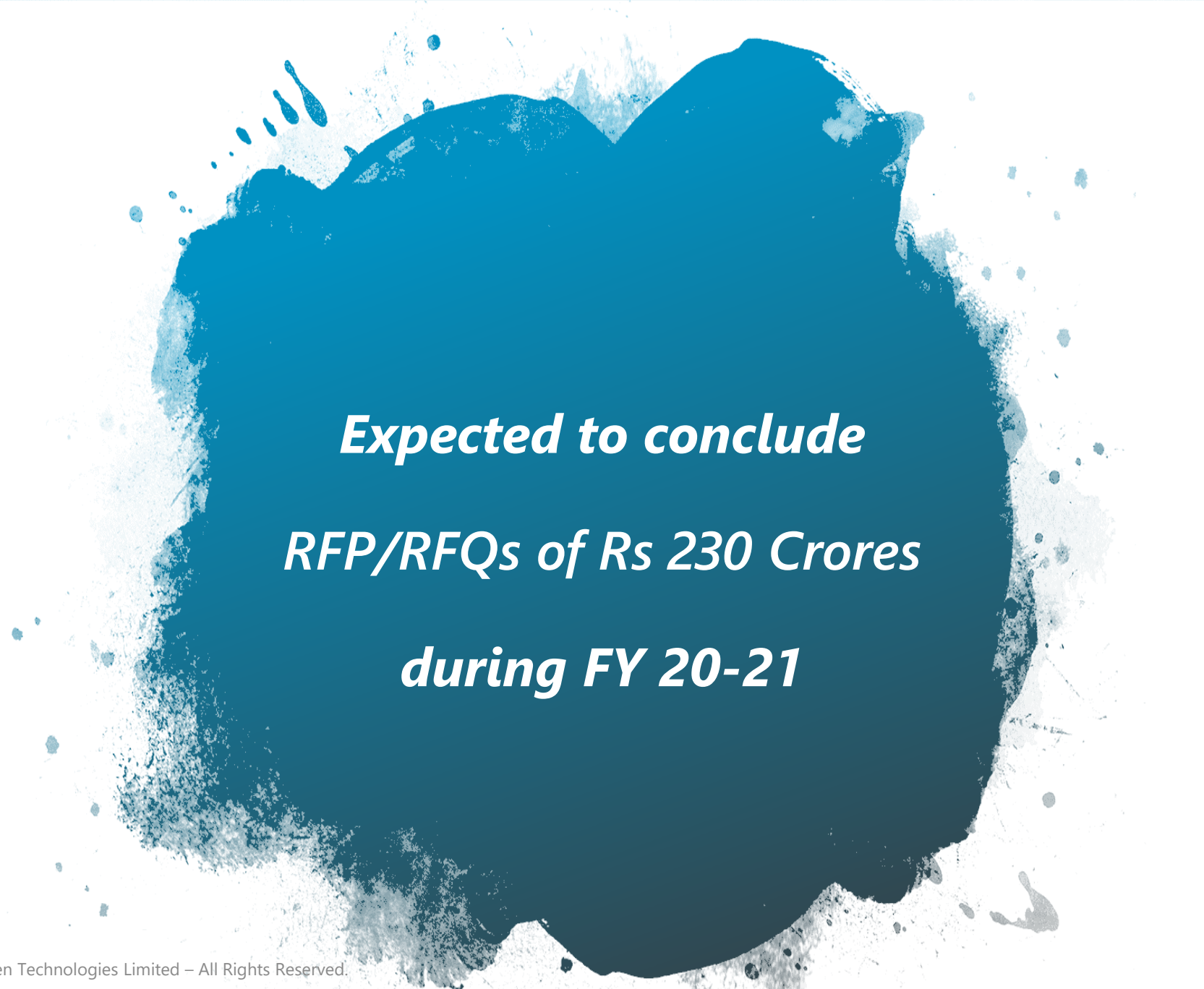


***The more you sweat in peace,
the less you bleed in war***

***Highest Turnover,
Profitability and Cashflow
in FY 2019-20***



*Expected to achieve
Sales of over Rs 550 Crores
during the next 3 years*



***Expected to conclude
RFP/RFQs of Rs 230 Crores
during FY 20-21***

- The Company witnessed the highest turnover, profitability and cashflows during the financial year 2019-20.
- Expects a turnover of over Rs 550 Crs in next 3 years.
- The Company has Request for Proposals/Quotations worth Rs 230 Crores expected to be concluded during this financial year.
- The Company has recently got export orders of Rs 18 crores and is actively pursuing proposals for about US\$ 170 million with CIS, Middle-East and African Countries.
- IDDM and Make-II cases of interest to Zen whose Approval in Principal (AIP)/Acceptance of Necessity (AoN) have been accorded is about Rs 2900 Crs.
- The Company has fortified its capital base by raising Rs 17.86 Crores by conversion of warrants into shares.
- The Company prepaid term loan during the year and is debt free status currently.
- Historically high surplus funds parked in fixed deposit with prestigious banks.

- Hon'ble Defence Minister announced a list of 101 items which will be exclusively procured from domestic defense industry.

The list includes 9 simulators which are designed, developed and manufactured by Zen Technologies Limited. Together with IDDM, this change will give the last mile push.

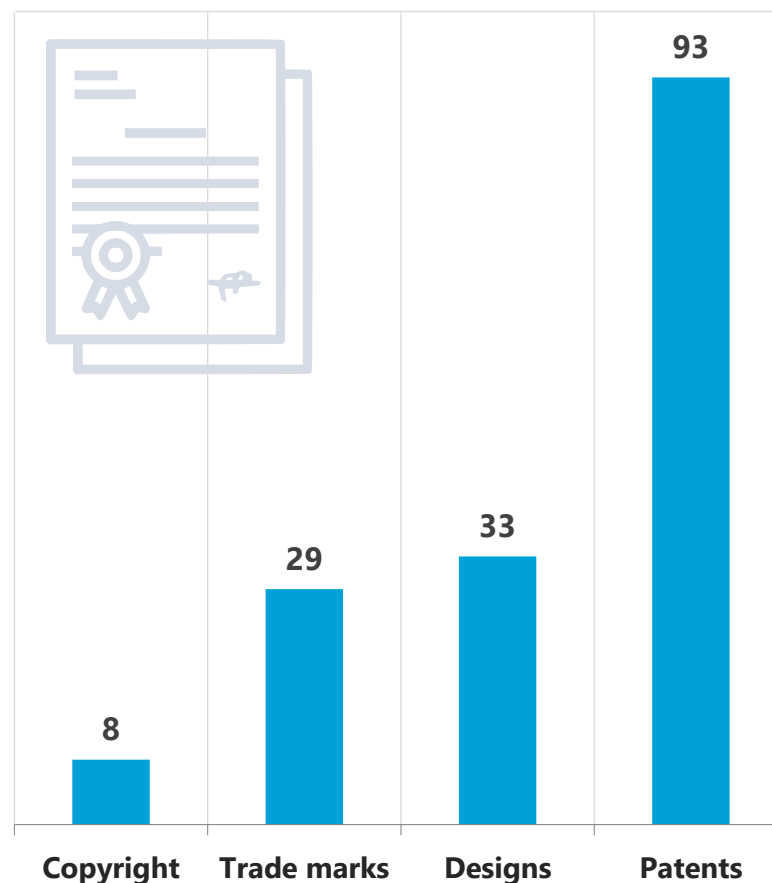
- In a major push for “*Atmanirbhar Bharat*” the central government has permitted up to 74% Foreign Direct Investment (FDI) in defense manufacturing through automatic route.
- Zen Tech is a formidable player in both Indian and international markets due to its edge in technology and cost competitiveness.
- Covid-19 has impacted the operations of your company. The silver lining is Zen's foraying into ventilators and medical devices. We expect significant revenue stream on sustainable basis from this strategic diversification.

Zen Tech – R&D Play

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 Crs in the last 5 years, ~17% of revenues
- Filed 93 domestic and global patents applications of which 23 granted
- Recently successfully developed Ventilator in in-house R& D centre which opens new avenue for growth
- R&D spend though Investment in IPR has been prudently written off as expenses in P&L

Total IPR Applications



1

Domestic

- Conducive regulatory regime has opened erstwhile closed single vendor business opportunities

2

Exports

- Allowing 74% FDI enables strategic partnerships and export to friendly nations
- 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

- AMC CAGR of 38.5% over last 5 years
- By FY 2022 AMC revenue are expected to exceed Rs 60 Crs (annualized)
- Simulator sales leads to a potential 120% AMC revenue over product lifecycle
- Continued engagement with customers result in potential upsell opportunities.

Zen Medical Technologies

- Zen Tech's in-house R&D centre has successfully prototyped a medical ventilator
- We have executed trial order for export of Ventilators to one country and awaiting trial order for another country. Orders expected to be large once its is approved by these Governments. Orders from Indian private hospitals are also expected.
- The Company foresees enormous opportunity in medical devices and has created a subsidiary for designing, developing and manufacturing of medical devices.
- The Company expects to expand its medical device portfolio to about 3-4 high-potential devices by the end of the financial year
- This strategic diversification is expected help the Company to get into non-Govt business and provide a more stable stream of revenue.
- The financial investment for this diversification is very limited.
- The top team has been tied up for this diversification



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 AMC's – 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

<https://www.zentechnologies.com/event-detail/zen-technologies-defexpo-2020>

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



ZEN TECHNOLOGIES LIMITED

THANK YOU

DISCLAIMER:

CERTAIN STATEMENTS IN THIS PRESENTATION CONCERNING OUR FUTURE GROWTH PROSPECTS ARE FORWARD-LOOKING STATEMENTS, WHICH INVOLVE A NUMBER OF RISKS AND UNCERTAINTIES THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE IN SUCH FORWARD-LOOKING STATEMENTS. THE RISKS AND UNCERTAINTIES RELATING TO THESE STATEMENTS INCLUDE, BUT ARE NOT LIMITED TO, RISKS AND UNCERTAINTIES REGARDING FLUCTUATIONS IN EARNINGS, INTENSE COMPETITION, POLITICAL INSTABILITY AND GENERAL ECONOMIC CONDITIONS AFFECTING OUR INDUSTRY. THE COMPANY DOES NOT UNDERTAKE TO UPDATE ANY FORWARD-LOOKING STATEMENT THAT MAY BE MADE FROM TIME TO TIME BY OR ON BEHALF OF THE COMPANY.

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