Costar Technologies, Inc.
December 2017

COSTAR
TECHNOLOGIES, INC.

Cautionary Statement

This document contains forward-looking statements that involve risks and uncertainties, as well as assumptions, that if they never materialize or prove incorrect, could cause the results of the Company to differ materially from those expressed or implied by such forward-looking statements. Forward-looking statements generally are identified by the words "expects," "anticipates," "believes," "intends," "estimates," "should," "would," "strategy," "plan" and similar expressions. All statements other than statements of historical fact are statements that could be deemed forward-looking statements. The risks, uncertainties and assumptions include developments in the marketplace for our products, competition, related products and services and general economic conditions, as well as other risks and uncertainties. Accordingly, we cannot give assurance that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what impact they will have on the results of operations or financial condition of the Company.

Corporate Experience

Jim Pritchett, President & CEO

Jim joined Costar in 2001. Previously Jim was the President and Executive Vice President of Ultrak from 1988 to 1999 with Revenue Growth from $1.7 Million to $205 Million through internal growth and acquisitions. *Honeywell acquired Ultrak in 2002.*

Scott Switzer, CFO

Scott joined Costar in 2001. Previously, Scott was a consultant with Accenture from 1998 to 2000, and was in Industrial Sales at Ultrak in 1998.

Corporate Experience

Doug Means, CohuHD General Manager

Doug joined CohuHD in 2014. Previously, Doug was the CEO for ELO Touch Solutions from 2012 to 2014. Prior to ELO he spent 15 years in various executive roles with Motorola.

Mathiew Bais, CTO

Mathiew joined Costar in 2008. Previously, Mathiew was President and CEO of Visual Defense with Revenues of $45 Million from 2006 to 2008, from 1999 to 2006 he was President and CEO of Visonic Technologies, from 1995 to 1997 he was Managing Director of Product Development at Ultrak.

Costar Technologies

14% CAGR

Revenues - Millions

Year

2001 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17*
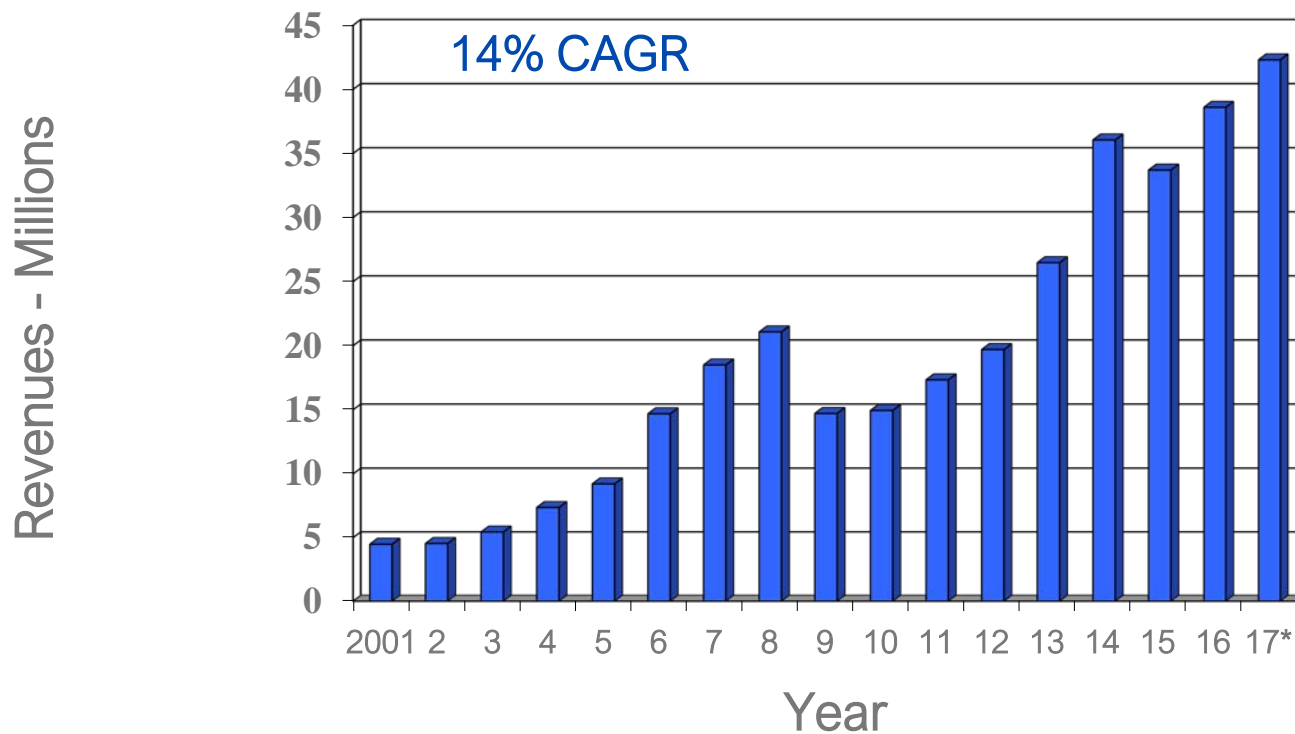
* Proforma with Innotech - Last 12 Months

Worldwide Ranking

asma Rankings 50 SECURITY | **secutech** THAILAND | November 16 – 18, 2017 — **Smart and Safety City for Tomorrow**

2016 Top Security 50	2016 Security 50 by Region	2016 Security 50 by Product Group

'16	Company	Main Product Group	Revenue (in US$ millions) 2015	Revenue Growth 2014-2015
North America				
2	HONEYWELL SECURITY & FIRE	Multiple	$2,900.0	3.6%
7	TYCO SECURITY PRODUCTS (a Johnson Controls Company)	Multiple	$775.0	2.0%
9	FLIR SYSTEMS (Surveillance and Security)	Video Surveillance	$729.6	4.4%
11	ALLEGION (Electronic Products and Access Control)	Access Control & Locks	$413.6	-2.4%
12	AVIGILON	Video Surveillance	$281.4	36.1%
13	INFINOVA	Video Surveillance	$270.9	85.1%
20	VERINT SYSTEMS (Video Intelligence)	Video Surveillance	$118.9	7.8%
24	NAPCO SECURITY SYSTEMS	Multiple	$77.8	4.5%
29	IDENTIV	Access Control	$60.8	-25.2%
37	VICON	Video Surveillance	$44.9	28.7%
41	COSTAR TECHNOLOGIES	Video Surveillance	$33.7	-6.6%

Source: www.asmag.com

Costar Technologies Strategy

➢ Concentrate on Retail, Financial, Transportation, and Defense markets

➢ R&D efforts dedicated to on-board camera analytics

➢ Infrastructure improvements:

- Net Suite Implementation

- Supply Chain Improvements

- Solution Selling

- Reduce Customer Concentration

➢ Add $5-$10 Million of revenue annually through acquisitions
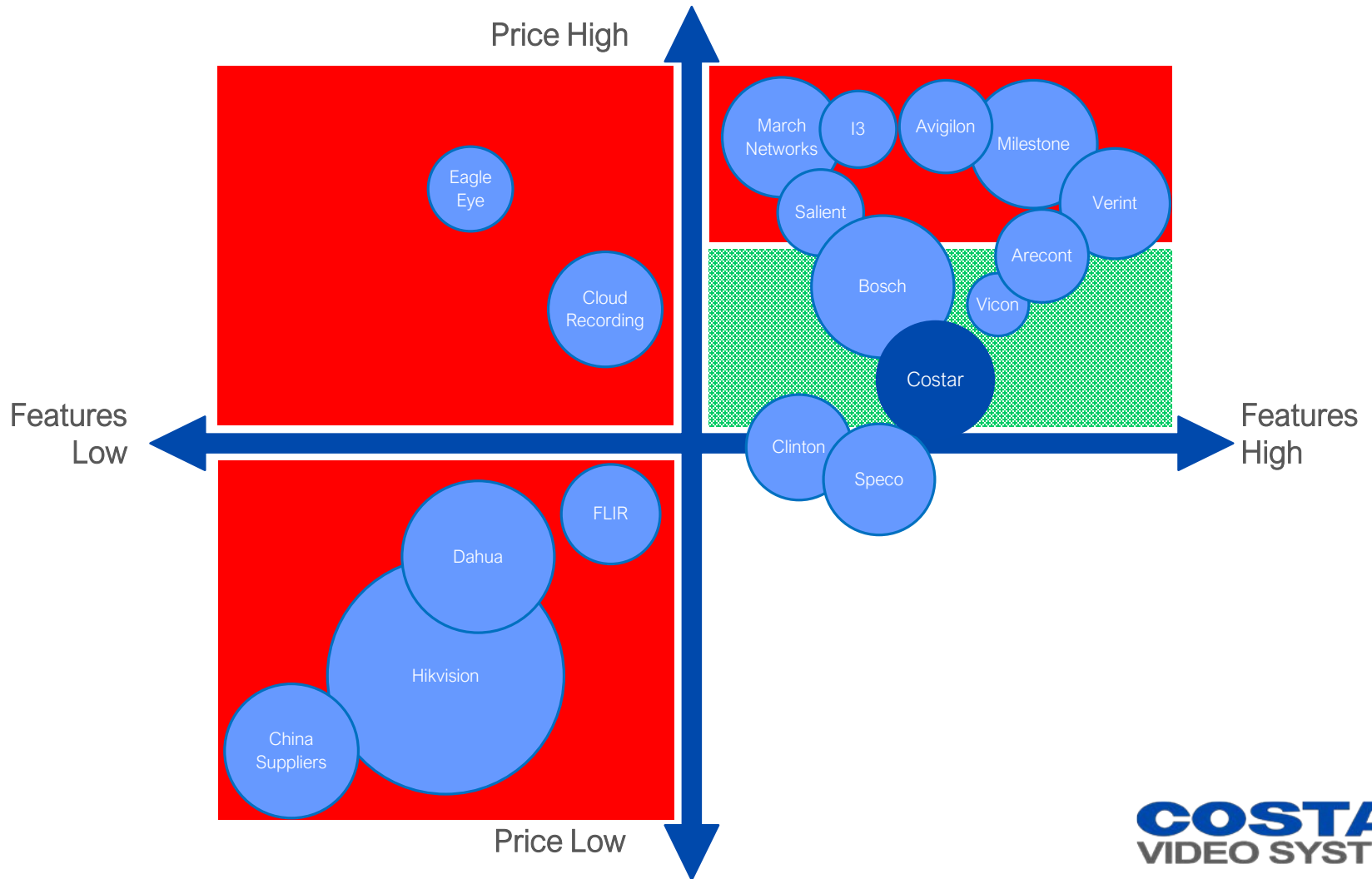
Costar Video Facility

Coppell, Texas

COSTAR
VIDEO SYSTEMS

Market Competitive Analysis

Markets

Costar Video Systems develops, designs, and distributes a range of video surveillance solutions. Their product portfolio consists of video management software (VMS), surveillance cameras, network video recorders (NVRs), digital video recorders (DVRs) and more.

Retail / Distribution
- Entertainment
- Distribution
- Grocery Stores / Pharmacies

Financial
- Banks / Credit Unions
- ATM's

B2B
- Wholesale Distribution
- Hospitals / Medical Facilities
- Hotels

Markets

*Difficulty level represents the difficulty to enter and grow within the vertical
** Risk level includes, risk associated with ongoing selling activities, including acquisitions, competitive forces, and changes in technology
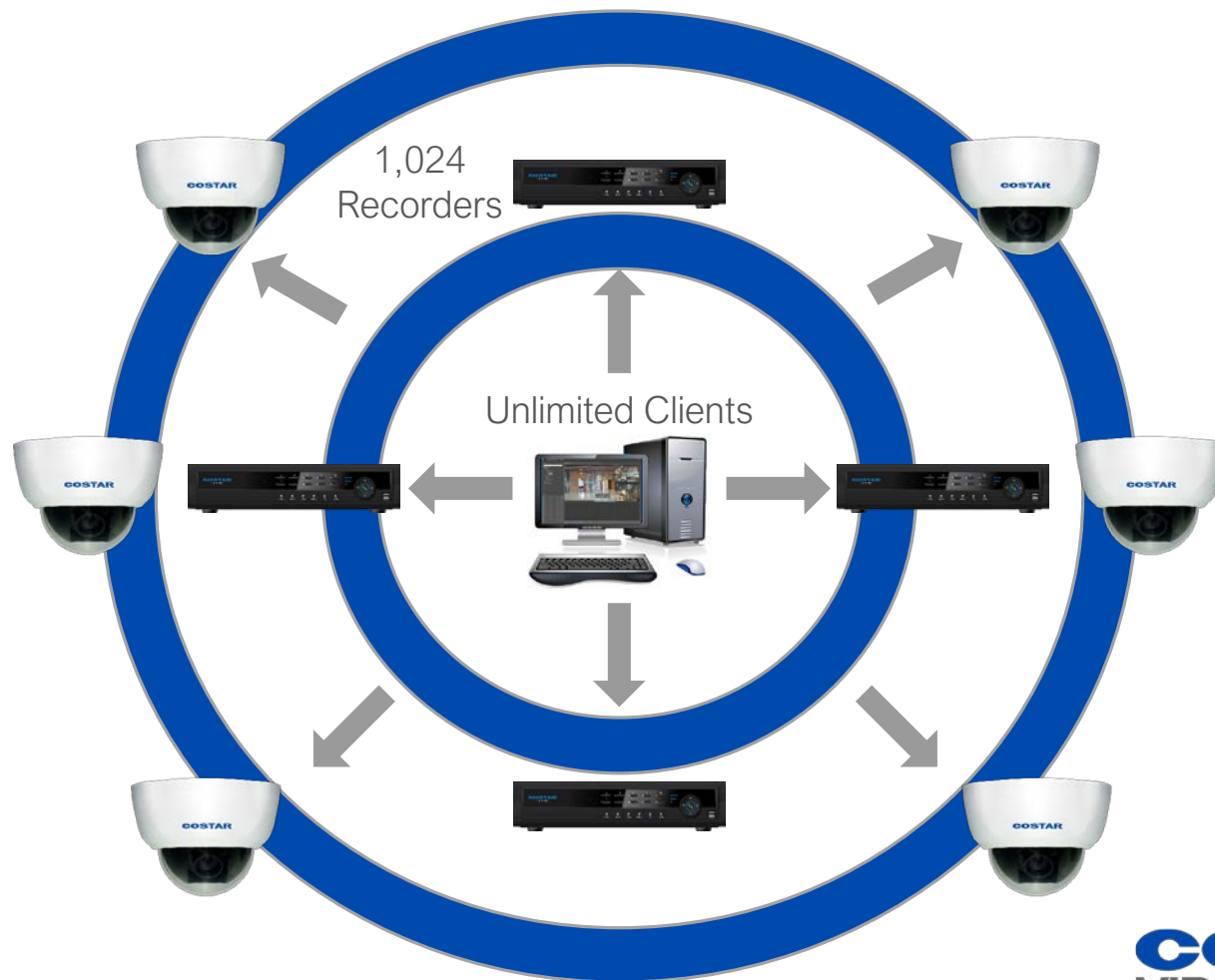
Marquee Customers

National Accounts

Financial Accounts

Enterprise Level Capacity

1,024 Recorders

Unlimited Clients

COSTAR
VIDEO SYSTEMS

Costar Video Systems Strategy

➤ Increase market share in the Integrator channel

➤ Maintain high customer retention by:

- Providing exceptional customer service

- Providing superior technical support

- Providing high quality products

- Providing low cost of ownership

- Having no licensing or maintenance fees

➤ Diversify market channels, target retail survivors

COSTAR
VIDEO SYSTEMS

CohuHD Facility

San Diego, California

COHU | HD COSTAR

70 Years of Innovation

Cohu Established

Monitoring Atomic Reactor

Assault Ship Cameras

Traffic Applications

NTCIP 1205

RISE Series

1953   1959   1978   1995   2009 - 2015

1946   1957   1970   1985   2004   2015

First CCTV

Militarization

TS-2 Rated

Monitor Space Exploration

- First HD Camera Positioner
- First Hybrid IP/Analog PTZ Line
- First NTCIP over IP Camera Line
- First HD Ultra Long-Range Positioner
- First HD Defog/Dehaze Analytics

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CohuHD Product Line

RISE

Rugged Innovation with Superior Endurance

- Advanced Optics
- Long Range
- Low Light
- Dynamic Stream
- Power over Ethernet
- Video Analytics
- Rugged: -40 to 75 Degrees C
- IP67 Sealed and Pressurized
- Hurricane Level Holding Torque

RISE 4260

RISE 4290

RISE 4220

CohuHD Markets

CohuHD Costar designs and manufactures rugged HD CCTV video surveillance camera systems for critical infrastructure and transportation.

Transportation
- Incident Management
- Adaptive Signal Control
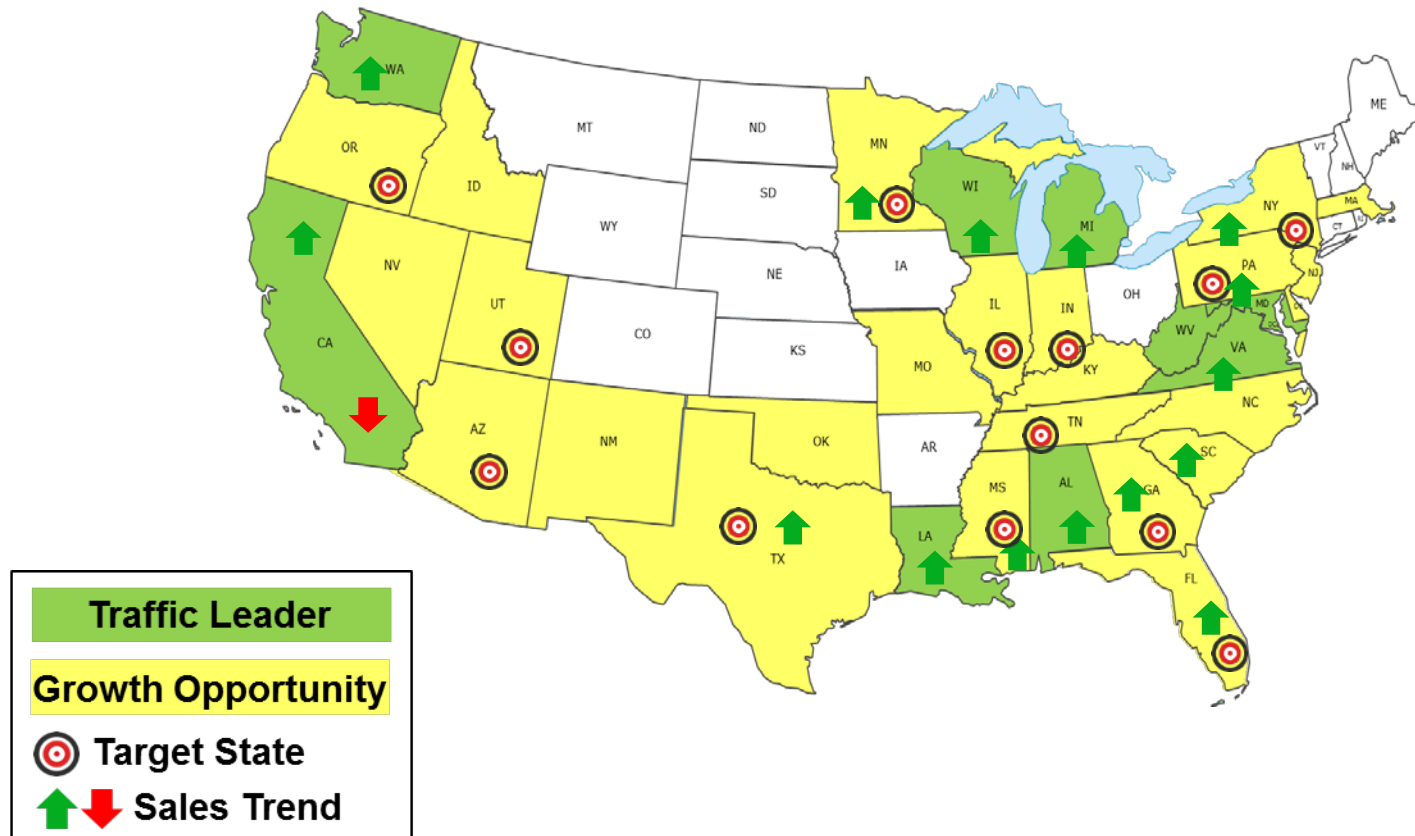- Toll Agencies
- Wide Areas Detection

Defense
- Border Surveillance
- Port Surveillance
- Military Bases

Critical Infrastructure
- Oil Production
- Government Buildings
- Power Plants

Transportation Market

Legend:
- **Traffic Leader**
- **Growth Opportunity**
- Target State
- Sales Trend

Traffic Market Overview

➢ CohuHD participates in three segments:

    1. Incident Management

    2. DMS Monitoring

    3. Adaptive Signal Control

➢ Customers are primarily state and municipal transportation departments

➢ CohuHD has the largest U.S. install base of rugged IP67 and IP68 cameras in the market

➢ CohuHD has a unique position with its no-maintenance pressurized and ruggedized cameras

➢ CohuHD's new RISE Command Core "Smart Camera" User Interface is unique in the traffic market
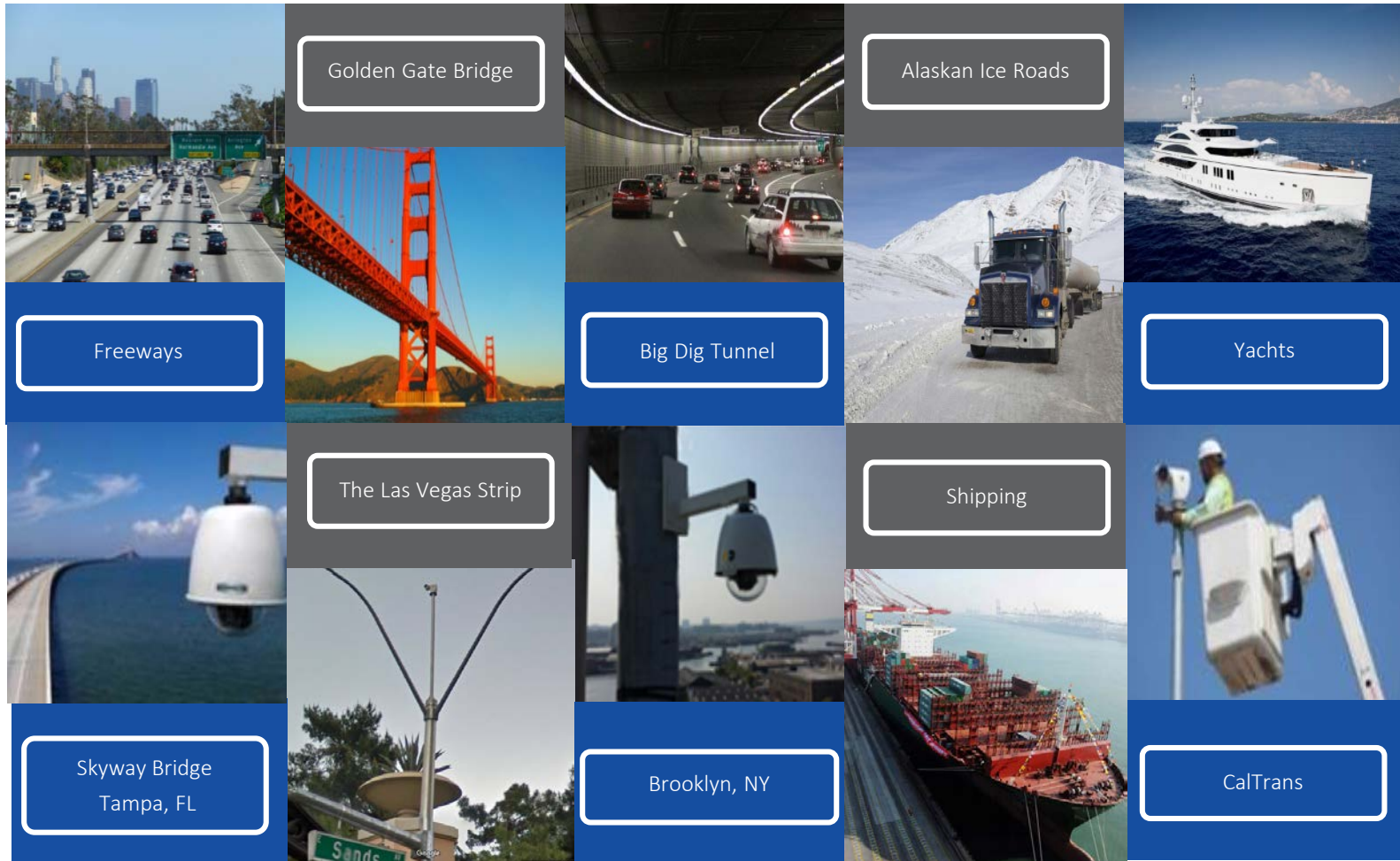

RISE 4260

RISE 4220

COHU|HD COSTAR

Traffic Revenue Outlook

➢ The U.S. market is expected to grow with the possibility of increased Federal funding

➢ 25,000+ analog cameras installed throughout the U.S. that will require upgrades as most ITS transitions from analog to IP

➢ Expect to increase ITS Traffic market share by:

- Targeting "Battleground States"

- Identifying new channel partners where we do not have a strong presence

- Showcase the capabilities of the new RISE Command Core "Smart Camera" User Interface Technology as a key differentiator

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COSTAR

Transportation Market

Golden Gate Bridge

Alaskan Ice Roads

Freeways

Big Dig Tunnel

Yachts

The Las Vegas Strip

Shipping

Skyway Bridge
Tampa, FL

Brooklyn, NY

CalTrans

Defense Revenue Outlook

➢ In 2016, the Surveillance & Security Global Un-Cooled Thermal Camera was slightly more than $1.6 Billion

➢ Sharp rise in defense expenditures expected to benefit the Surveillance & Security segment

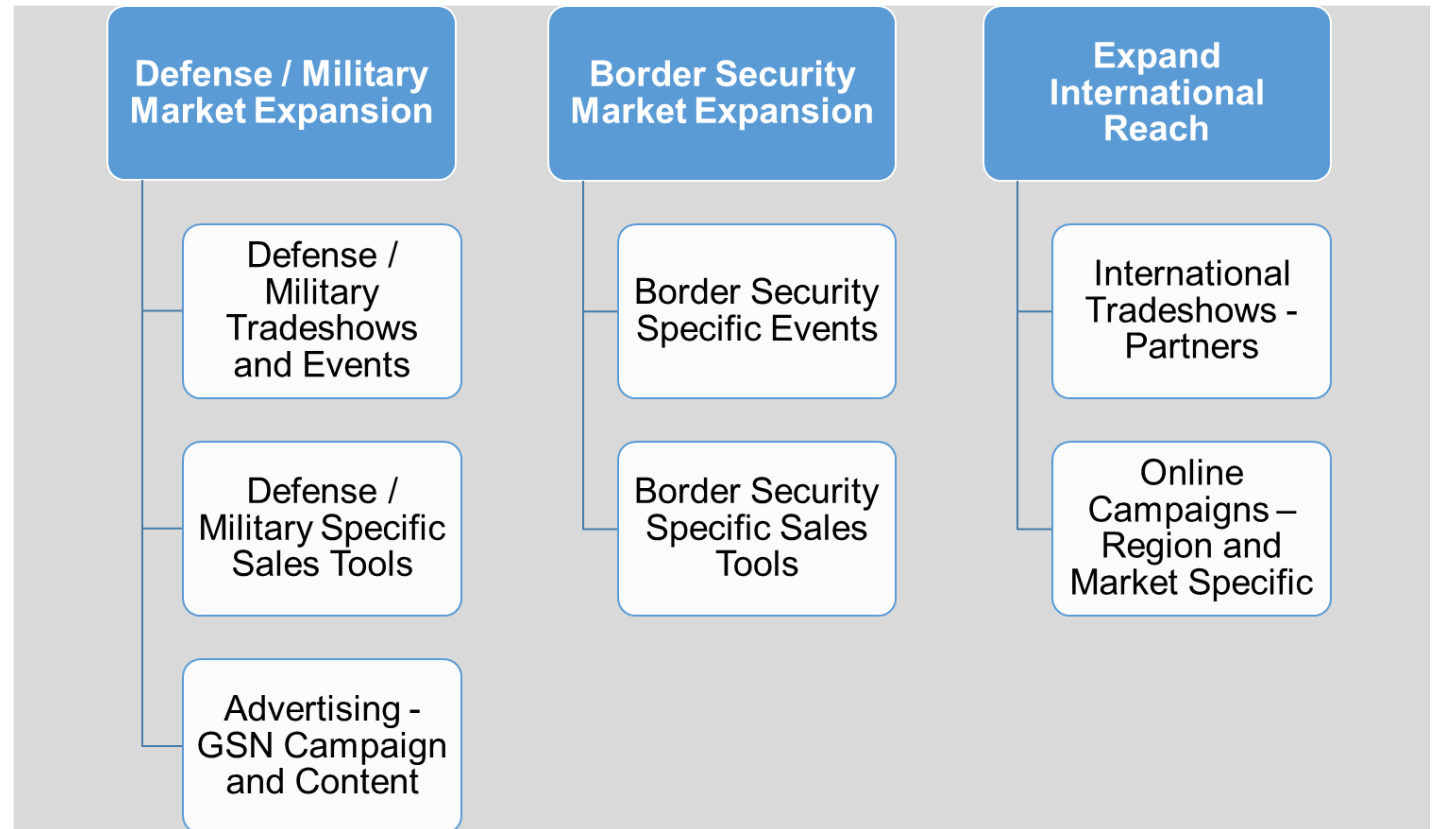➢ By the end of 2017, this segment is anticipated to reach a market valuation of more then $3.0 Billion

Source: Future Markets & Insights 4/11/2017

COHU|HD COSTAR

Defense Marketing Initiatives

Online & Print Advertising

Defense / Military Market Expansion	Border Security Market Expansion	Expand International Reach
Defense / Military Tradeshows and Events	Border Security Specific Events	International Tradeshows - Partners
Defense / Military Specific Sales Tools	Border Security Specific Sales Tools	Online Campaigns – Region and Market Specific
Advertising - GSN Campaign and Content		

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Defense Marketing Initiatives

intersec
Dubai – Jan 2018

International Security Conference & Exposition
ISC WEST
Las Vegas – April 2018

Military, Defense, Border/Port Security Specific Trade Shows

COHU HD COSTAR

Day & Night Critical Infrastructure Monitoring

Advanced Thermal Night Vision
Superior Long-Range Video Quality
Rugged IP67 Design

Onvif IP67 RISE 4290HD

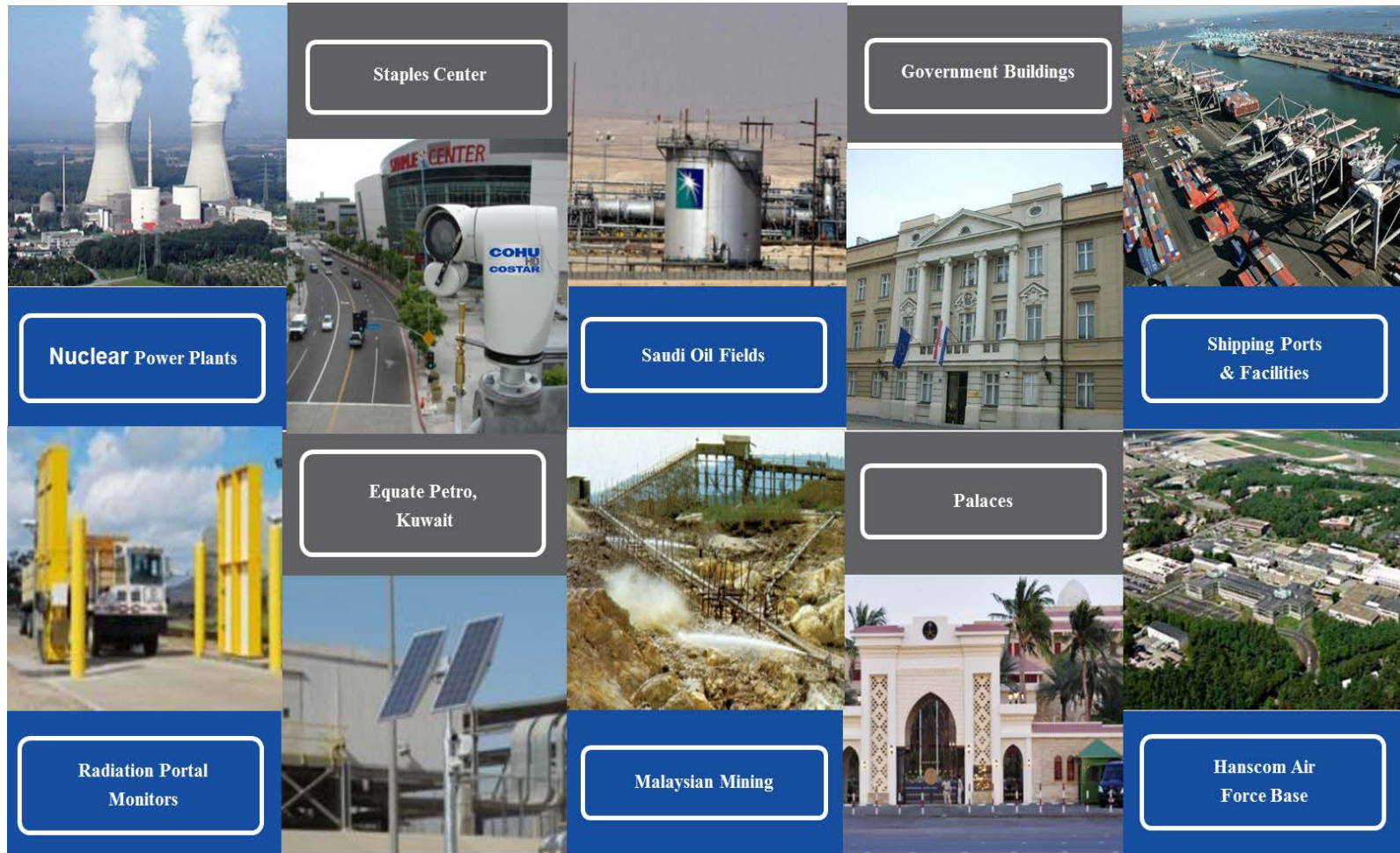COHU HD COSTAR | Rugged, Reliable High-Performance Video Solutions

www.CohuHD.com

Security Middle East Magazine , AAPA (Ports), Government Security News – Online & Print Campaigns

COHU | HD COSTAR

Defense

International Space Station

Maverick™ Missile

Jordanian Border

SpaceX™ Launch

Stryker Armored Vehicles

USS Ponce & Many Other Ships

Kennedy Space Center

MK4 Tank

Police

NASA Ames Wind Tunnel

Critical Infrastructure

COHU|HD COSTAR

Staples Center

Government Buildings

Nuclear Power Plants

Saudi Oil Fields

Shipping Ports & Facilities

Equate Petro, Kuwait

Palaces

Radiation Portal Monitors

Malaysian Mining

Hanscom Air Force Base

Product Line Differentiators

➢ RISE 4260

- Advanced Optics
- Dynamic Stream
- Rugged: -40 to 75 Degrees C
- Hurricane Level Holding Torque

➢ CohuHD 8800 Series

- Long Range HD Optics
- 137X Zoom
- Human Detection to 30 Miles
- Lens Options to Suit Application

➢ RISE 4290 Series

- Dual Head Thermal/Visual Camera

2016 WINNER
GSN. Government Security News
Airport, Seaport Border Security Awards Program

RISE 4260

CohuHD 8800

2017 WINNER
GSN. Government Security News
Airport, Seaport Border Security Awards Program

RISE 4290

Marquee Customers

Innotech Facility

Pompano Beach, Florida

Innotech Markets

Innotech develops, designs, distributes a range of video surveillance solutions including cameras and digital video recorders (DVRs).
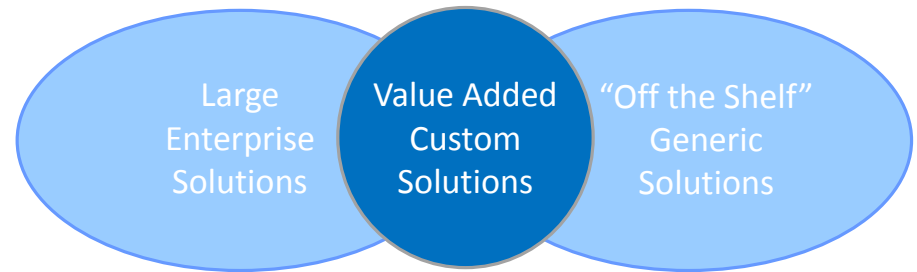
Retail
- Grocery Stores

Retail
- Distribution

Retail
- Pharmacies

Innotech

- ➤ U.S. Manufacturer

- ➤ In-house Engineering

- ➤ Custom products designed for challenging applications

Large Enterprise Solutions

Value Added Custom Solutions

"Off the Shelf" Generic Solutions

Marquee Customers

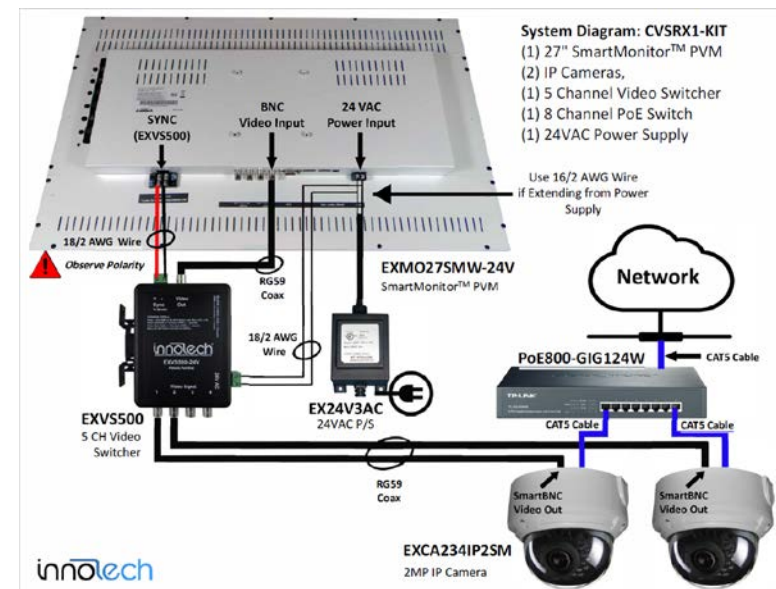National Integrators

End User Accounts

CVS Pharmacy Application

➢ Developed custom solutions for CVS "pain points"

➢ End User/Manufacturer partners for fast product delivery

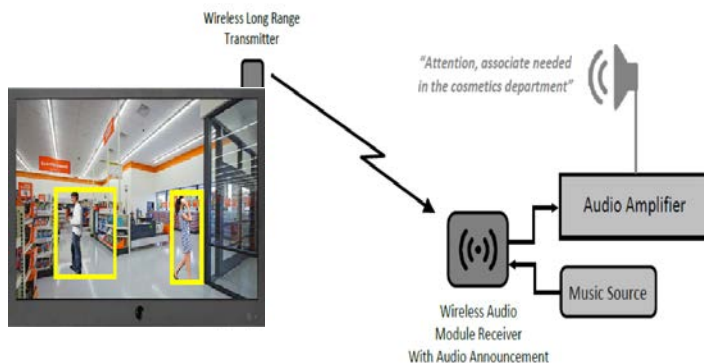➢ Superior support to CVS integrators

Custom Solutions

➤Ink Awareness

- When a customer enters the ink cartridge area, motion is detected by then system

- A pre-recorded message is played over the intercom requesting assistance from a store employee

➤Robbery Fortification

- Strong LED lights designed in a custom pattern to grab the customer's attention

- Potential shoplifters are made aware that the store is protected by video surveillance the moment they exit their vehicle