

Senstar Technologies, Ltd.

Safeguarding people, places and property.

Dror Sharon, CEO

Tomer Hay, CFO

Winter 2023

Safe Harbor

The information contained in this presentation does not purport to be all inclusive or to contain all information that prospective investors may require. Prospective investors are encouraged to conduct their own analysis and review of information contained in this presentation as well as important additional information through the Securities and Exchange Commission's ("SEC") EDGAR system at www.sec.gov and on our website at www.senstartechnologies.com. This presentation includes forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995 and Section 21E of the Securities Exchange Act of 1934 ("Exchange Act"). Forward-looking statements include any statement that does not relate strictly to historical or current facts and include statements accompanied by or using words such as "anticipate," "believe," "intend," "plan," "projection," "forecast," "strategy," "estimate," "expect," "may," and "will. In particular, statements, express or implied, concerning future actions, conditions or events, are forward-looking statements. Forward-looking statements are not guarantees of performance. They involve risks, uncertainties and assumptions. There is no assurance that any of the actions, events or results of the forward-looking statements will occur, or if any of them do, what impact they will have on our results of operations or financial condition. Because of these uncertainties, you are cautioned not to put undue reliance on any forward- looking statement. We disclaim any obligation, other than as required by applicable law, to publicly update or revise any of our forward-looking statements to reflect future events or developments. Future actions, conditions or events and future results of operations may differ materially from those expressed in these forward-looking statements. Many of the factors that will determine these results are beyond our ability to control or predict. These statements are necessarily based upon various assumptions involving judgments with respect to the future. Important factors that could cause actual results to differ materially from those expressed in or implied by forward-looking statements include risks and uncertainties described in this presentation and in our Annual Report on Form 20-F for the year ended December 31, 2021 and our subsequent reports filed with the SEC. These reports are available through the SEC's EDGAR system at www.sec.gov and on our website at www.senstartechnologies.com.

GAAP – Unless otherwise stated, all historical and estimated future financial and other information included in this presentation have been prepared in accordance with generally accepted accounting principles in the United States ("GAAP"). **Non-GAAP** – In addition to using financial measures prescribed by GAAP, we use non-generally accepted accounting principles ("non-GAAP") financial measures in this presentation. Descriptions of our non-GAAP financial measures, as well as reconciliations of historical non-GAAP financial measures to their most directly comparable GAAP measures, can be found in this presentation under "Non- GAAP Financial Measures and Reconciliations" in the appendix.

Industry and Market Data - Certain data included in this presentation has been derived from a variety of sources, including independent industry publications, government publications and other published independent sources. Although we believe that such third-party sources are reliable, we have not independently verified, and take no responsibility for, the accuracy or completeness of such data.

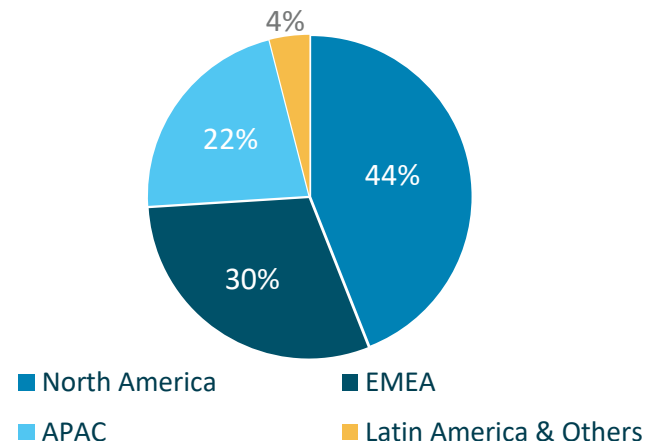
Senstar Technologies Overview

Senstar leverages brand leadership in innovative Perimeter Intrusion Detection Systems (PIDS) with intelligent Security Management System (SMS) featuring advanced video analytics and access control integrated into one solution for security and operational intelligence

- **A leading company with deep knowledge and award-winning products in the physical security domains**
- Strong balance sheet funds growth
- Well-positioned for growth
 - Highly scalable business model
 - Managing EBITDA margin to exceed prior years' performance
 - Ability to generate cash with low cap-ex

Global Presence

Sales by Region
Nine Months Ended September 30, 2022



Global Reach, Local Support



Manufacturing

Ottawa, Canada

Development centers

Ottawa and Waterloo, Canada

160+ employees worldwide

~25% in R&D – engineers and software developers

~50% facing the customer in Sales, Marketing & Technical support

Recognized global brand

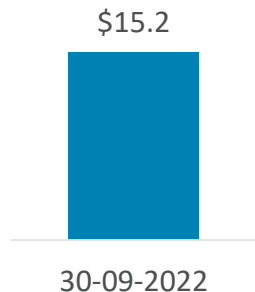
Recognized track record of long-term reliability and support

Our Growth Platform

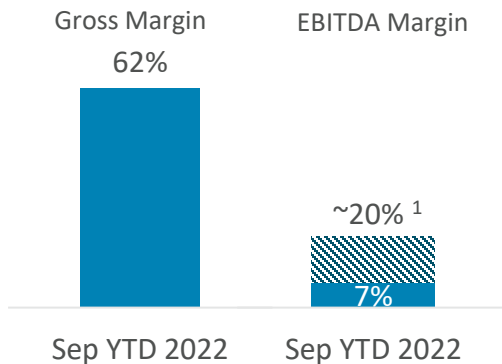
Senstar Technologies Ltd. is a growth platform focused on tech-rich products and solutions for security and operational intelligence. Today, its high-margin solutions division, Senstar Corporation, enjoys brand leadership in innovative PIDS and intelligent SMS. With no debt and a strong cash position, Senstar Technologies has the resources to grow organically and through M&A.

Excess Cash and Zero Debt

(in millions US \$)



High Margin Contribution

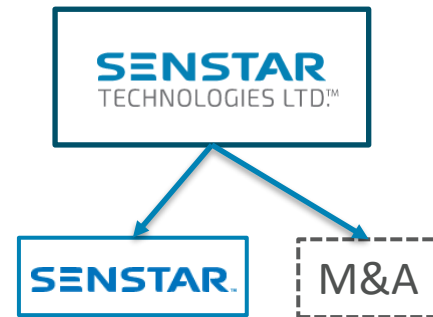


■ Senstar Technologies

▨ Senstar, excluding overhead

1. EBITDA margin of the Senstar group without costs and overhead attributed to the parent (holding) company.

Attractive Growth Platform



SENSTAR
TECHNOLOGIES LTD.™

Established Leadership Team Brings Performance Track Record



Senstar Technologies Ltd.



Dror Sharon
CEO



Tomer Hay
CFO



Senstar Corporation



Fabien Haubert
Managing Director



Alicia Kelly
VP Finance



Jeremy Weese P.Eng.,
Chief Technology Officer

Leadership team's focus on product innovation getting recognition from leading security industry publications and associations



Serving Key Vertical Markets

Senstar's solutions address each vertical's unique requirements

Focus Vertical Features:

- **Growing need** for sophisticated solutions
- **Leveraging** product and project core capabilities
- **Cross-selling** situational awareness and related solutions

Four Focus Verticals

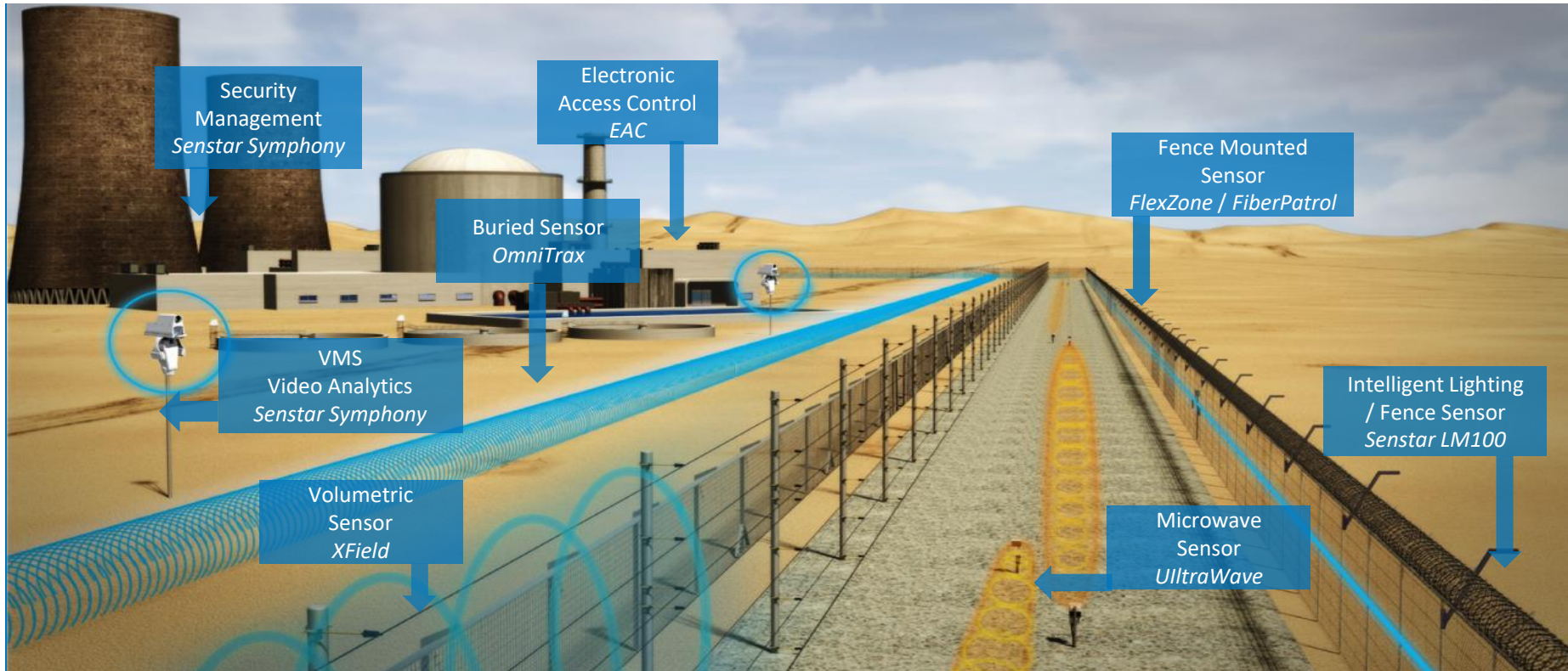


Additional Targeted Verticals



Core Market – Intelligent Perimeter Intrusion Protection

Protecting Critical Infrastructure While Meeting Operational and Regulatory Requirements



Safeguarding People, Places and Property

Senstar has been protecting high-risk assets for over 40 years in thousands of logistics, critical infrastructure, corrections, and energy facilities around the world.

Installed together, Senstar products create complete facility-level solutions:

- Perimeter Intrusion Detection Systems (PIDS)
- Video and Security Management Software (VMS & SMS), video analytics, and access control products and technologies



SENSTAR

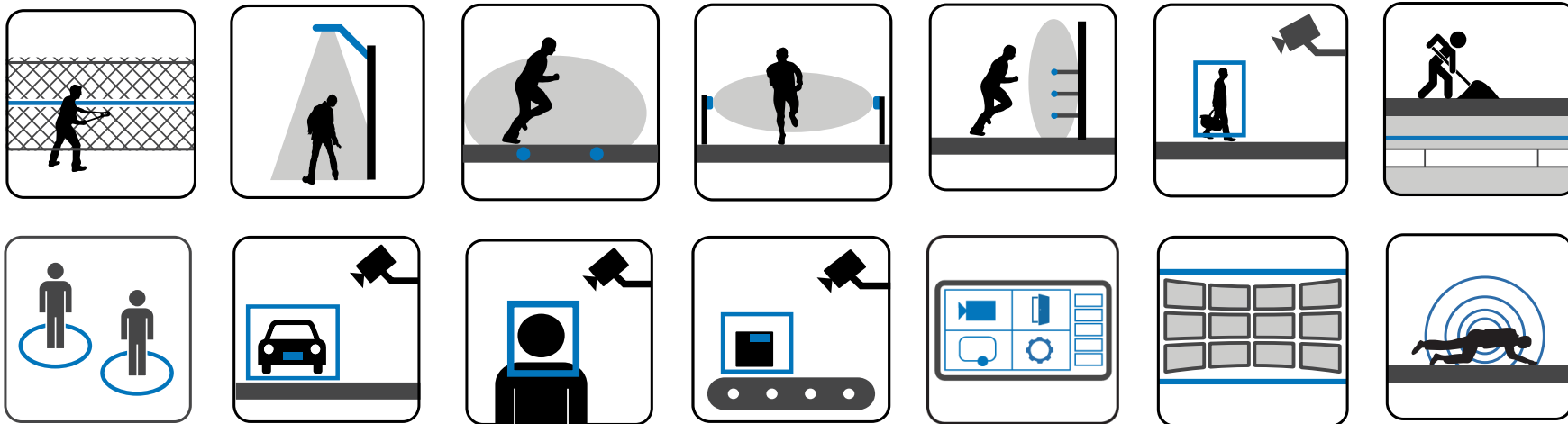
40+ years experience

**50,000+ km of installed sensors
25,000+ VMS deployments**

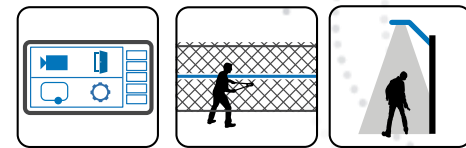
World-wide service and support

Senstar's Commitment to Innovation

- Significant investment of \$14.0M in advanced research and development in past four years
 - Next-generation sensors
 - AI and deep-learning solutions
- Range of product offerings unmatched in the industry
- World's most extensive outdoor security test facility with extreme conditions testing 24/7/365



PIDS – Perimeter Intrusion Detection Systems



- Perimeter protection is the first line of defense in physical security
- Inexpensive, rapid to build, highly configurable fences are the predominant perimeter barrier
- Combined these physical barriers with other security controls creates an effective, integrated security solution for ultimate protection from intruders

Fence Mounted



Sensors attached directly to fence with various capabilities depending on the perimeter's characteristics.

Buried

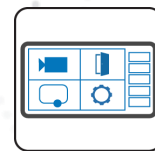


Buried ported coaxial cables or fiber optic sensor cable attached directly to fence. Alarms reported by zone, cable distance, or GPS.

Above Ground



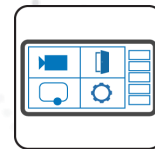
Highly sensitive and customizable to terrain, access needs and status.



Senstar Symphony Common Operating Platform

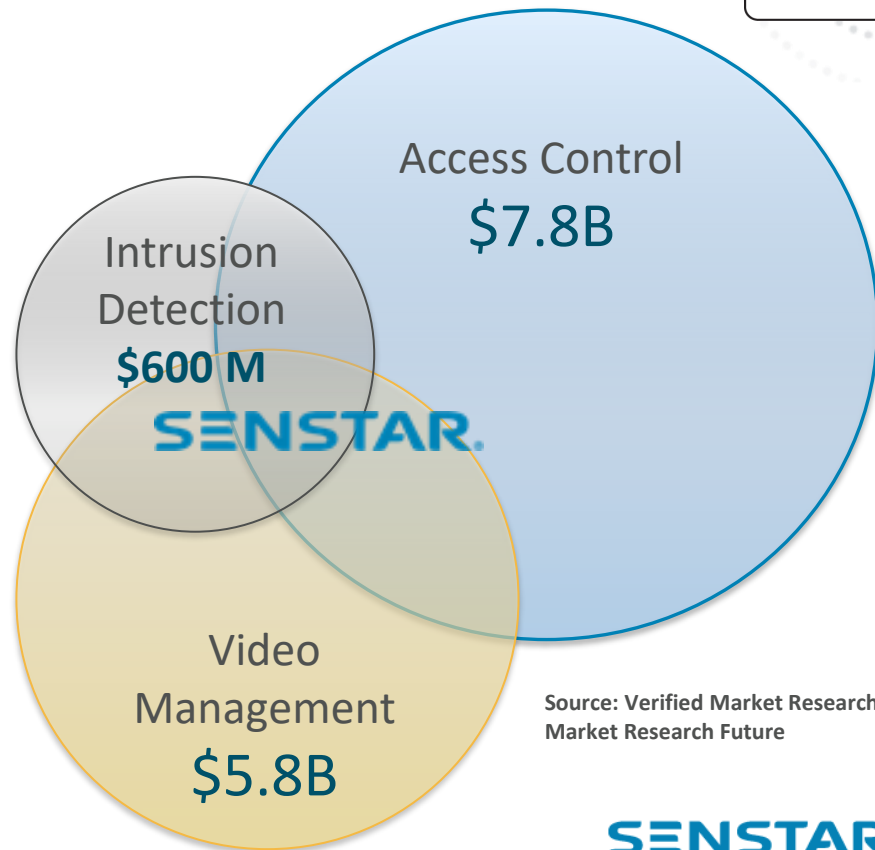
- Innovative, intelligent **open platform** for video, security management and access control
- Strong portfolio of **analytics** applications and business **intelligence** reports
- Full-featured **integrated alarm management** and **access control** modules
- Version 8 features **fusion capabilities** for PIDS, VMS, access control and business intelligence
- **Scalable** solution architecture





Competitive Advantage

- Fusion of “Big Data” is the new paradigm between the three primary domains to drive performance and efficiency
- Typically, competitors are present in only one or two of the domains
- Senstar has the distinct advantage of being the **only company with deep knowledge and products in all three domains**
- **Senstar solutions provide situational awareness and associated remedies**



Source: Verified Market Research
Market Research Future

Growth Drivers

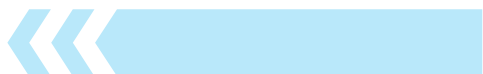
Targeting Four Key Areas For Growth To Grow At Or Above Market Rates



Increasing sales from
FOUR KEY VERTICALS



Delivering new
PRODUCTS, SOFTWARE & SOLUTIONS



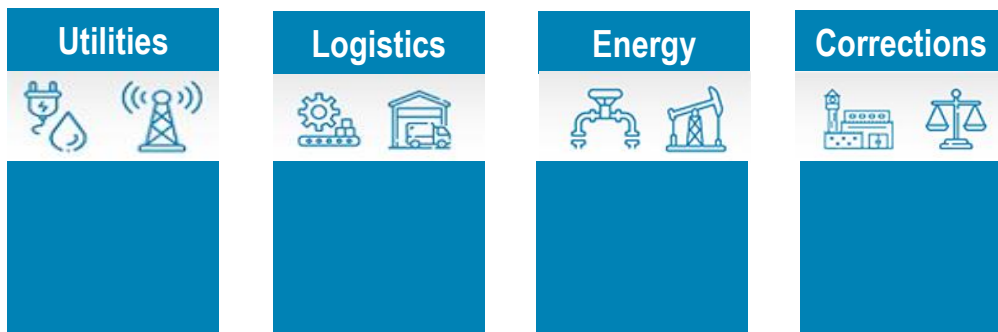
Establishing
NEW DISTRIBUTION
channels



Adding differentiated
technologies & new talent
with **ACQUISITIONS**

Focus on Four Key Verticals

- **Opportunity to increase market share** in four large verticals by leveraging established brand and distribution and **selling lateral product solutions** for adjacent applications beside security
- Enhance customers' installed surveillance systems to provide **new operational intelligence**
 - **Utilities** – Link metadata from TCP devices to still images or video for visual histories
 - **Logistics** – parcel management and loss prevention
 - **Energy** – leak detection and infrastructure monitoring
 - **Corrections** – customized video feeds to employee stations for improved decision making



Developing Sales & Partnerships

- Improving sales efficiencies
 - 50% of Senstar employees are customer facing
 - Expanded Senstar's in-house direct sales team
 - Increasing ticket-size with bundled product solutions designed to work together
 - Leveraging global systems integrators
 - Working with global distributors
- Engaging with resellers to expand into new territories
- Enhancing product offering with current technology partnerships

Key Partners

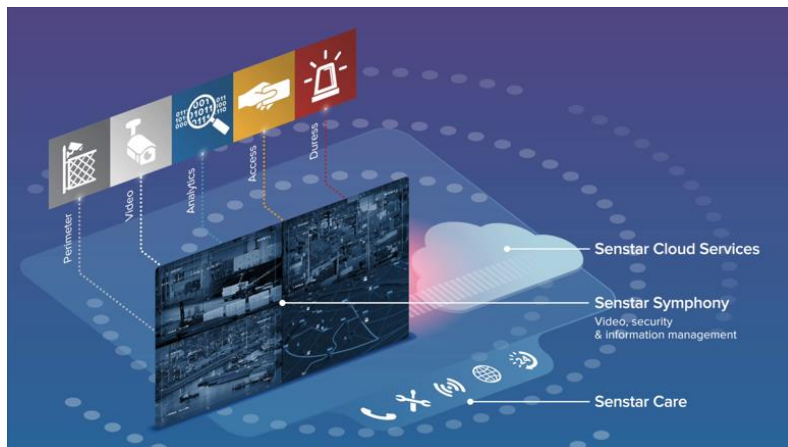


GOAL: derive up to 20 – 30% of sales from new distribution channels

Existing and Future Software Innovation – Deeper Integration

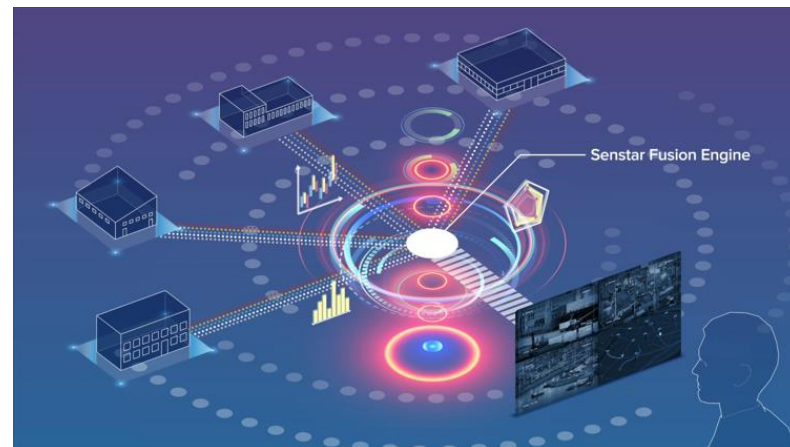
Intelligent video management – open platform, scalable common operating platform

Advanced, AI-powered analytics



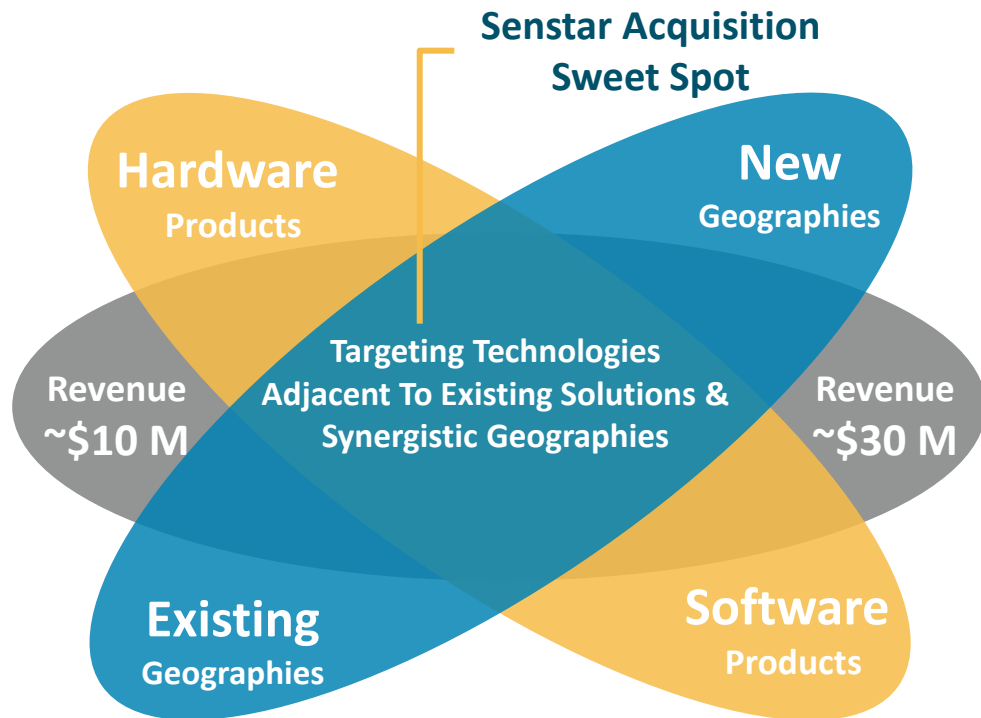
Sensor fusion – next-generation systems process data via fusion engine

Artificial intelligence, pattern recognition, multi-sensory approach



Unique capability fuses sensor and video analytic data on a common platform for improved outcomes

M&A Strategy to Boost Revenue and EBITDA

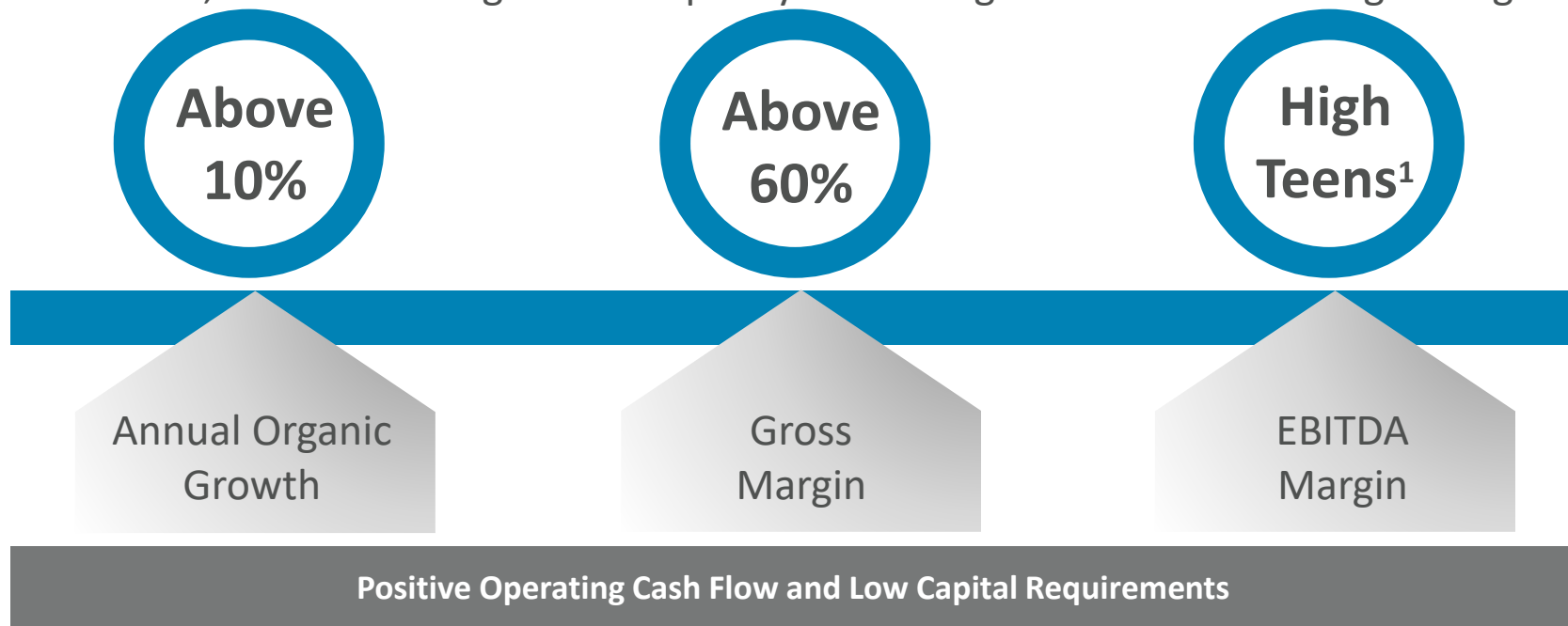


M&A Strategy

- Add synergistic products in growth markets
- Leverage existing platform
- Support growth goals
 - Augment organic revenue growth with selective, strategic M&A
 - Boost EBITDA growth and expand EBITDA margin with operating leverage

Mid-term Business Model: Targeting Solid Financial Results

Low Cap-Ex requirements and positive cash flow enable organic growth at or above market rates, attractive margins and capacity for strategic transactions to augment growth

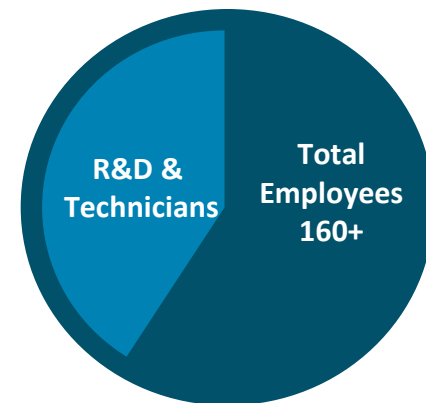


¹ EBITDA margin for Senstar Group only, excludes corporate expenses of Senstar Technologies.

Capital Allocation Priorities Fuel Growth & Shareholder Value

- **Ongoing investment in R&D**
 - Biggest driver of future growth
 - Continuous development of new technology
- **Targeted strategic technology acquisitions**
 - Augment organic growth with M&A
- **Previous Cash Distributions²**
 - On December 28, 2020, paid cash distribution of approximately \$25 million or \$1.08 per share
 - On September 22, 2021, paid cash distribution of approximately \$40 million or \$1.725 per share

Technology Focus



10% of revenues spent on R&D¹

¹ Over past three years, on average.

² Cash distribution made at discretion of the Board of Directors

Key Takeaways

- Strong balance sheet with no debt and cash to fund growth
- Senstar structure optimizes its ability to scale
 - ✓ Differentiated technology offers competitive advantages
 - ✓ Positioned for top line growth
 - ✓ Highly scalable business model
 - ✓ Managing EBITDA margin to exceed prior years' performance
 - ✓ Low cap-ex expected to improve future cash flow



Appendix Slides

CONSOLIDATED STATEMENTS OF OPERATIONS

U.S. dollars in thousands (except per share data)

	Three Months Ended September 30,			Nine Months Ended September 30,		
	<u>2022</u>	<u>2021</u>	<u>% change</u>	<u>2022</u>	<u>2021</u>	<u>% change</u>
Revenue	9,739	9,263	5	25,648	25,905	(1)
Cost of revenue	<u>3,789</u>	<u>3,636</u>	4	<u>9,756</u>	<u>9,161</u>	6
Gross profit	5,950	5,627	6	15,892	16,744	(5)
Operating expenses:						
Research and development, net	1,033	814	27	3,215	2,797	15
Selling and marketing	2,152	2,352	(9)	6,671	6,933	(4)
General and administrative	1,633	1,682	(3)	5,439	4,690	16
Total operating expenses	<u>4,818</u>	<u>4,848</u>	(1)	<u>15,325</u>	<u>14,420</u>	6
Operating income (loss)	1,132	779		567	2,324	
Financial expenses, net	<u>212</u>	<u>(416)</u>		<u>(136)</u>	<u>(619)</u>	
Income (loss) before income taxes	1,344	363		431	1,705	
Income tax benefits (taxes on income)	<u>(97)</u>	<u>(319)</u>		<u>147</u>	<u>(1,724)</u>	
Income (loss) from continuing operations	1,247	44		578	(19)	
Income (loss) from discontinued operations, net	<u>66</u>	<u>(266)</u>		<u>(198)</u>	<u>9,616</u>	
Net income (loss) attributable to Senstar's shareholders	<u>1,313</u>	<u>(222)</u>		<u>380</u>	<u>9,597</u>	
Basic and diluted net income (loss) per share from continuing operations	\$0.06	\$0.00		\$0.03	\$0.00	
Basic and diluted net income (loss) per share from discontinued operations, net	<u>-</u>	<u>(\$0.01)</u>		<u>(\$0.01)</u>	<u>\$0.41</u>	
Basic and diluted net income (loss) per share	<u>\$0.06</u>	<u>(\$0.01)</u>		<u>\$0.02</u>	<u>\$0.41</u>	
Weighted average number of shares used in computing basic net income (loss) per share	<u>23,309,987</u>	<u>23,215,309</u>		<u>23,307,331</u>	<u>23,182,404</u>	
Weighted average number of shares used in computing diluted net income (loss) per share	<u>23,309,987</u>	<u>23,215,309</u>		<u>23,309,964</u>	<u>23,182,404</u>	

RECONCILIATION OF EBITDA FROM CONTINUING OPERATION TO INCOME (LOSS) FROM CONTINUING OPERATION

U.S. dollars in thousands (except per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
GAAP income (loss) from continuing operations	1,247	44	578	(19)
Less:				
Financial income (expenses), net	212	(416)	(136)	(619)
Income tax benefits (taxes on income)	(97)	(319)	147	(1,724)
Depreciation and amortization	(344)	(350)	(1,104)	(978)
EBITDA from continuing operations	<u>1,476</u>	<u>1,129</u>	<u>1,671</u>	<u>3,302</u>

CONSOLIDATED BALANCE SHEETS

U.S. dollars in thousands (except per share data)

SENSTAR TECHNOLOGIES UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS (All numbers expressed in thousands of US\$)

	September 30, 2022	December 31, 2021
CURRENT ASSETS:		
Cash and cash equivalents	\$15,190	\$26,397
Restricted cash and deposits	23	6
Trade receivables, net	8,880	7,723
Unbilled accounts receivable	-	26
Other accounts receivable and prepaid expenses	1,737	2,010
Inventories	7,704	5,751
Total current assets	33,534	41,913
LONG TERM ASSETS:		
Deferred tax assets	551	502
Operating lease right-of-use assets	934	1,228
Total long-term assets	1,485	1,730
PROPERTY AND EQUIPMENT, NET	1,719	2,109
INTANGIBLE ASSETS, NET	1,346	2,186
GOODWILL	10,736	11,449
TOTAL ASSETS	\$48,820	\$59,387

CONSOLIDATED BALANCE SHEETS

U.S. dollars in thousands

SENSTAR TECHNOLOGIES UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS (All numbers expressed in thousands of US\$)

	September 30, 2022	December 31, 2021
CURRENT LIABILITIES:		
Trade payables	\$2,370	\$2,710
Customer advances	228	390
Deferred revenues	2,597	2,704
Other accounts payable and accrued expenses	6,040	13,203
Short-term operating lease liabilities	244	276
Total current liabilities	11,479	19,283
LONG-TERM LIABILITIES:		
Deferred revenues	1,367	1,690
Deferred tax liabilities	789	899
Accrued severance pay	459	523
Long-term operating lease liabilities	722	969
Other long-term liabilities	221	266
Total long-term liabilities	3,558	4,347
SHAREHOLDERS' EQUITY		
Share Capital: Ordinary shares of NIS 1 par value -		
Authorized: 39,748,000 shares at September 30, 2022 and December 31,		
2021; Issued and outstanding: 23,309,987 shares at September 30, 2021 and		
23,301,653 shares at December 31, 2021	6,799	6,796
Additional paid-in capital	30,486	30,394
Accumulated other comprehensive loss	(1,275)	1,222
Foreign currency translation adjustments (stand-alone financial statements)	9,735	9,687
Accumulated deficit	(11,962)	(12,342)
TOTAL SHAREHOLDERS' EQUITY	33,783	35,757
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$48,820	\$59,387

Thank You.

senstar.com