Arecont Vision Update

April Customer Update

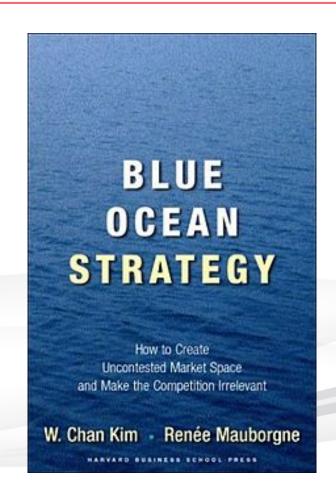


Arecont Vision Company Update – April 2017



- Good finish to March 2017!
- Important field changes in North America are complete.
- Manufacturers Reps continue to be an important part of our sales team.
- New products are coming and were on display at ISC West last week!
- Continued Progress with VMS/NVR Partner sales opportunities, business alignment, integration, projects/orders, events, training and execution.
- Project Registration highlighted by Top Distributors and SI/dealers. They are bought in!
- Quality and Service continue strong improvement in RMA reductions and solid call rates.
 Averaging less than 2 voice messages per day!
- Operations, Assembly, Distribution working more efficiently in their new areas in our WHQ.
 Technical Support, Product Management, Quality and Engineering teams are now much better aligned and the cooperative work is happening more easily.
- Customer Satisfaction continues to improve and highly rated!





Blue Ocean: Create Uncontested Market Space



Leading the Way in Megapixel Video

Companies can succeed not by battling competitors, but rather by creating "blue oceans" of uncontested market space.

These strategic moves create a leap in value for the company, its buyers, and its employees while unlocking new demand and making the competition irrelevant.

Blue Ocean Uncontested Market

Red Ocean Highly Competitive Market

Blue Ocean: Create Uncontested Market Space



Leading the Way in Megapixel Video

<u>Arecont Vision Successes in Creating Blue Oceans</u>

2004: First 1-3MP Camera

2006: First Multisensor 180/360 degree Panoramic Cameras

2007: First Dual-sensor Day/Night Camera

2008: First line using H.264

2010: First Multisensor 180/360 degree Panoramic Cameras: Day/Night

2013: First 1-5MP MicroDome

2014: First OMNI

2015: First Multisensor 180/360 degree Panoramic Cameras: Remote Focus

2016: First OMNI: Remote Focus

2017: First OMNI: Remote Positioning

Blue Ocean: Create Uncontested Market Space



Leading the Way in Megapixel Video™

Positioning Products Options

- Blue Ocean, Red Ocean
- Good, Better, Best

Translation

- Good = Red Ocean
- Better = "Purple Ocean" (a new category!)
- Best = Blue Ocean

So how do we position the Arecont Vision product line?

Innovation: SurroundVideo® Omni Evolution



Leading the Way in Megapixel Video™



Prototype

Gen 1=GOOD





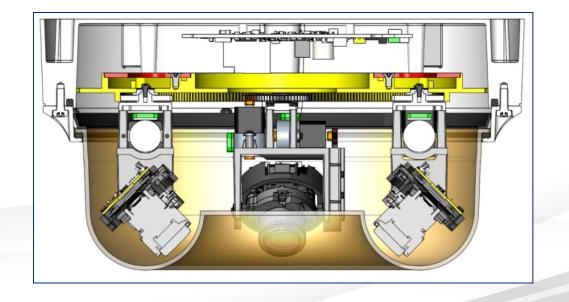




Gen 2=BETTER









	Good*	Better**	Best***	
CAMERA TYPE	Arecont Vision	Arecont Vision	Arecont Vision	
вох	AVx115DN (1-10MP)	AVx215PM (1-10MP)		
ВОХ		AV 4K Box Camera		
MICRODOME	MicroDome 1 (1-5MP)	MicroDome 2 (1-5MP)		
WIICKODOWIE		MicroDome 2 IR (1-5MP)		
	MegaDome 1 (1-5MP)	MegaDome 2 (1-10MP)	MegaDome 3 (2-5MP)	
MEGADOME	MegaBall 1 (1-5 MP)	MegaDome 4K		
		MegaBall 2 (1-5MP)		
BULLET	MegaView1 (1-5MP)	MegaView 2 (1-10MP)		
BOLLET		MicroBullet (2-3MP)		
TETHERED		MegaVideo Flex(1-5MP)		
CAMERA				
MULTISENSOR	SV Panoramic (8-40MP)	SV G5 Panoramic (5-20MP)		
(180°/360°)		MicroDome Duo (4-10MP)		
MULTISENSOR	SV Omni G1 (12, 20MP)	SV Omni G2 (12, 20 MP)	SV Omni G3 (12, 20MP)	
(OMNI)				

Good, Better, Best: Vendor A



CAMERA TYPE	Good*		Better**		Best***	
CAIVIERA I TPE	Vendor A	Arecont Vision	Vendor A	Arecont Vision	Vendor A	Arecont Vision
вох	1MP-4K	AVx115DN (1-10MP)	1-5MP, 4K	AVx215PM (1-10MP)		
				AV 4K Box Camera		
MICRODOME	1-2MP	MicroDome 1 (1-5MP)		MicroDome 2 (1-5MP)		
IVIICKODOIVIE				MicroDome 2 IR (1-5MP)		
	1-5MP	MegaDome 1 (1-5MP)	1-5MP, 4K	MegaDome 2 (1-10MP)		MegaDome 3 (2-5MP)
MEGADOME		MegaBall 1 (1-5 MP)		MegaDome 4K		
				MegaBall 2		
BULLET	1-5MP	MegaView1 (1-5MP)	1-5MP, 4K	MegaView 2 (1-10MP)		
DULLET				MicroBullet (2-3MP)		
TETHERED				MegaVideo Flex(1-5MP)		
CAMERA						
MULTISENSOR	8MP	SV Panoramic (8-40MP)		SV G5 Panoramic (5-20MP)		
(180°/360°)				MicroDome Duo (4-10MP)		
MULTISENSOR		SV Omni G1 (12, 20MP)	9, 12MP	SV Omni G2 (12, 20 MP)		SV Omni G3 (12, 20MP)
(OMNI)						



	Go	od*	Better**		Best***	
CAMERA TYPE	Vendor B	Arecont Vision	Vendor B	Arecont Vision	Vendor B	Arecont Vision
вох	1-2MP	AVx115DN (1-10MP)	1-5MP	AVx215PM (1-10MP)		
ВОХ				AV 4K Box Camera		
MICRODOME	1-3MP	MicroDome 1 (1-5MP)		MicroDome 2 (1-5MP)		
IVIICKODOIVIL				MicroDome 2 IR (1-5MP)		
	1-5MP	MegaDome 1 (1-5MP)	1-2MP	MegaDome 2 (1-10MP)	2.1MP	MegaDome 3 (2-5MP)
MEGADOME		MegaBall 1 (1-5 MP)		MegaDome 4K		
				MegaBall 2		
BULLET	2, 4 MP	MegaView1 (1-5MP)	2-5MP	MegaView 2 (1-10MP)		
BOLLLI				MicroBullet (2-3MP)		
TETHERED	1-2 MP			MegaVideo Flex(1-5MP)		
CAMERA						
MULTISENSOR	4xHD-4K	SV Panoramic (8-40MP)		SV G5 Panoramic (5-20MP)		
(180°/360°)				MicroDome Duo (4-10MP)		
MULTISENSOR	8MP	SV Omni G1 (12, 20MP)		SV Omni G2 (12, 20 MP)		SV Omni G3 (12, 20MP)
(OMNI)						



	Good*		Better**		Best***	
CAMERA TYPE	Vendor C	Arecont Vision	Vendor C	Arecont Vision	Vendor C	Arecont Vision
вох	1-12MP	AVx115DN (1-10MP)	2, 5 MP	AVx215PM (1-10MP)		
				AV 4K Box Camera		
MICRODOME		MicroDome 1 (1-5MP)		MicroDome 2 (1-5MP)		
				MicroDome 2 IR (1-5MP)		
	1-5MP	MegaDome 1 (1-5MP)	1-5MP, 4K	MegaDome 2 (1-10MP)		MegaDome 3 (2-5MP)
MEGADOME		MegaBall 1 (1-5 MP)		MegaDome 4K		
				MegaBall 2		
BULLET	1-5MP	MegaView1 (1-5MP)	4K	MegaView 2 (1-10MP)		
DOLLLI				MicroBullet (2-3MP)		
TETHERED	2MP			MegaVideo Flex(1-5MP)		
CAMERA						
MULTISENSOR	8MP	SV Panoramic (8-40MP)		SV G5 Panoramic (5-20MP)		
(180°/360°)				MicroDome Duo (4-10MP)		
MULTISENSOR		SV Omni G1 (12, 20MP)		SV Omni G2 (12, 20 MP)		SV Omni G3 (12, 20MP)
(OMNI)						

Positioning Arecont Vision Product Line: Good, Better, Best



Leading the Way in Megapixel Video

What this means for you

- You have a new way to talk about our product line and its advantages
- You are better positioned with Arecont Vision than ever before with excellent, proven products from "Good" to "Better" to "Best"!

2. What action we want for you to take

- Drive the tip of the spear: Our "Better" and "Best"!
- Tell your Customers about our advantages and leadership and how this helps them be more differentiated.
- Work with A&E/Consultants with our leading Better and Best products
- Position our mutual market leadership vs. competitors that have the majority of their product line in the "Good" category and very few in the "Better", and zero in the Best!

Spring 2017 Promotion Program



Special, New Pricing on Select "Good" Products

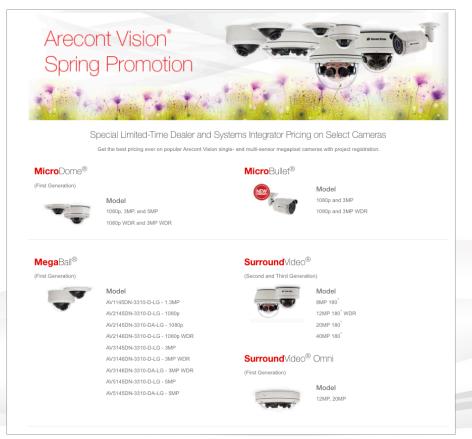


- What is in the program
 - MicroDome 1 (all models but advertising 1080p as the example)
 - MegaBall 1
 - MicroBullet
 - SurroundVideo G2-G3
 - OMNI 1
- SI/Dealer Pricing
 - Target prices included in materials
 - Distributors, of course, can price how they wish
- Always an opportunity to upsell to "Better" and "Best" products

Spring 2017 Promotion Program: Distributor/PR Pricing



Leading the Way in Megapixel Video



MicroDome1 1-3MP: Change -10%

MicroDome1 5MP: Change -28%

MegaBall1: Change -12-37%

MicroBullet: Change -50%

SurroundVideo 2&3: Change -40%

<u>OMNI 1</u>: Change -33-40%

* Does not include shipping, duties, tariffs, taxes.



- Programs released:
 - Spring 2017 Promotion!
 - Trade UP Program
 - Try&Buy Program
 - Extended for Multi-Sensor Products
 - Expanded for MicroDome Duo, 4K and Flex
 - Special Pricing Program on GEN1 via Project Registrations
- SI/dealers should sign up for service parts/demo agreements.
 - Immediate shipment without a credit card.
 - It is fast and simple to do.
- Many new products are shipping now and more to come in the next three months!

Spring Sales & Marketing Programs



- ISC West Las Vegas, NV April 5-7
 - Record show attendance of over 30,000
 - Up 3% from 2016
- Arecont Vision booth was busy throughout, especially on the 1st and 2nd days
- The booth meeting rooms upstairs were fully booked with customer and partner sessions







https://www.youtube.com/watch?

v=sxWU4gGImqU



Four Press Announcements @ ISC West



Leading the Way in Megapixel Video™

 Arecont Vision® SNAPstream[™] Bandwidth Reduction Technology Supports Multiple New and Existing Megapixel Cameras



Arecont Vision[®] Showcases SurroundVideo[®] Omni G3
 Omnidirectional Multi-Sensor Camera With Remote Setup



 Arecont Vision® Unveils MicroDome® G2 with Integrated IR for Ultra-Low Profile Day/Night Surveillance



 Arecont Vision® Unveils Compact MicroBullet® Indoor/Outdoor Day/ Night Megapixel Camera



New Product Release Guide







Cybersecurity Education Initiative



Leading the Way in Megapixel Video™

- Arecont Vision cameras are protected from being repurposed for unwanted cyberattack
 - Other vendor's products can be maliciously repurposed and used in cyberattack on other network-enabled devices
- Our white paper discusses in detail
- Download it at: https://www.arecontvision.com/whitepapers/

Arecont Vision Cybersecurity Protection



Technology

Competitor cameras are increasingly used in cybersecurity attacks

- Cyberattacks are no longer limited to IT devices
- Many network cameras, computers, appliances, and IoT-enabled (Internet of Things-enabled) devices that use Linux have been documented to have been compromised
- They can and have been repurposed to be used in Distributed Denial of Service (DDoS), ransomware, network penetration, and other cyberattacks

Arecont Vision In-House Development



- We use Arecont Vision developed and patented technology
 - We develop our own designs, core code and features (WDR, H.264, SNAPstream, STELLAR, CorridorView, etc.)
 - · We do not license core code or features from 3rd parties
 - · We tune the firmware to our custom-designed hardware to a superior degree versus buying off-the-shelf code & IC chips
- · Arecont Vision does not purchase or use outside software or firmware for core requirements
- · This eliminates risk of malicious code and security risks that may be hidden in 3rd party software or add-on IC chipsets
- We have our own advanced Made in USA assembly, manufacturing technology, quality control, and customer

Arecont Vision Cybersecurity Protection

attacks on other network devices

Made in the USA



An Arecont Vision camera cannot be repurposed to be used in DDoS, ransomware, or network penetration

 This is due to our Massively Parallel Image Processing architecture that takes the place of common operating systems found in competitor devices

 This enables Arecont Vision to balance the user experience along with advanced cybersecurity protection in all of our megapixel cameras





Cybersecurity Education Initiative



Leading the Way in Megapixel Video™

White paper

Made in the USA

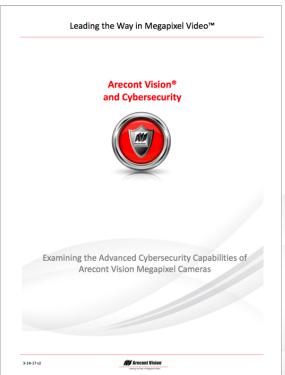
eBlasts

- Sales Presentation
- Editorial Campaign

Technical Updates

Social Media

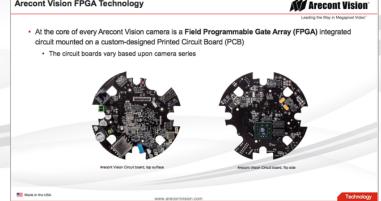
Material













Try-and-Buy (Extended)



Trade Up (Extended)



 50% Off with Project Registration (Extended)

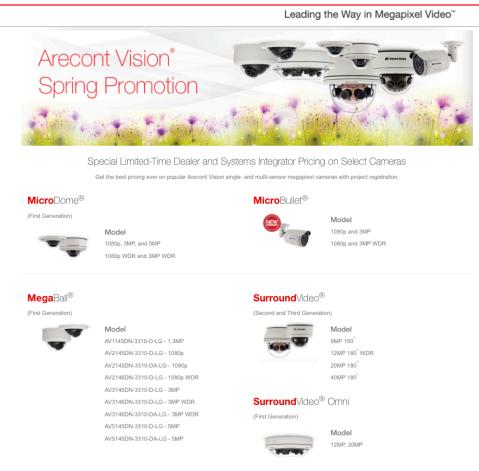


Spring Promo



- The Spring Promo offers our best prices ever on select MicroDome®, MegaBall®, MicroBullet®, SurroundVideo® 180/360 and Omni cameras
- Suggested dealer / systems integrator pricing is significantly better with Project Registration
 - Not all authorized distributors may choose to participate; contact Arecont Vision Inside Sales or your regional team for details

https://www.arecontvision.com/landing-pages/promos/overview.php





- Arecont Vision received two 2017 Government Security Awards (GOVIES)
 - Video Surveillance Advanced Imaging Technologies
 - SurroundVideo® Omni G3
 - Video Surveillance Cameras HD
 - o MicroDome® Duo
- Arecont Vision has now earned more GOVIES for megapixel cameras than any other vendor!







Product Development Update

Bullet-Style IP Cameras



Leading the Way in Megapixel Video

MicroBullet®

1080p or 3 Megapixel (MP) H.264 All-in-One 2.8–8mm Motorized Lens True Day/Night IR Indoor/Outdoor Bullet-Style IP Cameras with SNAPstream[™] (Smart Noise Adaptation and Processing) and WDR (Wide Dynamic Range) Models

Highlighted Features Include:

- 1080p and 3MP Resolutions
- 2.8–8mm Motorized Lens for Remote Focus/Zoom
- Integrated IR LED Illuminator
- SNAPstream[™] (Smart Noise Adaption and Processing) for reduced bandwidth without impacting image quality
- Optional True Wide Dynamic Range up to 100dB at Full Resolution
- True Day/Night with Mechanical IR Cut Filter
- Indoor/Outdoor IP66 and IK-10 Protection Grade



Focus and Zoom







Available on Select





Pixel Binning Mode

on 3MP Models





Arecont Vision



MegaView® 2

Casino Mode™ Maintains at Least 30fps on Select 1080p Models



282mm

MicroBullet

163mm

Resistant IK-10 and IP66 Rated











MegaVideo® 4K



Leading the Way in Megapixel Video™

4K (8.3 Megapixel @ 30 Frames Per Second) Box Camera H.264 Remote Focus/Zoom, P-Iris Lens, True Day/Night, IP Camera

Highlighted Features Include:

- 4K Ultra High Resolution Image Quality
- 8.3MP/30FPS H.264 True Day/Night Indoor Dome IP Cameras
- NightView[™] Technology for Enhanced Low Light Performance
- 4K/1080p Dual Mode
- SNAPstream[™] (Smart Noise Adaption and Processing) for reduced bandwidth without impacting image quality
- Multiple Lens Option with Remote Zoom/Focus and P-iris
- Outdoor Housing Options















SDHC Card Slot (-S Models)



True Day/Night with IR Cut Filter

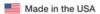


CorridorView™ with 90° Image Flip













MicroDome® G2 w/ IR



Leading the Way in Megapixel Video™

1.2–5MP H.264 All-in-One Ultra Low Profile Remote Focus True Day/Night Indoor/Outdoor IP Cameras with Optional Wide Dynamic Range (WDR)

Series Features:

- 1.2–5MP Models
- True Day/Night with Mechanical IR Cut Filter
- SNAPstream[™] (Smart Noise Adaption and Processing) for reduced bandwidth without impacting image quality
- CorridorView[™]
- Dual Encoder H.264/MJPEG
- Privacy Masking, Motion Detection, Flexible Cropping, Bit Rate Control, Multi-Streaming, Forensic Zooming
- Remote Focus
- 3-Axis Gimbal
- All-in-One H.264 Total PoE Solution

Model Dependent Features:

- **Night**View[™] Color Low Light Technology on the 1.2MP Model
- IR Illumination
- True WDR up to 100dB on some 1080p and 3MP Models
- Binning Mode for Strong Low Light Performance on 3MP and 5MP Models
- Casino Mode[™] on some 1080p Models













Design on 1.2MP Models



Available on AV2556



with Mechanical







Pixel Binning Mode on 3 and 5MP Models



IK-10 and IP66 Rated (Surface Models)











SurroundVideo® Omni G3



Leading the Way in Megapixel Video

12 or 20 Megapixel H.264 All-in-One 3nd Generation Omni-Directional Multi-Sensor Day/Night Indoor/Outdoor Dome IP Cameras with Remote Setup

Highlighted Features Include:

- Multi-Sensor, Multi-Megapixel (12 and 20 MP) Omni-Direction Low Profile Dome Camera with Advanced H.264 Compression, Optional WDR, Increased Frame Rates, and Remote Focus
- No-Touch Remote Setup for all 4 Individual Camera Gimbals for Setup or Field of View Changes
 - 180°, 270°, 360° view presets plus up to 2 custom user-defined presets
 - User-Specific View / Angles / Focus
 - Varifocal motorized lens
- True Day/Night and Wide Dynamic Range (WDR) Models
- SNAPstream[™] Advanced Compression Algorithm Reduces Bandwidth Without Impacting Image Quality







emote Setup SNAPstream Technology



Omni-Directional Track with 4 Customizable Sensors



Presets 180°/270°/360°



Custom Presets Motorized
Pan & Tilt Capable



Wide Dynamic Range ole on Select 12MP Models



True Day/Night with IR Cut Filter



Pixel Binning Mode



Impact / Weather Resistant IK-10 and IP66 Rated



Dual Encoder H.264/MJPEG



MicroDome[®] Duo



Leading the Way in Megapixel Video

4 – 10 Megapixel H.264 Compact All-in-One IP Indoor/Outdoor Dome Camera with 2 Remote Focus Sensors in a Single Enclosure

Highlighted Features Include:

- 2 Sensor Ultra-Low Profile True Day/Night Dome Camera
- 4, 6, and 10 Megapixel Models
- 6 and 10 Megapixel Wide Dynamic Range (WDR) Models
- Choice of 2.1, 2.8, 4, 6, 8, 10, and 16mm lenses (Sold Separately)
- True Day/Night Functionality with Dual Mechanical IR Cut Filters
- Independent Remote Focus Modules for Both Sensors on 3-axis Gimbals
- **Fast Frame Rates**
- Installer-friendly enclosure





















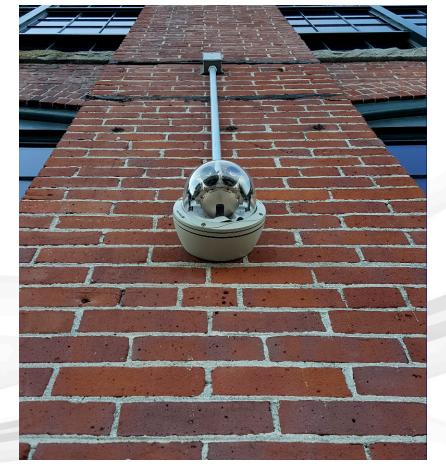








Arecont Vision: Securing Riverwalk Properties





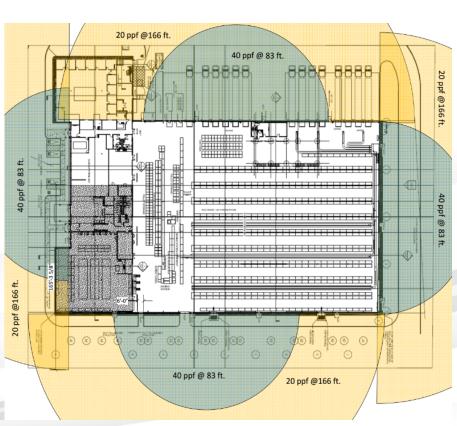




The Solution



- Customer was stunned by the Arecont Vision picture quality.
- Understanding of "Value Engineered" design and savings.
- Approximately 400 Arecont Vision Cameras installed:
 - 70% Single sensor bullet and dome cameras.
 - 30% Multi sensor 180 and 360 degree cameras.
- The project was won through an A+ team effort from:
 - Arecont Vision: RSL and Technical Support
 - American Alarm: Chris Nugent
 - Rep Marketing Solutions: Bob Peach
- A proven solution that benefited all property residents:
 - Medical, Educational, Retail, Energy and Residential
- Arecont Vision had the technology that no competitor had.
- Arecont Vision had the integration that no competitor had.
- Arecont Vision had the ease of use that no competitor had.



Sample Image #1 Parking Lot East





Sample Image #2 Parking Lot West











The Arecont Vision Cameras have played a key role in the crime rate reversal on the property and in the area.





Arecont Vision has been and will be the security backbone at Riverwalk Properties as they continue to expand.





The customer has nothing but the highest praise and appreciation for Arecont Vision cameras.











Enhanced Customer Service and Support



Continuous Improvement



- Arecont Vision conducts monthly satisfaction surveys of our customers
- Over the last 5 years we have delivered tremendous, continuous improvements across 5 key areas
 - Pre-Sales Support
 - Post-Sales Support
 - RMA Process
 - Standing Behind Our Products
 - Commitment to Integration
- Our customer scores have improved significantly over the past 5 years... here's why!



Pre-Sale Support: Inside Sales & Field Application Engineering



Leading the Way in Megapixel Video™

21% improvement rating

- More and better people providing pre- and postsales support
- Improved internal processes speed the process
- Improved and increased internal training for faster resolution of problems
- Improved software, website, and product documentation reduces issues



Ernie Velayo, Manager Inside Sales Team



20% improvement rating

- Better training and processes for our Technical Assistance Center (TAC)
 - Closer collaboration with Quality Assurance, Product Management, and Engineering teams
 - "Closed-loop" process, better focus on follow up and swift resolutions
- Call answer rates much improved
 - The TAC averages only 2 voicemails per day
- Better product documentation





38% improvement rating

- RMAs and Advance Replacement
 - New, easy online RMA process
 - More inventory to ship replacements faster
 - Improved Advance Replacement process
 - Programs for both "In" and "Out" of warranty products
 - Service account program expedites RMA turnaround







Standing Behind Our Products



Leading the Way in Megapixel Video

12% improvement rating

- Warranty
 - 3 year standard warranty continues on all products
 - 5 year extended warranty available via Project Registration
 - In-Warranty Advance Replacement program
 - Optional Out of Warranty Advance Replacement or repair
- Quality
 - Improved product quality & continuous quality improvement effort
 - Fewer requested returns/issues
- Customer Commitment
 - Willing to go the extra mile to support our customers in resolving challenges





Advanced Manufacturing and Quality Control Processes



Extensive warranty, product quality, and processes

Commitment to Integration



Leading the Way in Megapixel Video

- We continue to invest in the Arecont Vision
 MegaLab[™] test and certification facility
- We are committed to delivering outstanding choices for world-class solutions integrated with Arecont Vision megapixel cameras
 - Most leading VMS and NVR vendors participate
 - 5 new VMS partners plus 43 new infrastructure partners added in the past 12 months alone
- Learn more about the MegaLab at

https://www.arecontvision.com/supports/megalab



Help Us Help You



Leading the Way in Megapixel Video

- Arecont Vision will continue to strive for process improvements to deliver even better pre- and post-sales support
- Contact us whenever you need assistance with Arecont Vision products or to be included in our next Customer Survey

Pre-Sales Support

Call Inside Sales +1.818.937.0700 #3

Email Inside Sales avsales@arecontvision.com

Contact Inside Sales on the Web https://www.arecontvision.com/contactform.php

Find Your Local Sales Team https://www.arecontvision.com/contactform.php



Post-Sales Support

Call the Technical Assistance Center +1.818.937.0700 #1

Email the Technical Assistance Center support@arecontvision.com

Contact the TAC on the Web

https://www.arecontvision.com/contactform.php

Visit the Resource Center on the Web https://www.arecontvision.com/resources.php

Contract Us