GFAI

Guardforce AI Co., Limited

Nasdaq: GFAI/GFAIW

Empowering Business with AI Solutions

INVESTOR PRESENTATION
April 30, 2024

Forward Looking Disclosures

This presentation contains forward-looking statements that are based on our management's beliefs and assumptions and on information currently available to us. All statements other than statements of historical facts are forward-looking. These statements relate to future events or to our future financial performance and involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. Forward-looking statements include, but are not limited to, statements about: our goals and strategies; our future business development, financial condition and results of operations; expected changes in our revenue, costs or expenditures; growth of and competition trends in our industry; our expectations regarding demand for, and market acceptance of, our products; our expectations regarding our relationships with investors, institutional funding partners and other parties we collaborate with; our expectation regarding the use of proceeds from the offering; fluctuations in general economic and business conditions in the markets in which we operate; relevant government policies and regulations relating to our industry; key personnel continuing their employment with us; and the impact of the COVID-19 pandemic.

In some cases, you can identify forward-looking statements by terms such as "may," "could," "will," "should," "would," "expect," "plan," "intend," "anticipate," "believe," "estimate," "predict," "potential," "project" or "continue" or the negative of these terms or other comparable terminology. These statements are only predictions. You should not place undue reliance on forward-looking statements because they involve known and unknown risks, uncertainties and other factors, which are, in some cases, beyond our control and which could materially affect results. Factors that may cause actual results to differ materially from current expectations include, among other things, those listed under the heading "Risk Factors" and in our annual report for our fiscal year ended December 31, 2023 on Form 20-F. If one or more of these risks or uncertainties occur, or if our underlying assumptions prove to be incorrect, actual events or results may vary significantly from those implied or projected by the forward-looking statements. No forward-looking statement is a guarantee of future performance.

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The forward-looking statements made in this presentation relate only to events or information as of the date on which the statements are made in this presentation. Although we have ongoing disclosure obligations under United States federal securities laws, we do not intend to update or otherwise revise the forward-looking statements in this presentation, whether as a result of new information, future events or otherwise.

This presentation also contains estimates and other statistical data made by independent parties and by us relating to market-size and other data about our industry. This data involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such data and estimates. In addition, projections, assumptions and estimates of our future performance and the future performance of the markets in which we operate are necessarily subject to a high degree of uncertainty and risk. Neither we nor our affiliates, advisors or representatives makes any representation as to the accuracy or completeness of that data or undertake to update such data after the date of this presentation.

Part 1 | Established Cornerstones

Security Services
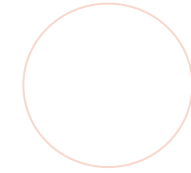
1. SECURED LOGISTICS (THAILAND)[1]

Comprehensive end-to-end Cash Management Solution supporting Banks, Government Organizations, Retailers, Hospitals, Multi-Nationals, Blue Chip Companies and more.

o Trusted Partner in Thailand

o One-Stop-Shop Solution: Processing, Verification and Banking

o 41+ years proven track record and extensive service experience

o 21 Branches in Thailand
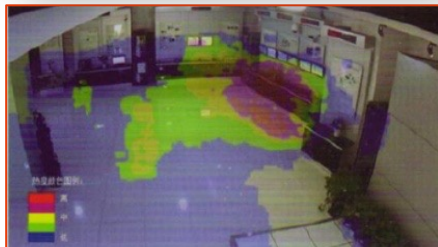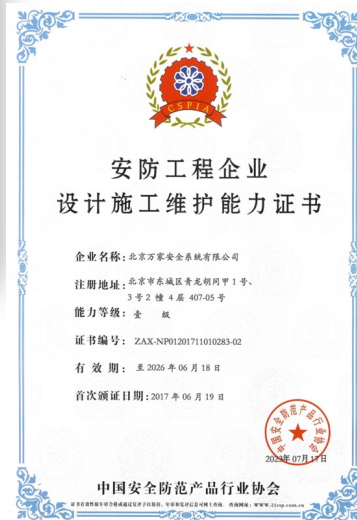
o > 450 Secured Vehicles

o > 20% Market Cap

1. https://www.prnewswire.com/news-releases/secure-logistics-market-size-to-grow-by-usd-25-22-bn--35-of-the-growth-originates-from-apac-technavio-301542650.html

Security Services

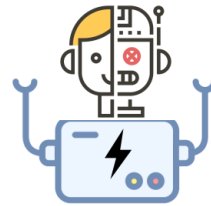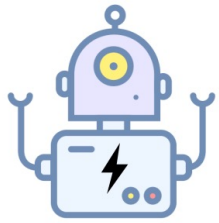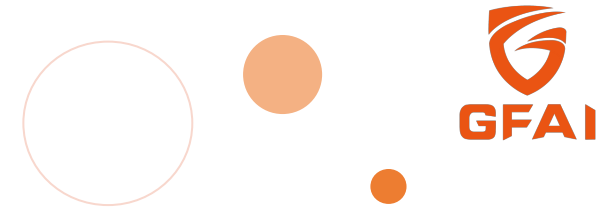## 2. GENERAL SECURITY SOLUTIONS[1]

Comprehensive CCTV & security alarm system operations, security engineering and maintenance services, commercial smart retail operation management services, with high concentration on retail clients and chain stores.

o 27 years of operational experience

o Premier long-term retail customer relations

o Certified security engineering in China

o Broad service network covering 600 cities in Mainland China

1. https://www.prnewswire.com/news-releases/commercial-security-system-market-worth--376-34-billion-globally-by-2028-at-8-54-cagr-verified-market-research-301254921.html

AI & Robotics

Robot-as-a-Service (RaaS)

- Smart Devices: robots for onsite services
- Interaction based on GFAI ICP[1]

AI Solutions (SaaS)

- 3rd party integration to extend features
- AI integration capability through Centralized GFAI ICP
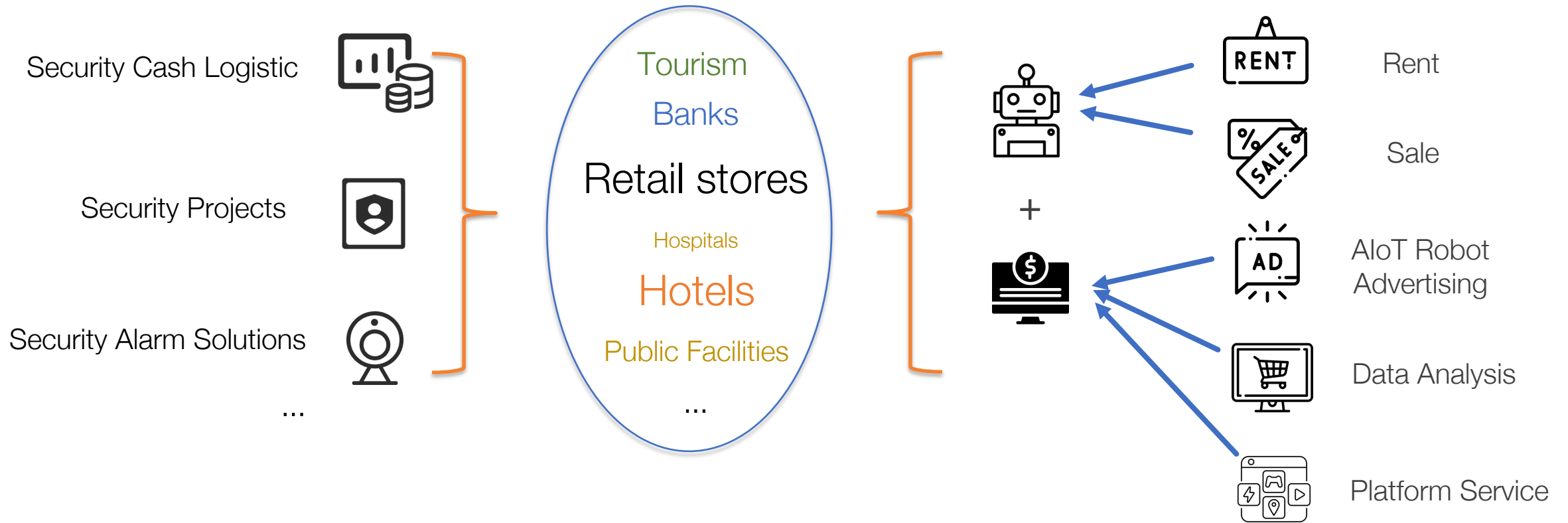
Platform-as-a-Service (PaaS)

- Data Analysis/ Computing/ Storage

1: GFAI ICP: Guardforce AI Intelligent Cloud Platform

Revenue Model

Diversified Solutions Serving the Same Client Base, Creating Multiple Revenue Streams

Security Cash Logistic

Security Projects

Security Alarm Solutions

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Tourism

Banks

Retail stores

Hospitals

Hotels

Public Facilities

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Rent

Sale

AIoT Robot
Advertising

Data Analysis

Platform Service

Leveraging client base synergies to enhance our second-phase business growth

Premier Client Base
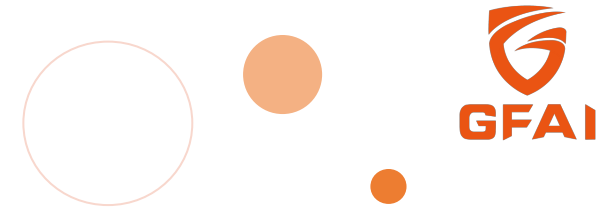
Cornerstones Summary

Recurring Revenue

Recurring revenue foundation set sustained growth across all verticals.

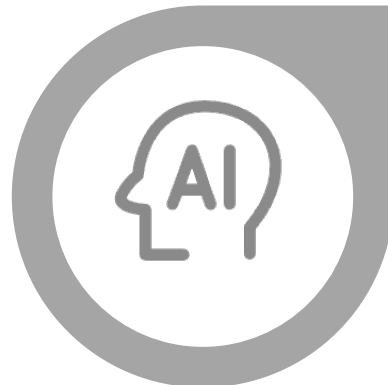## Proven Track Record

41+ years proven track record at the as a service provider, expanding with loyal and growing customer base, especially in the retail and tourism industry.

AI Implementation

AI solutions incorporating Generative AI for client implementation.

Asia Pacific Focused

Focused on the Asia Pacific region with expanding presence in the U.S.

GFAI

Part 2 | Navigating the AI Era

Market Pain Points

Travel

Travelers:
- **Customer Personalization and Experience:** tailored travel suggestions to accurately attract customers
- **Smart Itinerary Planning:** create and packing right resources for trip planning.

Service Providers:
- **Travel Demand Forecasting:** predict travel demand accurately for optimizing resources packaging and allocation, lowering operational costs
- **Trip Resources Allocation and Operational Efficiency:** efficient AI-driven solution for resource allocation such as scheduling, ticketing, etc.

Retail

Retailers:
- **Customer Relationship Management (CRM):** analyze past data for customer behavior, personalize recommendations and predict future needs, all to increase customer loyalty and cross-selling opportunities.
- **Operation Optimization:** increase efficiency in forecasting services and sales, inventory managements and resource allocations,.
- **Predictive analytics and business insights:** to uncover hidden patterns, identify trends, and provide actionable information in that can help decision-maker informed quickly.

The Growing Market: AI in Retail and Travel

By 2025, generative AI will be embedded in **80%** of conversational AI offerings, and **60%** of marketing departments will be using some form of generative AI. [1]

- **Sales & Marketing:** personalized product recommendation, searching, planning, and marketing.[3]
- **Voice consultation:** By 2026, more than 50% of enterprise applications will be conversational, up from 5% today.[4]
- **Operation:** Operation analysis & solution Introduction, Automatic Workflow Design

The tourism market is expected to grow by 5.8% per year, doubling the expected global economy growth (2.7%).[2]

Generative AI in Retail Market is expected to grow at a CAGR of **36.8%** (2023-2032), reaching **$8,386** million USD by 2032. [5]

Generative AI in Tourism Market is expected to grow at a CAGR of **17.5%** (2023-2029), reaching **9,598.75** million USD by 2029. [6]

Notes & Source :
1. Emerging Tech: Generative AI Adoption Trends and Future Opportunities, September 1 2023, ID G00796158, https://www.gartner.com/document/4703599?ref=solrAll&refval=393730296&
2. https://wttc.org/news-article/travel-and-tourism-sector-expected-to-create-nearly-126-million-new-jobs-within-the-next-decade#:~:text=Julia%20Simpson%2C%20WTTC%20President%20%26%20CEO,be%20related%20to%20our%20sector
3. The promise of travel in the age of AI, September 2023, Skift Research and Mckinsey & Company, Page 18, Exhibit 6 – Gen AI enables next-generation travel
4. Emerging Tech: Generative AI Adoption Trends and Future Opportunities, September 1 2023, ID G00796158, https://www.gartner.com/document/4703599?ref=solrAll&refval=393730296&
5. https://www.enterpriseappstoday.com/news/generative-ai-in-retail-market-hit-usd-8386-mn-by-2032.html
6. https://www.maximizemarketresearch.com/market-report/generative-artificial-intelligence-in-tourism-market/191156/

AI Era Evolution

Computational Power → **AI Model & Algorithm** → **Market Solutions Devices & Application**
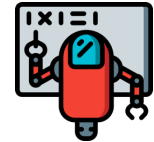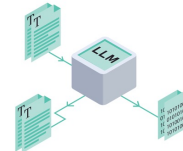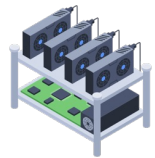
Stage	Time Span	Computing power	Key Company & Technology	Market Solutions
Current Stage	Now	Centralized	Google、Amazon、Alibaba、Boston Dynamic、UbiTECH NLP、ML、CNN、SLAM、PID	Basic robot applications and RaaS
Stage I	2024-2026	Centralized & Decentralized	OpenAI、Microsoft、Facebook、Google、Nvidia & Blockchain company LLM、VLM、ACT、VINN	AI Agents with Robots & Devices(Robots) as Computing Power
Stage II	2025-2027	Centralized & Decentralized	AI-driven Tech Companies LLM、VLM、MLLM、General-Purpose AI Models	AI Agents with all Smart Devices & Smart Devices as Compute Power
Stage III	2027-2030	Networked Intelligence: Fully Networked Auto-Learning AI Models + Highly Adaptive Intelligent Systems and Applications		

Current Stage: AI & Robotic Solutions

Centralized Compute Power

Virtualization

CDN

Big data storage

Docker

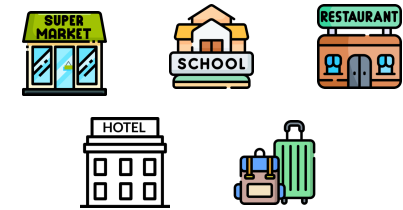Load balancing

Data visualization

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AI Model & Algorithm

Text Processing

Speech Synthesis

Programming Automation

Image Generation

Video Generation/Editing

3D Virtual Space Construction

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Scenario Focus

Access Track

I-Facility Security Robot

Smart Hotel Solution

Voice AI Assistant

Food and Goods Delivery

AIoT Robot Advertising

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AI Agents Solutions with Multi-Compute Power

Customer Requirements

Retail

- Customer Service
- Marketing & Ad
- Product Recommendation

Tourism

- Data Analysis
- Operation Efficiency

AI Tech Foundation

- GFAI Customer Base
- GFAI ICP
- GFAI RaaS Solutions

Mature RaaS Scenario Solutions

- Open-Sourced Model
- AI Agents Frameworks
- Centralized Computing

Applicable LLM AI Frameworks

- Decentralized Computing
- DePIN ecosystem
- Blockchain Technology

Expansion on Distributed Compute Power

AI Agents Solutions

- AI Customer Support
- AI Travel Planner
- AI Tour Guide

Cloud-Based AI & Solutions Platform

- AI Market Planning
- AI Ad Production
- Product Suggestions

Smart Device-Based Application & Compute Platform

Provide More Compute Power

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2024 Strategy: Fortifying the Business Foundation

Strengthen Security Client Base

- Strengthen client base with added value services

- Continue to expand retail clients in security sector

- Expand digital solution implementations

- Grow the abilities in technical service

Leverage Sales Channels in Asia Pacific

- Market Focus: Thailand, China, Macau, Hongkong, Malaysia, Singapore, and the U.S.

- Leverage the overall sales with AI Solutions

- Integrate the service capability and customer synergies

2024 Strategy: Advance AI Technology

R&D Team

Establish an R&D team for AI Solutions

AI Integration

Upgrade with Generative AI integration and form diversified AI solutions, especially AI Agent Solutions

Platform Upgrade

Keep upgrading GFAI ICP with AI integrations for further Data and Computing

Retail & Tourism Vertical Implementation

Specifically focus on retail and tourism industry where our client base is concentrated, adding value to this service vertical

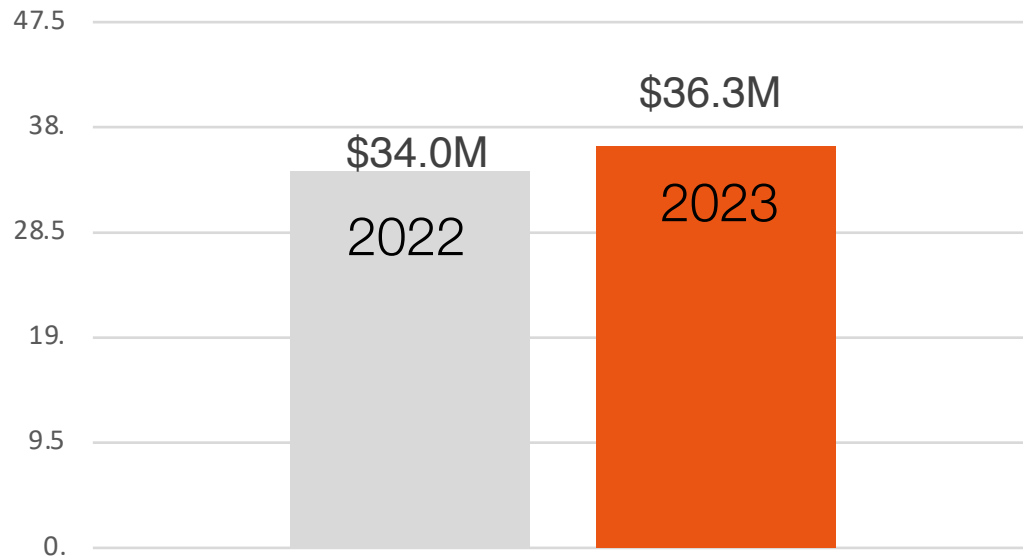Part 3

Financial Highlights & Leadership

Financial Snapshot

Revenues 2022 vs 2023

Amount in USD	2022	2023
Revenue[1]	34.0M	36.3M
Gross Margins[2]	11.1%	14.9%
EBTIDA[3]	(11.3M)	(23.3M)
Total Assets	61.2M	45.8M
Total Cash	8.2M	22.0M

1: Revenue increase by 6.8%, due to the recovery of the market in secured logistics and general security. We also witnessed emerging growth in retail and tourism industry in Thailand after the new travel visa policy in early 2024, therefore benefiting both our cash business and AI robotic business in the coming year.

2: Gross Profit increased due to cost control. Gross profit increased by an approximately 43% compared to 2022.

3. EBTIDA：loss due to business transition from RaaS to Robots with AI solutions, which has resulted in a non-cash impairment impact from obsolete inventory and fixed assets in robotics in 2023.

Experienced Management

**LEI WANG
(OLIVIA)**

CHAIRWOMAN & CEO

More than 18 years in
Technology of Solutions and
Services; MBA

BOARD MEMBER

**YUTING ZUO
(CATHERINE)**

CFO

More than 10 years in accounting,
corporate finance and SEC
reporting, qualified AICPA

**KEE YUN KWAN
(TOMMY)**

COO

More than 40 years in Security, VP
Thailand Security Association

LIN JIA

PRESIDENT

More than 12 years in the robotics
industry, Specializing in RaaS,
PaaS, and SaaS development.

Seasoned Board (Independent)

DAVID VICCARS

- Over 20 years of senior-level experience in the security industry within the APAC region
- Former Director at Securitas Asia
- Formerly served the British Army with the Royal Tank Regiment

JOHN FLETCHER

CHAIR - COMPENSATION

- Chief Operating Officer at Pluris Capital Group, Inc
- Registered broker/dealer and Chief Financial Officer at Rebus Capital Group, LLC
- Formerly served as the Managing Director at Maxim Capital Group, LLC
- Previously served as a Managing Director and co-head of Brean Capital, LLC

DONALD PANGBURN

CHAIR - AUDIT

- Formerly North America Director at Horwath International and served as executive council
- Specialized in providing services to SEC reporting clients in Hong Kong, Taiwan, Mainland China, Singapore and Malaysia
- Certified Public Accountant in the United States

Investment Highlights

- **Foundation**: 41+ years of service excellence with a prime customer base

- **AI Transforming**: From traditional security business to AI Solutions implementation

- **Penetration in AI Growth**: Fast-growing market + surging global AI integration

- **APAC sales channel concentration:** Existing sales channels for technology globalization

- **Business model**: Majority recurring revenues, AI tech development based on customer demands

- **Leadership**: Seasoned management team and board

RIGHT TEAM

RIGHT TIME

RIGHT PLACE

RIGHT FOCUS

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Appendix

Key Statistics

Key Statistics	
Ticker Symbol of Ordinary Shares (Nasdaq)	GFAI
Share Price (04/24/2024)	$2.84
Ordinary Shares Outstanding (4/24/2024)	9,829,282
Market Capitalization (04/24/2024)	27.9M
3-month trading volume (Jan 30, 2024 to Apr 24, 2024)	473,692

Non-IFRS Financial Data*

	For the years ended December 31,			
		2023		**2022**
Net loss from continuing operations – IFRS	$	(29,623,520)	$	(18,603,626)
Finance costs		653,374		1,141,830
Income tax expense (benefit)		434,320		132,208
Depreciation and amortization expense		5,243,240		5,981,407
EBITDA		(23,292,586)		(11,348,181)
Stock based compensation expense		1,101,800		252,095
Provision for expected credit loss on trade receivables and other receivables		899,433		-
Allowance for doubtful debts on a related party		5,637,527		-
Impairment on goodwill		2,267,583		-
Impairment on intangible assets		3,713,551		-
Written off/ Provision for withholding tax receivables		683,344		448,243
Provision for obsolete inventories		3,797,552		942,882
Impairment loss on fixed assets		3,682,789		4,408,037
Foreign exchange gains (losses), net		(305,026)		590,965
Adjusted net (loss) income (Non-IFRS)	$	(1,814,033)	$	(4,705,959)

*To supplement our consolidated financial statements, which are prepared and presented in accordance with IFRS, we use the non-IFRS adjusted EBITDA as financial measures for our consolidated results. We believe that adjusted EBITDA helps identify underlying trends in our business that could otherwise be distorted by the effect of certain income or expenses that we include in loss from operations and net loss. We believe that these non-IFRS measures provide useful information about our core operating results, enhance the overall understanding of our past performance and future prospects and allow for greater visibility with respect to key metrics used by our management in its financial and operational decision-making. We present the non-IFRS financial measures in order to provide more information and greater transparency to investors about our operating results.

EBITDA represents net income before (i) finance costs, income taxes and depreciation of fixed assets and amortization of intangible assets, which we do not believe are reflective of our core operating performance during the periods presented. Non-IFRS adjusted net income represents net income before (i) finance costs, foreign exchange losses (gain), income tax (benefit) expense and depreciation of fixed assets and amortization of intangible assets, (ii) certain non-cash expenses, consisting of stock-based compensation expense, provision for and written off of withholding tax receivables. Non-IFRS earnings per share represents non-IFRS net income attributable to ordinary shareholders divided by the weighted average number of shares outstanding during the periods. Non-IFRS diluted earnings per share represents non-IFRS net income attributable to ordinary shareholders divided by the weighted average number of shares outstanding during the periods on a diluted basis.

The table above is a reconciliation of our net loss to EBITDA and non-IFRS net loss for the periods indicated.