DataDot
TECHNOLOGY LTD

Corporate Overview October 2015

DataDot Technology Limited **DISCLAIMER**

Disclaimer:

This presentation has been prepared by DataDot Technology Limited ("DataDot") based on information available at the time of preparation. No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained within this presentation.

To the maximum extent permitted by law, neither DataDot or any member of the DataDot group, their directors, employees or agents, nor any other person accepts any liability arising from the use of this presentation or its contents or otherwise arising from fault or negligence on the part of their directors, employees or agents.

General Securities Warning:

This presentation is not an offer or invitation for subscription or purchase of or a recommendation of securities. It does not take into account investment objectives, financial situation and particular needs of the investor. Before making an investment in DataDot, the investor or prospective investor should consider whether such an investment is appropriate to their particular investment needs, objectives and financial circumstances and consult an investment advisor if necessary.

All information including business forward plans in this presentation should not be considered as a recommendation in relation to holding purchasing or selling, securities or other instruments in DataDot. Due care and attention has been used in the preparing of this information. However, actual results may vary from projected results and any variation may be material positive or negative. Forward plans, by their very nature, are subject to uncertainty and contingencies many of which are outside the control of DataDot.

Past performance is not a reliable indication of future performance.

CORPORATE **DATA**

- Core Technologies:
  - **DataDotDNA**: Leading asset protection, theft deterrent solution
  - **DataTraceID**: Anti-counterfeiting and authentication solution

- **Australian Stock Exchange listed in 2005 (ASX:DDT)**

- Market capitalisation: A$18.8 million (at A$0.025 per share)

- Issued Capital: 752 million shares

- Available Cash: over A$4 million (as at 1 July 2015)

- Major Shareholders:
  - Thorney Investments - 5.51%
  - Rathie Investments - 4.04%
  - Bannaby Investments - 3.20%
  - Dixson Trust - 3.30%
  - Collin Hwang - 3.12%
  - CSIRO - 1.81%

- Top 20 = 34%

COMPANY **DIRECTORS**

Mr Bruce Rathie – Chairman (B.Com., LL.B., MBA, Grad Dip CSP, SA Fin., FAICD, FAIM)

Mr Rathie joined the Board as a non-executive Director and Chairman in October 2009 and was appointed Executive Chairman in January 2012. He is a lawyer having held several senior positions in investment banking and commercial law including: Managing Director, Jardine Fleming Australia Capital Ltd; Director, Corporate Finance, Ord Minnett Inc.; and Director, Investment Banking, Salomon Brothers/Salomon Smith Barney Australia. Mr Rathie is now a professional company director and is, in addition to Chairman of DataDot, Chairman of eftpos Payments Australia Limited, a Director of Capricorn Society Limited and PolyNovo Limited. He is a member of the DataDot Remuneration and Nomination Committee and Audit and Risk Management Committee.

Mr Gary Flowers - Independent Non-Executive Director (B.Com., LL.B., FAICD)

Mr Flowers joined the Board as a non executive Director in November 2007. Until 2007, Mr Flowers was Managing Director and CEO of Australian Rugby Union, CEO of SANZAR and a Council Member of the International Rugby Board. He was previously National Managing Partner of Sparke Helmore Lawyers. He is currently Chairman of Mainbrace Constructions Pty Limited, Chairman of SkyFii Limited and a Director of Sparke Helmore Lawyers. He is Chairman of the Audit and Risk Management Committee and a member of the Remuneration and Nomination Committee.

Ms Alison Coutts - Independent Non-Executive Director (B.E. (Chem), MBA, Grad Dip Biotech)

Ms Coutts joined the Board as a non-executive Director in July 2010. Ms Coutts has degrees in Chemical Engineering and Business Administration, a Graduate Diploma in Biotechnology and extensive experience across a number of industry sectors and disciplines. This includes international engineering project management with Bechtel Corporation in the UK, USA and NZ, strategy consulting, management training and organisational structuring with Boston Consulting Group, and executive search with Egon Zehnder. Ms Coutts is Executive Chair of NuSep Holdings Limited and formerly Chair of CSIRO's Health Sector Advisory Council. She is a member of the DataDot Audit and Risk Management Committee.

SENIOR MANAGEMENT

Mr Temogen Hield – B Science (Computer Science), B Law and Masters Law - CEO

Temogen Hield is an accomplished senior executive with strong experience in strategy, innovation, business development and customer engagement. He has held a number of senior leadership roles, his most recent being Chief Operating Officer and Chief Innovation Officer of eftpos Payments Australia Limited and has a track record of successful product development and delivery, particularly in the digital space. Prior to his executive career in the payments industry Mr Hield was a partner of an international law firm in Hong Kong. He holds Masters and Bachelor of Law degrees and a Bachelor of Science degree with a major in computer science.

Mr Jim McCallum., B Science - CEO DataDot North America

Jim McCallum brings over 20 years of leadership and executive management experience spanning the technology, enterprise and digital media industries.   He is a veteran who has lead growth and continuous improvement across a broad range of disciplines including corporate strategy, operations, business development, sales and product marketing. Prior to DataDot Technology Mr. McCallum served as Vice President of Business Development at Ericsson, the global leader in cellular networks and digital solutions. Previously he served as SVP General Manager of North America and EMEA for Visionbytes, an international web and mobile video technology company. Jim also held management positions at VeriSign, Pathfire and Cox Enterprise. Jim holds a Bachelor of Science Degree from Susquehanna University and is a member of the Atlanta Technology Development Center (ATDC) in Atlanta, GA.

Dr Gunther Schmidt., PhD (Natural Science) - Managing Director DataTraceID

Dr Gunther Schmidt brings over 20 years of international leadership and executive management experience in the B2B and consultancy environment in a wide range of industry segments. He was involved in various corporate functions as Corporate Strategy, Business Development, Sales & Marketing, Change Management, Innovation Management, Product Development, Market Due Diligence, Post Merger Integration and Supply Chain Management. Prior to DataDot Technology, Dr Schmidt was Partner and MD of the boutique consultancy house Synidea AG, specialized in Business Innovation. Previously he worked as management consultant at Management Engineers, Germany and in various marketing functions at Bayer AG and General Electric. Gunther holds a PhD in Natural Science from University of Hamburg, Germany.

Mr Andrew Winfield., B Eng. - Managing Director DataDot UK/Europe

Andrew Winfield has a strong background in B2B sales in the last 18 years, having previously been involved with automotive engineering. His experience ranges through the automotive, oil and gas, and utilities sectors where he has successfully built up sales in the European and other global markets marketing technically specialised equipment via distributor networks and key customer accounts. Prior to DataDot Technology, Mr. Winfield was head of export Sales for a company supplying capital equipment in the water and oil and gas sector. His key role in developing strategy, and leading the sales team were instrumental in taking the business from 10m GBP T/O to over 30m GBP in just under 3 years. Andrew has responsibility for running the European factory facilities in the UK, as well as utilising his experience to re-energise the European market for DataDot technology to maximise its potential in this complex market, through both effective distributor management and expansion of direct customer links. Andrew holds a Bachelor of Engineering Degree from Middlesex University in London, UK

Mr Patrick Raper., FCPA, FAICD – Group CFO

Mr Raper joined DataDot in March 2014 as Group CFO and was appointed as Joint Company Secretary on 22 December 2014. He was previously CFO and Company Secretary for Ecosave Holdings Limited (ASX: ECV) and CFO and Company Secretary of CMA Corporation Limited (ASX: CMV) and has held a number of roles within the Investment portfolio companies of Hawkesbridge Private Equity including Company Secretary, CFO, Joint Managing Director and Chairman of Trippas White Catering and Director of Corporate Services with Integrated Premises Services Pty Limited. Mr Raper was formerly CFO and Company Secretary for a number of Touraust Corporation managed entities including Reef Casino Trust (ASX: RCT) and Australian Tourism Group (ASX: ATU).

GLOBAL **NETWORK**

Distributors and Subsidiaries (UK & USA) in more than 20 countries, with manufacturing in five countries
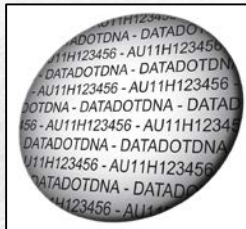
USA

UK

TAIWAN

SA

AUS

■ Existing manufacturing sites

DataDot
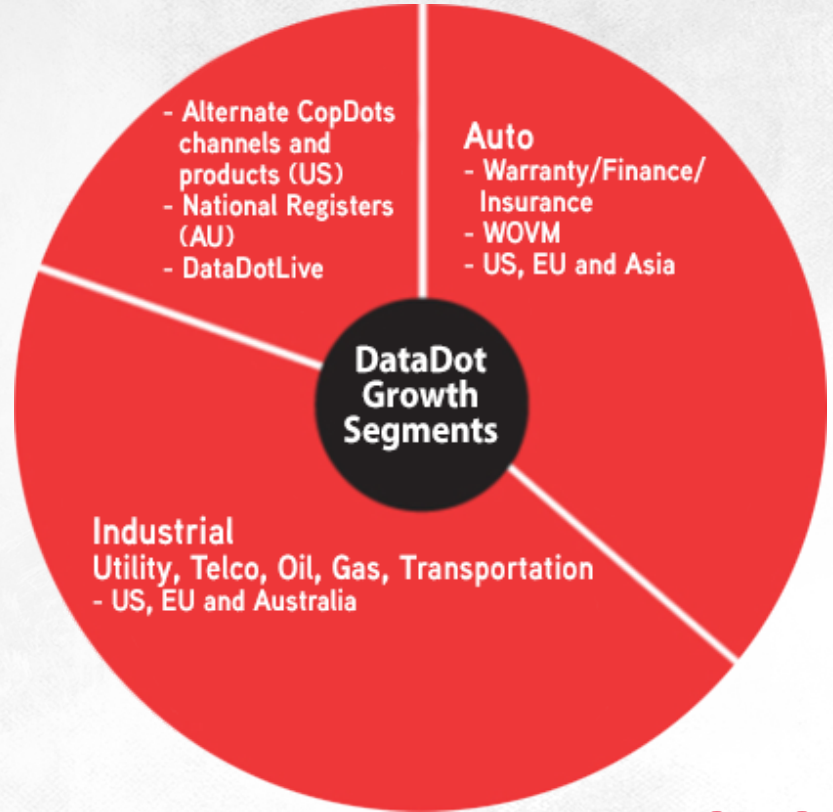TECHNOLOGY LTD
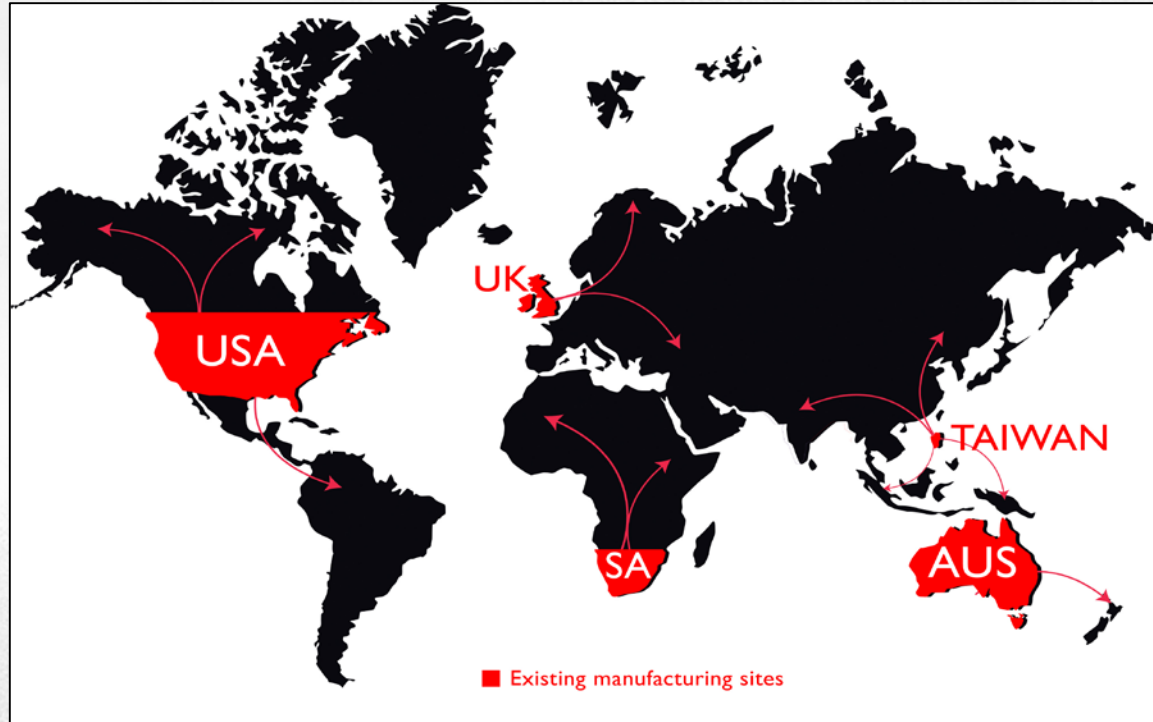
DataDotDNA®

What is it?

Tiny polymer or metal discs with unique identifying codes that can be brushed or sprayed onto assets.

What does it do?

Can be read with a simple magnifying device and has the primary objective of deterring and preventing theft. The asset and its owner can be identified via a specific purpose database, accessible by law enforcement.

0.5 to 1mm

DataDot Growth Segments

- Alternate CopDots channels and products (US)
- National Registers (AU)
- DataDotLive

Auto
- Warranty/Finance/ Insurance
- WOVM
- US, EU and Asia

Industrial
Utility, Telco, Oil, Gas, Transportation
- US, EU and Australia

DataDot TECHNOLOGY LTD

DataDotDNA® Diversification & Growth Strategy

Regional Strategy for DataDotDNA

Australia

- Push into industrial space including National Equipment Register + National Marine Register.
- Add Theft Deterrent System (warranty) where appropriate.
- Service existing customers (e.g. Club Marine, HSV and Subaru).
- Explore deployment of DataDot Live in insurance and fleet management sectors.

Asia / China

- Grow Auto OEM.
- Expand industrial applications.
- Potential opportunities in India and Indonesia.

USA / Americas

- Aggressively market Industrial products in utility, telco, oil & gas and transport sectors based on success with Con Ed and Excel Energy. New business development resources added.
- Develop additional distribution partners and applications
- Continue to expand US Auto market.
- Further growth in Canadian auto and industrial.
- New opportunities in Chile.

UK / Europe

- Develop France as a major market given appointment of distributor.
- Promote industrial product through distributors and direct where appropriate.
- Pursue Auto OEM opportunities.

DataDotDNA® Key Automotive Clients

DataDot Technology OEM Customers - International

DataDotDNA® Key Commercial Clients

USA

Heavy Equipment

DataDotDNA® Success Statistics

Microdot Market Share:

- South Africa: >70%

- Taiwan: >50%

Customer Success:

- European Automotive client:

    >60% theft reduction

- Large US Telecommunications company:

    >90% theft reduction

- Large US Utility company:

    >90% theft reduction

DataTraceID

What is it?

Forensic Tracers bond to the molecular structure of the host material, detectable in very small concentrations by a sophisticated smart reader. The Tracers withstand explosions, fire and heat.

This technology was developed and patented by the Commonwealth Scientific and Industrial Research Organisation (CSIRO) and DataDot. DataDot now owns the technology and patents outright.

What does it do?

DataTraceID delivers authentication and detection management for the life of the product.

DataTraceID Diversification & Growth Strategy

Global Strategy for DataTraceID

- Build on existing client base in gaming pharmaceuticals, food and beverages, tobacco etc.

- Pursue global branded product companies in US, Europe, Asia and elsewhere.

- Grow initiatives in China in tobacco, consumer products, alcoholic beverages & auto spare parts.

- Exploit opportunity in Australia and Asia and US defence industry.

- Continue development of reader capability to broaden target applications in uncontested market segments such as bulk materials.

DataTraceID **Success**

Reputable Clients:

- Largest casino chips manufacturer in Asia

- 2nd largest alcohol company in China

- Top 5 global pharmaceutical company

- US government departments using/trialling product

- Global US-based consumer food company adopting product

INDUSTRY **STATISTICS**

Theft* (DataDotDNA Market)

Automotive:

- $6.5 Billion US Annually

Cargo / Transportation:

- $15 Billion US Annually

Industrial Assets (Copper, Physical Assets)

- $10 Billion US Annually

Counterfeit (DataTraceID Market)**

Global:

- $650 Billion Annually

US:

- $200 Billion Annually

* Sources: NICB, DOE
** Source Havoscope, Llc 2015

DataDot
TECHNOLOGY LTD

FINANCIAL **PERFORMANCE**

AUD$m

Year	2013	2014	2015
Revenue	7.0	7.2	*7.0*
EBITDA	0.30	(0.84)	(0.28)
NPAT	(0.22)	(1.29)	(0.87)
			Note *1

- Substantial improvement in profitability (EBITDA) for 2015 based on cost reduction and efficiency gains.

- Revenue growth anticipated in 2016 due to strong pipeline underpinned by additional sales resources and product expansion.

- Strong cash position – over $4.0 million cash in bank at 30 June 2015.

- Capital requirements limited to continuing Research and Development.

*Note *1: Taiwan was converted to a Royalty revenue stream from 1 January 2014.*

INVESTMENT SUMMARY

- Improved profitability performance FY 2015 with revenue growth anticipated in 2016

- Strong cash position (over $4m) with no capital requirements anticipated.

- With nearly 50% of revenue coming from US and Europe, earnings are leveraged to reductions in the value of the AUD.

- Multiple "shots on goal" for material revenue growth in 2016:

  - Industrial product sales, particularly in US.

  - Recovery in auto sector, particularly in US.

  - DataTraceID has a strong pipeline with new opportunities in China and a new sales force coming on line in USA.

  - Auto spare parts opportunities particularly attractive.

  - Registers being well received in the Australian market – particularly National Marine Register & National Equipment Register – with municipal councils and utilities targeted.

  - Global expansion – Asia & Latin America targeted.

  - Newly developed products to be deployed in 2016.

  - Food authentication contract signed in August 2015.

DataDot
TECHNOLOGY LTD

APPENDIX

- Industrial Product
- National Registers
- China Anti Counterfeit initiative
- Global Genuine Parts Security Program
- Australia, Asia and US Defence Industry
- Bulk Materials

INDUSTRIAL PRODUCT

Customer Success:

- Industrial application gains in traction with adoption by Excel Energy and Con Ed (see ASX announcements).

- Large and growing pipeline in the US.

- Theft of copper in North America is a cost to public safety, corporate productivity and profitability.

- Direct losses are substantial - insurance claims to replace stolen air conditioning units alone exceeded US$1 billion in 2010 - and losses resulting from copper theft are estimated to exceed US$1 billion per annum.
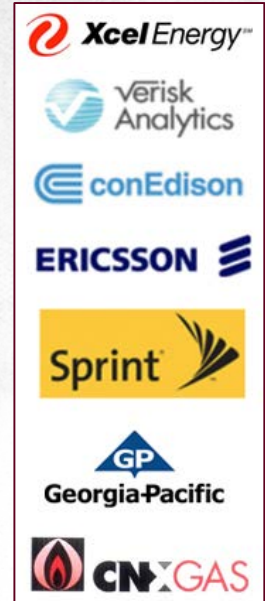
NATIONAL **REGISTERS**

- Built on a shared platform for simple, global law enforcement access
- Insurance agencies actively support the Registers because: policy holders who participate in theft prevention programs are usually a better risk; a theft alert enhances the likelihood of recovering the asset, the risk of fraudulent claims is diminished, investigators are motivated.

CHINA ANTI-COUNTERFEIT INITIATIVE

- Capitalise on new Chinese Government regulations aimed at stamping out counterfeit consumer products manufacturing.

- Work with our existing clients in alcohol, tobacco, pharmaceutical, automotive and spectacle frame industries and their industry associations to increase recognition of the fail-safe nature of our DataTraceID technology.

- Proven advantages are copy-proofing, stopping divergence – including out of territory trading by distributors, false warranty claims, brand reputational damage caused by sub-standard substitutes.

DataDot
TECHNOLOGY LTD

Global Genuine Parts **SECURITY PROGRAM**

The purpose of the DataDot Technology Genuine Parts Security Programme is to protect the integrity of the OEM Brands and legitimise authentic parts in response to damaging activities of:

- Counterfeit Manufacturers
- Third Shift Operations
- Parallel Imports

The outcomes targeted by the programme :

- Ensuring OEM customer safety/corporate integrity
- Mitigating risk of liabilities for failed false parts
- Minimising warranty obligations against false parts
- Creating imperatives for authentic parts for insurers and repairers
- Increased sales for legitimate OEM parts

DataDot
TECHNOLOGY LTD

Australia, Asia and US **DEFENCE INDUSTRY**

- Counterfeiting is a major risk within the military and defence material industry

- In the US, Asia, and Australia, investigations are underway to reduce this risk

- DataDot Technology solutions are being considered in these investigations

- A wide range of potential applications are possible, including but not limited to:

- Assets and Parts

  - Explosives and their chemical precursors
  - Weapons and Ammunition
  - ID and Security Cards
  - Documents

BULK MATERIALS

- DataTraceID has identified as a growth area the application of its technology in industrial bulk materials. Selected industry segments are

  - Construction materials (paints, coatings, concrete)
  - Agricultural products (seeds, fertiliser)

- Benefits include anti-counterfeit protection, eliminating false warranty claims and improving quality control.

- These high-volume segments are not comprehensively serviced by covert authentication solutions and therefore offer a promising opportunity for growth and differentiation.

- DataTraceID is developing an innovative reader which will make the technology commercially feasible to be used in bulk materials.

DataDot
TECHNOLOGY LTD