

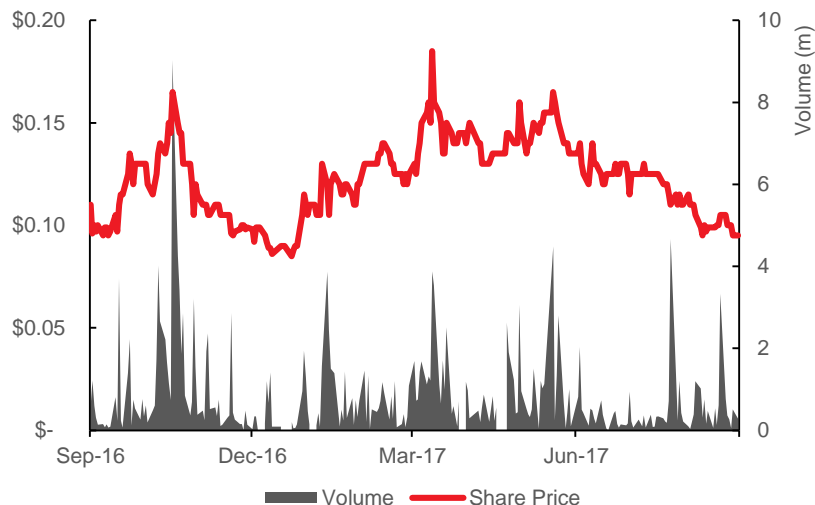


department **13**

ASX:D13

INVESTOR PRESENTATION OCTOBER 2017

COMPANY SNAPSHOT



Share Price	Net Debt	Tradeable Shares	Escrowed Shares	Options	Market Cap	EV
\$0.10	-\$5m	236m	288m	40m	\$52m	\$48m
Top 5 Holders					(m)	(%)
1.	Jonathan Hunter (CEO & Chairman)				41.6	7.9
2.	Robi Sen (CTO)				40.0	7.6
3.	Roger Davies				33.2	6.3
4.	Paul McCarthy				30.8	5.9
5.	Nicholas Clark				29.2	5.6
Total					174.8	33.4
Top 20					330.8	63.1

Overview

- Founded in 2010 D13 is an intellectual property and R&D company listed on the ASX and based in Maryland (USA)
- The Company begun as a contractor/consultant to US Government agencies where the core of its drone defence technology was developed
- D13 listed on the ASX in 2016 ASX having raised +\$20m

department **13**

IP Portfolio

17 Patents Granted 28 Pending Across 3 key areas:

Drone Defence

Cyber Security

Communication
Networking

1st Core Technology
Commercialised
MESMER™
Counter Drone Technology



Q3 FY17 v1.0 Launched
Q1 FY18 v1.5 Upgrade
7 Units Sold to date

WHAT IS MESMER™?

Hardware



MESMER™



Software

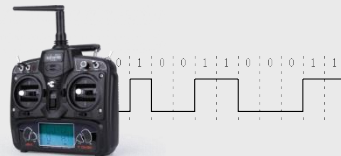


1. Detect



Detects unwanted drones flying within a 4km radius

2. Identify



Identifies the type of drone and determines whether it is a threat or friendly

Take Control

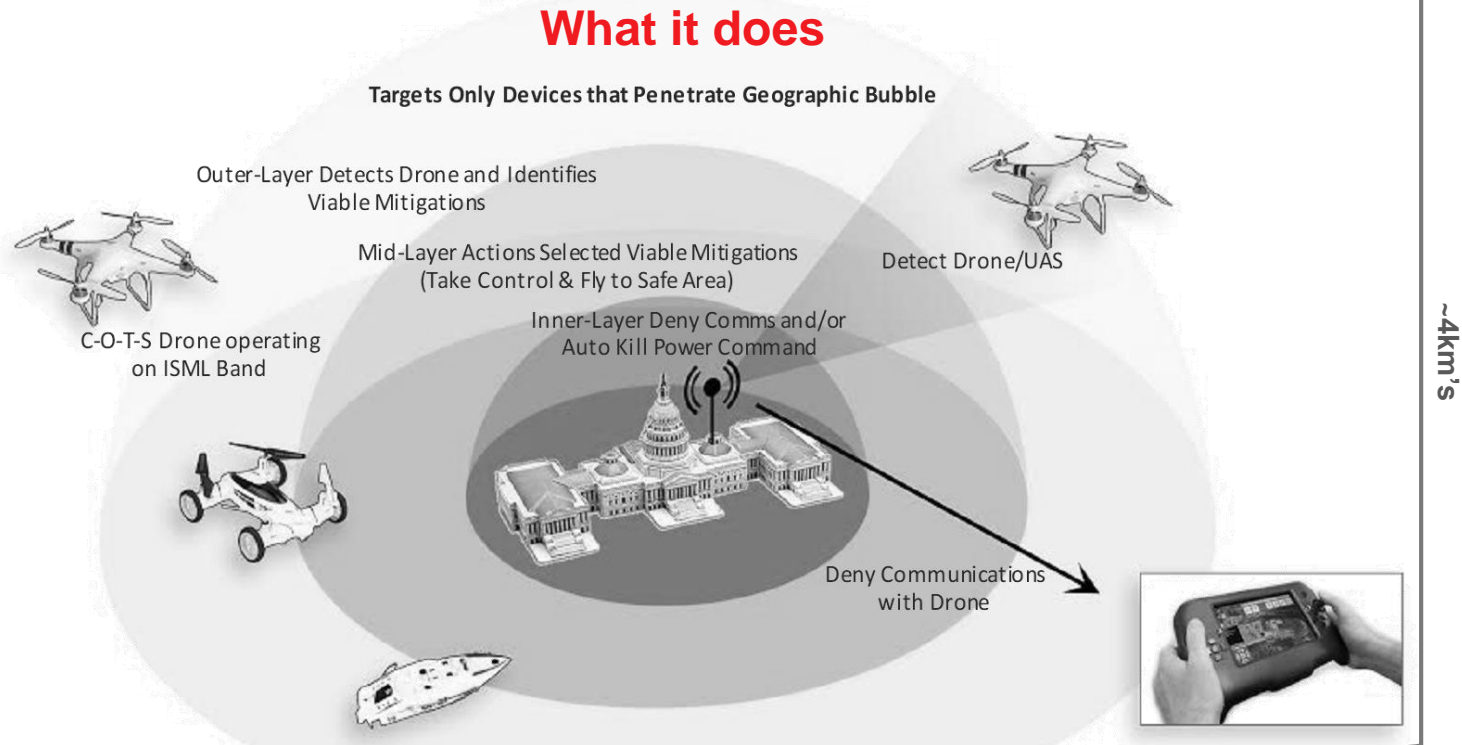


Takes control of drone:

1. Sends it home
2. Sends to safe zone; or
3. Lands drone back at takeoff point

HOW DOES MESMER™ WORK?

First Line of Defence



Control	Scale	Interference	Integration	Forensics
Identifies and can take control of drones using <i>protocol manipulation</i> . Defends points, perimeters, or areas against one or more drones	A number of units can work in unison to defend a larger area as MESMER™ is a modular software and hardware solution	Minimizes interference with other Radio Frequency systems	Connects with existing drone technology, (i.e. jammers and kinetic weapons for 'inner-layer' defence) forming the first layer of defence	Empowers the operator to control the outcome foregoing uncontrollable crashes allowing for post event forensics

WHY DO WE NEED MESMER™?

Globally over 7m drones are expected to be sold to commercial enterprises & citizens by 2020

Cameras & Privacy

Off the shelf drones are commonly sold with camera's attached or can have one easily retrofitted. This is already being used as a means of stealing IP and breaching privacy laws.



Explosives & Chemical Weapons

An explosive or chemical weapon is easily attached to a drone, essentially creating a remote controlled detonating device.



Public Safety

Drones are regularly flown into restricted airspace and have already come close to causing catastrophic collisions with other aircraft.



WHO WILL BUY MESMER™?

Global Drone Market Size



Growth in drone sales will drive threats caused by drones and subsequently the drone mitigation market

Key MESMER™ Customers

Public Sector



Government Buildings

Politicians & Government Officials

Troops, Military Vehicles & Facilities

Airports & Customs

Coast Lines & Borders

20,000 Prisons

45,000 Airports Globally

449 Nuclear reactors

163 Australian Embassies

294 US Embassies

47,000 US Army Vehicles

5,000 Stadiums Worldwide

537 Elected US Officials

140m Theme Park Attendees

Private Sector



Real Estate

Stadiums

Utilities & Infrastructure

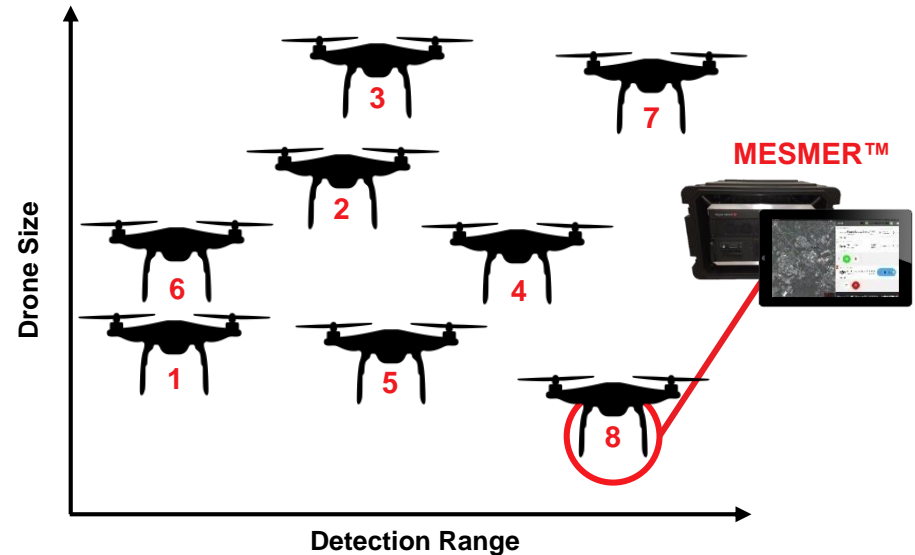
Celebrities & High Net Worth's

Theme Parks

DRONE DETECTION

Drone Detection

- Drone detection methods vary in their capabilities with respect to drone size and detection range
- MESMER™ uses radio frequency detection to locate drones and drone operators
- MESMER™ is particularly suited to detecting small to medium sized drones across a wide protection area
- This segment represents the largest proportion of the drone market and is seen as posing the biggest threat
- MESMER™ can detect 80% of Commercial drones and is significantly cheaper than other detection methods



	Method	Description
1	Acoustic	Low cost but very small range and accuracy is effected by other noises
2	Drone	Low cost but can only negate threat whilst in flight
3	EO/IR	Passive technology but extremely expensive with a low range
4	GPS	Good range but smaller drones generally don't use GPS transponders
5	Laser	Small range and can only disable one drone at a time
6	Magnetometer	Passive low power technology but very small detection range and altitude
7	Radar	Long range but trouble identifying small and slow targets and is relatively expensive
8	Radio Frequency	Long range, can detect small drones and the drones operator by following the control signal

DRONE MITIGATION

Drone Mitigation

- There are a number of different ways to take down a drone
- MESMER™ uses *protocol manipulation* which unlike other mitigation techniques allows the system to take control of the drone and land it in a safe place

Legislation

- Jammers, Kinetic Forces, Lasers and GPS Spoofing are all illegal when used to take down a drone
- In spite of this US Congress has directed a pilot program be established for airspace hazard mitigation at airports and critical infrastructure sites, using unmanned aircraft detection systems
- However MESMER™ and protocol manipulation remains legal

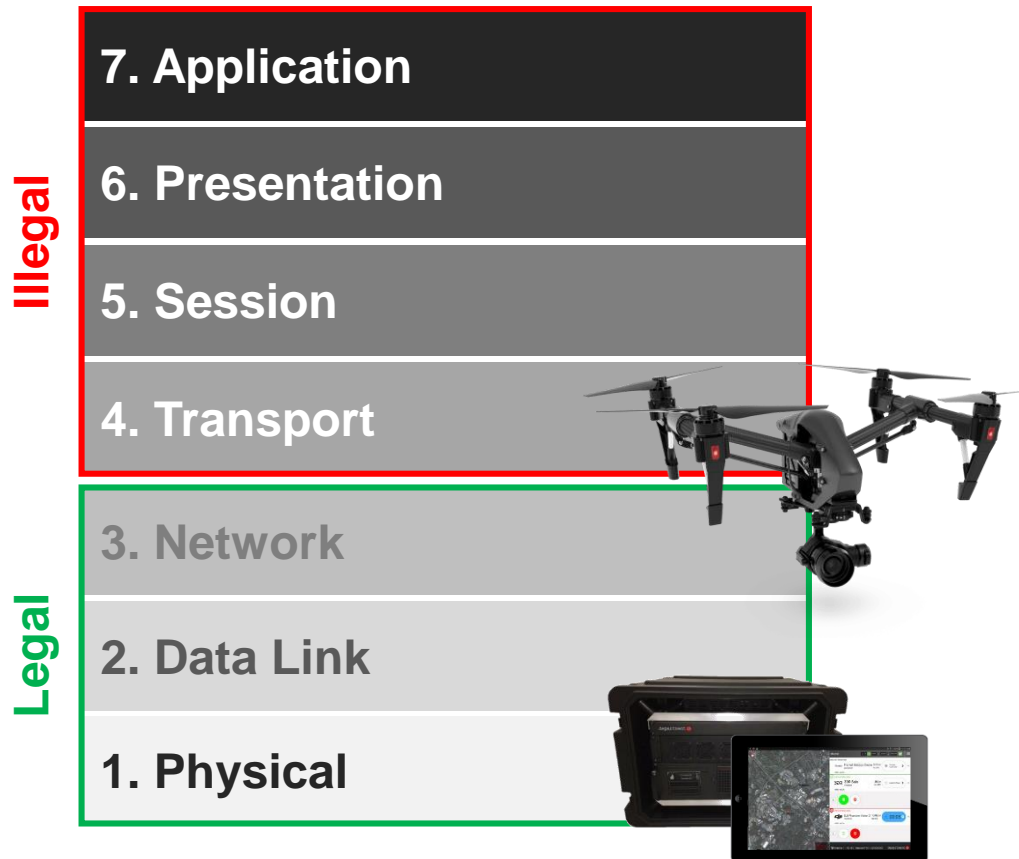


	Method	Description
1	Jammers	Communication jammers that jam signals of everything including phone networks and pacemakers
2	Kinetic Force	Nets or guns that physically knock the drone out of the sky
3	Laser	Laser guns that are expensive and require a highly skilled operator and can only tackle one drone at a time
4	GPS Spoofing	Specialised radio frequency transmitters that broadcast false GPS information to confuse the drone
5	Protocol Manipulation	Controls and safely lands drones within a safe space

PROTOCOL MANIPULATION

Protocol manipulation is the safest and most effective method of mitigating hostile drones, D13 is the only company using protocol manipulation for drone mitigation

Open Systems Interconnection (OSI) Stack



- As protocol manipulation works through the bottom 3 layers of 'The OSI Stack' it is accessing freely available public signals and not infringing any privacy laws by doing so
- Commercial and consumer drones use the unlicensed frequency bandwidths to communicate and be controlled by their pilot
- MESMER™ passively listens to the frequency network, v1.5 is effective across 4 unlicensed frequency bands
- By speaking the same language (frequency) and protocol as the drone, MESMER™ convinces the drone it is the controller / pilot
- Drones use ~8 different protocols, MESMER™ is currently effective against ~80% of these by market sales volume
- Once it identifies a hostile drone MESMER™ can manually or automatically take control of the drone

MESMER™ SOFTWARE & LIBRARY

Top Drone
Producers



Parrot

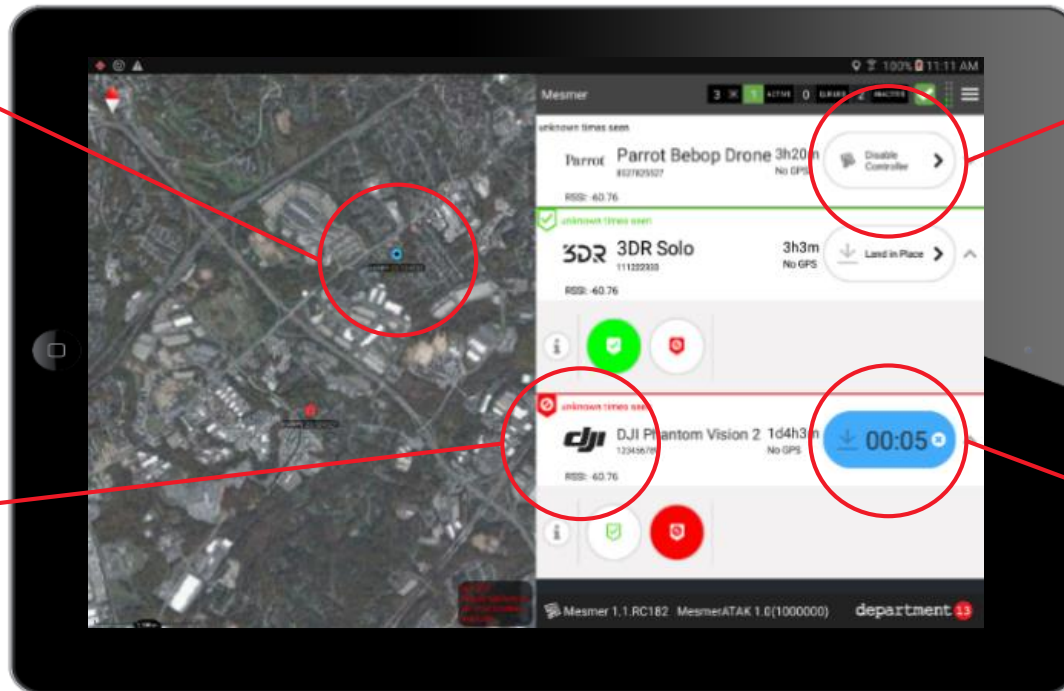
YUNEEK

All drones have similar protocols, D13 have deciphered the protocols of ~80% of commercial drones sold (the MESMER™ library)

DJI Accounts for ~70% of all Commercial and Consumer drones sold globally, MESMER™ is effective against all of these

MESMER™
4km location

Identifies
Multiple
Drones



Can whitelist
friendly drones

Countdown to
take control
of drone

How is MESMER™ SOLD?

Sales Process



1. Inquiry

Initial product inquiry & initial analysis on client



2. Demo / Trial

Demonstration at D13 Headquarters



3. Requirements

DD on clients specifications



4. Initial Order

Provide MESMER™ solution



5. Repeat Orders

Provides multiple MESMER™ solutions

**Price of up to US\$400k*
Per Unit**



Revenue Model

- a) Sales revenue with up to 50% upfront deposit
- b) Yearly software updates up to US\$50k per unit
- c) D13 is designing a leasing model aimed at event security and entertainment companies
- d) D13 also plans to license MESMER™ software to large global defence contractors

DISTRIBUTION & MANUFACTURING

Distribution

- D13 has an EAR 99 export classification meaning the Company can sell MESMER™ without an export license to all non-embargoed countries
- The Company holds distribution agreements with a number of partners covering a broad network of geographies
- D13 is responsible for direct sales within the US and currently holds a strategic partnership with Booz Allen Hamilton

	Distributor:
1	EPE Equipment (trading as Zangold)
2	Heath and Lee Services
3	Phoenix Group Panamá S.A.
4	Scopex SARL
5	JCPX Development

Manufacturing

- D13 outsources its manufacturing to Core Source Technologies
- Core Source (based in Maryland) can produce up to 30 units per month
- Lead time on some hardware can be up to 100 days



FINANCIALS

- With sales of ~3 - 4 units per month after COGS the Company reaches break even point

Profit & Loss	FY17	Balance Sheet	FY17
Revenue	1.1	Cash	4.9
COGS	(0.0)	Trade & Other	0.5
GP	1.1	Inventory	0.0
		Total Current Assets	5.4
D&A	(0.3)	Trade & Other	0.0
Consulting	(0.7)	PP&E	0.4
Employee	(2.1)	Intangibles	2.3
Occupancy	(0.3)	Total Non-Current Assets	2.7
G&A	(0.5)	Total Assets	8.1
Professional fees	(1.6)		
R&D	(0.6)	Trade and other payables	0.9
Other	(0.8)	Total Current Liabilities	0.9
Profit / (Loss before tax)	(6.2)	Total Liabilities	0.9
		Net Assets	7.1

MANAGEMENT TEAM

Chief Executive Officer

Jonathan Hunter



- Over 25 years experience in leadership positions within the US military and government advisory committees
- Former advisor to the National Academy of Science on defence technology applications
- BS in Criminal Justice and MBA Technology Management

Chief Operating Officer

Stylianos Kaminaris



- Former Director of Cyber Product Development at Battelle Memorial Institute.
- Matured products from concept to market
- Embedded cybersecurity, counter-IED systems, wireless middleware and high-assurance secure communication.

Chief Technology Officer

Robi Sen



- 25-year career in IT, engineering and research in cutting-edge technology for the DoD.
- 15 years experience in executive and senior management.
- Author and co-author of numerous technical books, including three books on Google's Android

Chief Science Officer

Steve Shattil



- Inventor radio MIMO system, technology used today in most wireless and cellular standards. Other patents include 3GPP (3G cellular) and LTE (4G cellular).
- Dozens of other U.S. and foreign patents essential to wireless and radio protocols standards.

BOARD OF DIRECTORS

Chairman

Jonathan Hunter



- Over 25 years experience in leadership positions within the US military and government advisory committees
- Former advisor to the National Academy of Science on defence technology applications
- BS in Criminal Justice and MBA Technology Management

Executive Director

Al Teller



- Former CEO & Chairman, MCA (now Universal) Music Entertainment Group; President, CBS (now Sony) Records & Columbia Records
- President Bill Clinton's appointee to the National Information Infrastructure Advisory Council
- BS Electronics Engineering & MS in Operations Research from Columbia University; MBA from Harvard Business School

Executive Director

Kathleen Kiernan, Ph.D



- Former Assistant Director of ATF and 29 year veteran of law enforcement
- Ed.D in Education from Northern Illinois University, MS in Strategic Intelligence from the Joint Military Intelligence College, MA in International Transactions from GMU. Adjunct Faculty: Johns Hopkins and Naval Postgraduate

Non-Executive Director

Tim Davies



- Associate Director with Goldman Sachs and Senior Portfolio Manager Consolidated Press Holdings, Ellerston Capital and Caledonia Investments, focused on listed companies on Chinese and Asian equity markets.
- Currently Chairman and CEO of non-profit Bright Hospitality Ltd, in Sydney.

Non-Executive Director

Phil George

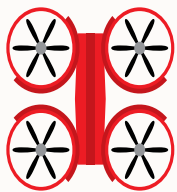


- Specialist in Information Security and Risk Management; currently operates a global cloud telecom, specializing in high-quality, secure voice solutions.
- Launched Uber Perth in Australia in 2014 as Operations Manager.

PRODUCT PORTFOLIO PIPELINE

D13s IP portfolio may offer significant revenue opportunity with licensing of key patents

Drone Defence



MESMER™ – D

Drone Defence Systems

Communication Networking



C-MIMO

Allows networks (mobile phones) to work co-operatively increase bandwidth by sharing signals rather than competing against one another for a connection

Cyber Security



RF Feature Characterization

Allows for a significant increase in battery life of devices that use radio to communicate (i.e. drones and phones)

Cyber Security



LPI/LPD

Allows for secure communication links protecting them from eavesdropping

MILESTONES OVER NEXT +12 MONTHS





APPENDIX

BRIEF HISTORY



2010 - 2011	2011 - 2015	Q1 FY16	Q3 FY16	Q4 FY16
D13 founded as R&D company by a small group of military officers, scientists & engineers Acquires Patents to form IP for MESMER™	Consults with US Govt Agencies, and develops protocol manipulation (ability to electronically takeover unmanned aircraft)	Demo of Software to: <ul style="list-style-type: none"> • US Department of Defence • Intelligence Agencies • Commercial Partners 	D13 completes reverse takeover & lists on the ASX raising \$6m	Awarded \$432k Department of Defence counter drone technology contract



Q1 FY17	Q2 FY17	Q3 FY17	Q4 FY17	Q1 FY18
Pro-Type demonstration at MITRE Challenge & Department of Defence Black Dart \$6.5m placement - to accelerate MESMER™	Awarded \$425k contract to deliver mobile application solutions to US warfighter	Commercialisation of MESMER™ v1.0 Raises \$5.5m -accelerate sales strategy	First MESMER™ sale to customers in Australia and SE Asia	Upgrade to MESMER™ v1.5 Completes first shipment of 4 MESMER™ v1.5 units

DRONE & COUNTER DRONE PATENT PORTFOLIO

D13 owns and/or has exclusive licenses 16 patents granted and 29 patents pending for essential patents in current 4G cellular and wireless standards and foundational patents for next-generation (5G) cellular and future wireless. These technologies include the following:

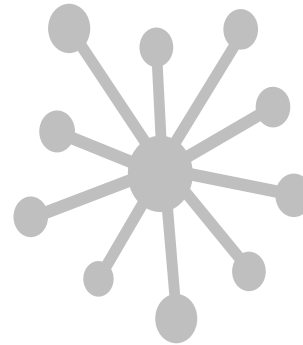
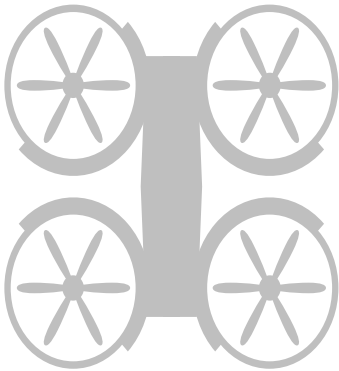
Patent	Description
MESMER™ Technologies	MESMER™ is supported by additional patented and patent-pending technologies, which include: <ol style="list-style-type: none">1. Distributed antenna systems, which bring massive increases to data bandwidth, radio performance, coverage, and power efficiency.2. Efficient network protocols that improve the speed and quality of streaming data in both content delivery networks and wireless networks.3. Cloud network architectures for radio and sensor networks.4. Secure communications that are difficult to detect and intercept.5. Advanced network security modelled after the human body's immunological response6. Signal warfare based on some of the above technologies for observing and manipulating enemy communications.
C-MIMO	In wireless networks, Cooperative MIMO can increase data bandwidth 1000-fold or more and is a gamechanger for cellular and Wi-Fi markets. It is a Cloud-based computing system combined with a distributed sensor network. It enables novel capabilities that enhance Counter-UAS, such as highly localised electronic countermeasures against targets and effective responses to UAS swarms.
SC-FDMA	SC-FDMA reduces the power consumption of RF power amplifiers used to transmit broadband downlink data. This is vital for extending the life of battery-powered devices. SC-FDMA offers substantial power savings for camera drones, potentially doubling the battery life, such as battery-powered sensors used for distributed Counter-UAS.
C-RAN	C-RAN provides an efficient framework for AI in future Counter-UAS because it efficiently partitions signal processing operations between the network edge and the core network in order to optimise processing and bandwidth resources. Aspects of C-RAN are being implemented in D13's current Counter-UAS development.
Airborne Relays	Highly mobile airborne platforms provide a distributed sensor network to extend range for Counter-UAV detection and mitigation. Airborne relays cooperatively navigate to enhance radio-processing objectives, such as detecting a target UAV, performing electronic countermeasures, or quickly deploying a wireless data network with optimal capacity and link quality. Swarm-based algorithms employing our patented multi-objective optimisation algorithms exploit the mobility of aerial platforms to solve complex problems in the most efficient way possible.
UAV Intrusion Detection & Countermeasures	These patents describe techniques for adapting detection and mitigation for threats, that use unknown radio protocols. If the signal can't be identified, its features are used to develop effective electronic countermeasures. The system monitors the effectiveness of each countermeasure, so it can learn and evolve as it encounters new threats.

Based on the early filing dates of broad patents that are essential for today's radio networks, D13 has expanded their IP to cover signal analysis and electronic countermeasures that will be essential for the C-UAS market.

PATENT PORTFOLIO

Based on the early filing dates of broad patents that are essential for today's radio networks, D13 has expanded their IP to cover signal analysis and electronic countermeasures that will be essential for the C-UAS market.

Patent	Description
SDR	The bottleneck for efficient processing in Counter-UAS/IoT is the network between the sensors and the central processor. A distributed SDR performs a portion of the physical-layer processing at the sensor, which greatly reduces the amount of data transmitted to the central processor.
CSC	Proven by MIT and Caltech, CSC is the most efficient form of Linear Network Coding and improves network efficiency between the sensors and the central processor. Published results show a 5-fold to 20-fold increase in data bandwidth. CSC also facilitates Cloud storage and channel bonding.
Tactical Network Dominance	These patents broadly cover detecting, analysing, and identifying radio networks employed by hostile entities, followed by a tactical response that exploits detected vulnerabilities in the enemy radio network as part of a systems infiltration strategy.



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