

Corporate Overview January 2016



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CORPORATE DATA

- Core Technologies:
 - **DataDotDNA**: Leading asset protection, theft deterrent solution
 - **DataTrace SPECTRO**: Anti-counterfeit 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: 753 million shares
- Available Cash: over A\$3.3 million (as at 8 January 2016)
- Major Shareholders:
 - Thorney Investments - 5.54%
 - Rathie Investments - 4.06%
 - Bannaby Investments - 3.22%
 - Dixson Trust - 3.32%
 - Collin Hwang - 3.14%
 - Brent Mclaws – 1.86%
 - CSIRO – 1.82%
- 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, a Director of Capricorn Society Limited, Capricorn Mutual 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.Sc., LL.B., LL.M - 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. He 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.Sc. - 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. Ph.D. (Chemistry) - Managing Director DataTrace (our Authentication arm)

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

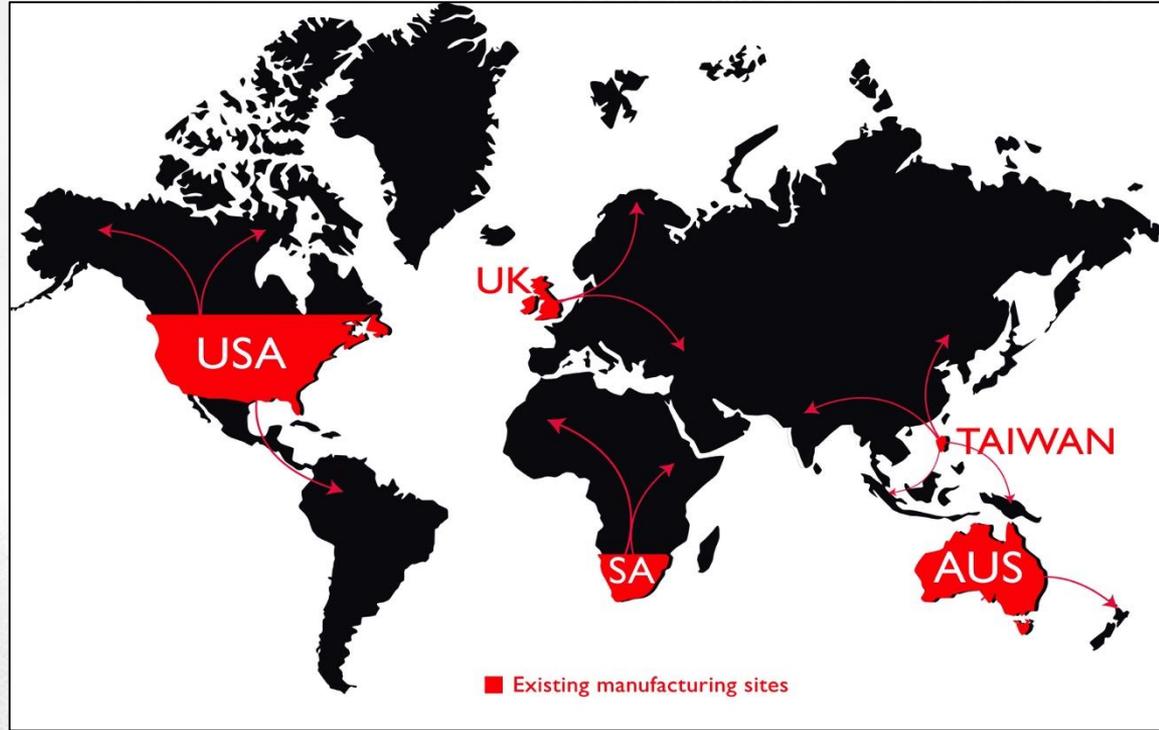
Andrew Winfield has a strong background in B2B sales in the last 18 years, having previously been involved with automotive engineering. His experience ranges through the automotive, oil and gas, and utilities sectors where he has successfully built up sales in the European and other global markets marketing 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 and Company Secretary

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



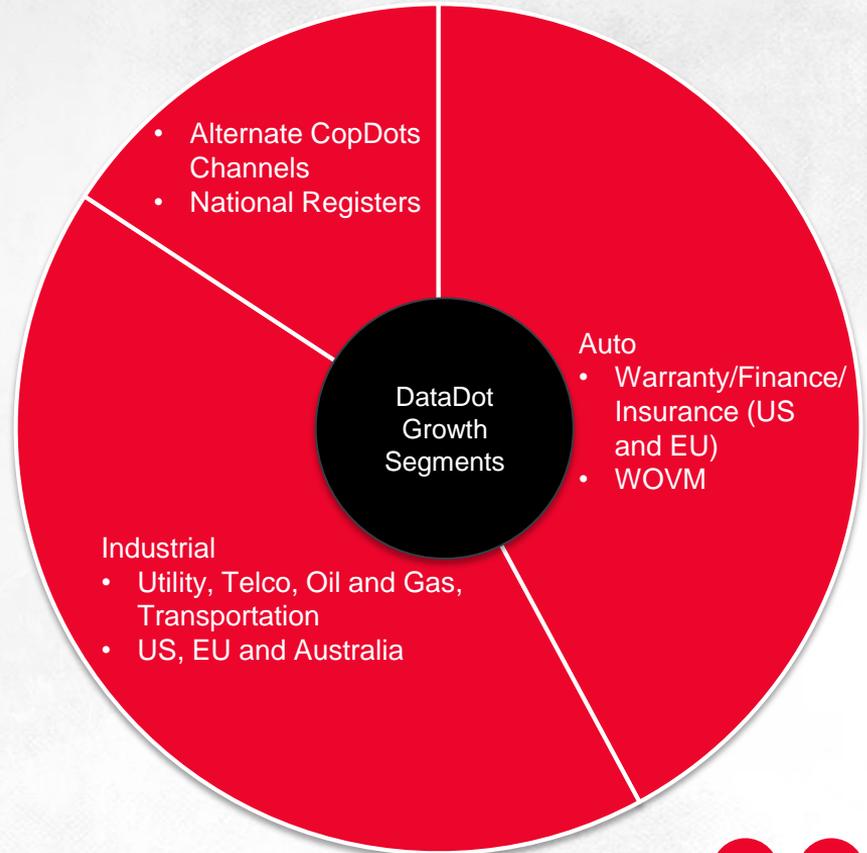
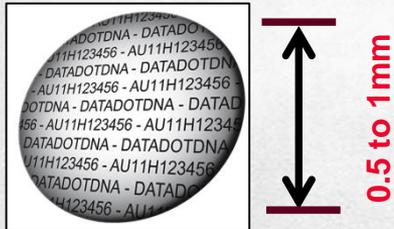
DataDotDNA®

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.



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).

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 and rep partners signed
- Expand Auto market, with after market partner.
- CopDots (our residential theft deterrent system) via Security firms and rep partners.
- Longer term opportunities in Chile.

UK / Europe

- Promote industrial product through distributors and direct where appropriate.
- Grow Italian distributors Auto market leveraging existing relationship with Fiat.
- Pursue Auto OEM opportunities.

DataDotDNA® Key Automotive Clients

DataDot Technology OEM Customers - International



***The DataDot Theft Deterrent System and excess warranty is a valuable feature. I would look for it when buying a new vehicle in the future.**

Strongly Agree	11.11%
Agree	49.57%
Neutral	36.75%
Disagree	0.00%
Strongly Disagree	2.56%
Total Positive	60.68%

DataDotDNA® Key Commercial Clients

USA



Heavy Equipment



DataDotDNA® Success Statistics

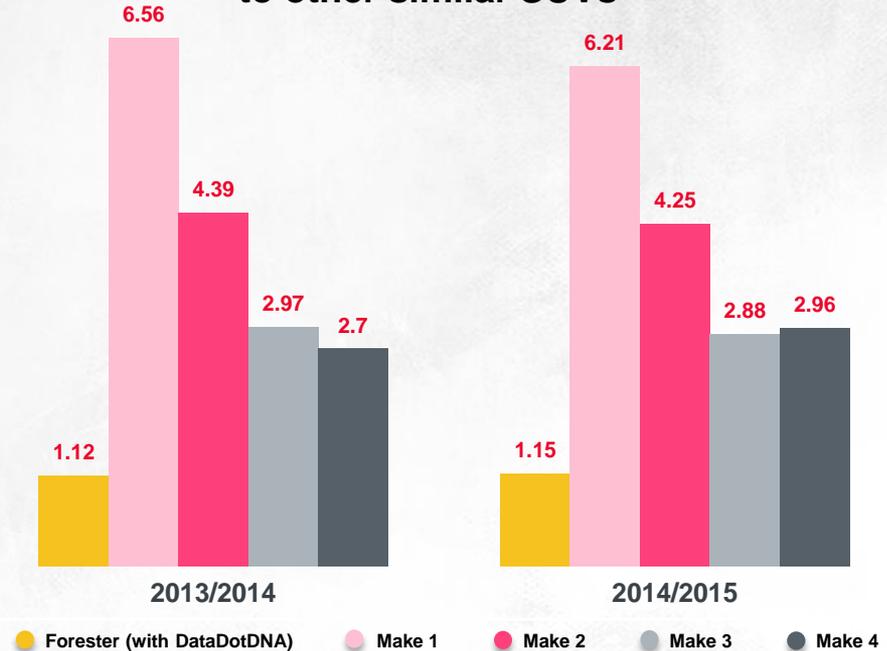
Microdot Market Share in WOVN countries, via local distributors:

- South Africa: >70%
- Taiwan: >50%

Customer Theft Reduction Success:

- European Automotive client:
>60% theft reduction
- Large US Telecommunications company:
>90% theft reduction
- Large US Utility company:
>90% theft reduction

Forester (protected by DataDot) average annual theft rates compared to other similar SUVs



DataTrace SPECTRO

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?

DataTrace SPECTRO delivers authentication and detection management for the life of the product.



DataTrace Growth Strategy

Global Strategy for DataTrace

- Sales resources added in the US to:
 - 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.
- Offering complementary solutions to core technology (eg RFIT)
- Continue development of reader capability to broaden target applications in uncontested market segments such as bulk materials.



DataTrace SPECTRO **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
- Global yarn and thread supplier
- Large Australian food exporter

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** (DataTrace SPECTRO Market)

Global:

- \$650 Billion Annually

US:

- \$200 Billion Annually

* Sources: NICB, DOE

** Source Havoscope, Llc 2015

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

- Strong cash position – over \$3.3 million cash in bank at 8 January 2016.
- Capital requirements limited to continuing Research and Development.
- Now investing in growth in US and other regions which will have a consequential impact on EBITDA and NPAT in 2016.

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

FY2016 FIRST HALF HIGHLIGHTS

The first half financials will be announced in late February

- Strong performance from the EU
 - significant revenue growth (45% in AUD)
 - prospect of further gains from expansion of Fiat relationship
- Pipeline of qualified prospects for US Industrial and Authentication lines has grown by more than 400% in the last 12 months, including:
 - progress with Excel Energy and AT&T (Industrials)
 - successful pilot with leading US FMCG Co, now rolling out on one product with potential for more (Authentication)
- Diversification progressing well with 38% of revenue now non-auto
- Innovation and product development:
 - Bulk reader development and inkjet trials (Authentication)
 - Improvements to car labeling with the addition of QR codes (Auto)
 - Early stage trials of DataDot live in fleet management sector (new product)
- Whilst performance in the EU has been impressive it has been uneven across the group – revenue growth for the first half will be ~3.5%
- Investment in growth in the US and other regions is having an impact on EBITDA and NPAT - pipeline conversion is the key to second half revenue growth and consequential improvements in EBITDA and NPAT

WE STACK UP WELL vs THE **COMPETITION**

Anti-theft



Other microdot suppliers generally small and lack credibility. **DDT is a clear leader.**



Authentication



Other Taggant Solutions. **Our superior detection technology a clear differentiator.**



Competitors

Limited indirect competitors, but alternate tech includes DNA, UV liquid, RFIDs, glass etching (auto).

Others incl DNA, Serialization and overt features like hologram labels. **Detection technology a clear differentiator.**



Secure · Enhance · Protect

Direct competitors

Indirect competitors



INVESTMENT SUMMARY

- Strong cash position (over \$3.3m).
- 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:

Immediate term:

- ✓ Authentication product sales, particularly in the US and in China.
- ✓ Prospect of expansion of EU auto business, leveraging Fiat relationship.

Short to medium term:

- ✓ Industrial product sales, particularly in US.
- ✓ Recovery in auto sector, particularly in US.
- ✓ Food authentication JV contract signed in August 2015.
- ✓ Authentication of Auto spare parts.

Longer term:

- ✓ Bulk material and inkjet authentication applications.
- ✓ 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.
- ✓ Further product development and innovation.



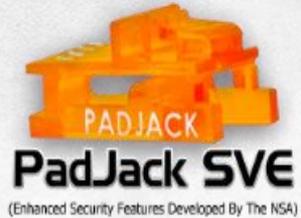
APPENDIX

- DataTrace SPECTRO (announced 22 January 2016)
- Industrial Product
- National Registers
- China Anti Counterfeit initiative
- Global Genuine Parts Security Program
- Australia, Asia and US Defence Industry
- Bulk Materials

DataTraceSPECTRO IT Port Security

Announced 22 January 2016

- On 22 January 2016 DataTraceID signed a strategic partnership with PadJack Inc, a corporation located in Florida, United States of America, that provides security solutions for physical protection of computer ports and cables.
- PadJacks are already used in Government and military facilities, hospitals and medical facilities, financial institutions, and nuclear and energy-generating facilities.
- PadJack may incorporate DataTraceSPECTRO, our covert taggant authentication solution, into its products to enhance the security of PadJacks for its North American customers.
- In addition, we have been granted exclusive distribution rights for PadJack products incorporating DataTraceSPECTRO for markets outside North America.



INDUSTRIAL PRODUCT

Customer Success:

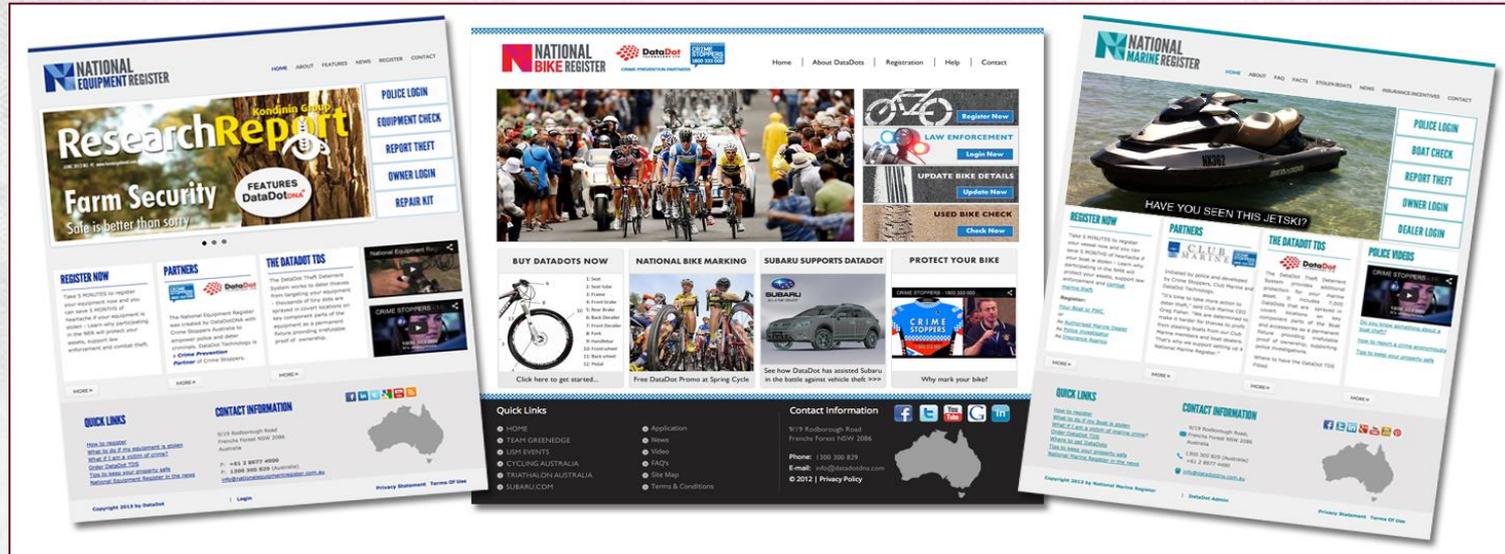
- Industrial application gains in traction with adoption by Excel Energy and Con Ed (see ASX announcements).
- Large and growing pipeline in the US.
- Theft of copper in North America is a cost to public safety, corporate productivity and profitability.
- Direct losses are substantial - insurance claims 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.

View Con Edison's press release

<http://www.coned.com/newsroom/news/pr20140730.asp>



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 DataTrace SPECTRO 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.

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



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 – DATATRACE SPECTRO

- We have identified as a growth area the application of our DataTrace SPECTRO 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.
- We are developing an innovative reader which will make the technology commercially feasible to be used in bulk materials.

