

# FY17 Results Overview FY18 Focus Areas

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August 2017





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# In FY17 a significantly improved cost base delivered a positive earnings trend

## Key Drivers of the FY17 Result



**EBITDA improved 43% to a loss of \$0.84m**

**Cash as 30 June 2017 was \$1.77m. Cash flow neutral to positive depending on realization of new revenue. No need to raise further capital.**

**NPAT improved 58% to a loss of \$1.38m**

**Well placed to translate revenue growth into earnings. Increased revenue from an efficient and effective cost based critical to success.**



# During FY17 there were a number of positives, headlined by the broadening of our authentication product suite

## DataDotDNA

**Auto sector volumes at record levels, although unit pricing has reduced. Overall volumes up slightly.**

**COGS improvements identified, some margin to be recaptured in FY2018.**

**Partnerships being actively sought to assist in scaling microdot business.**

**Opportunities to renew distribution or other arrangements in China and France.**

## DataTrace

**Significant broadening of product suite:**

- **High performance tamper evidence and serialization**
- **Smart packaging solutions**
- **DataTrace Data Aggregation**

**(See page 8)**

**\$2.3 trillion**  
**The global economic value of counterfeit and piracy by 2022**  
International Trademark Association and the International Chamber of Commerce

**8 of the Company's top 10 near term prospects are now from its Authentication business (as at 30 June 2017).**

**Strong pipeline with significant brands and opportunities.**



# Looking ahead revenue growth from existing customers, closing current leads and new lead generation is the priority

DataDotDNA

## Growth from existing relationships:

- Scale US auto
- Close EU OEM ops

## Efficiency:

- Film supplier re-negotiation
- Product review
- Consider outsourcing and centralization options

## New markets via Partnership:

- Global partners to aid in distribution & product development
- China strategy

DataTrace

## Growth from existing relationships

- Global pharma and FMCG Companies
- Beston JV

## Close current leads and multiply lead gen:

- 8 near term opportunities > \$100k pa
- Lead generation program focused on target segments

## Embed and communicate Trust Enhancement VP:

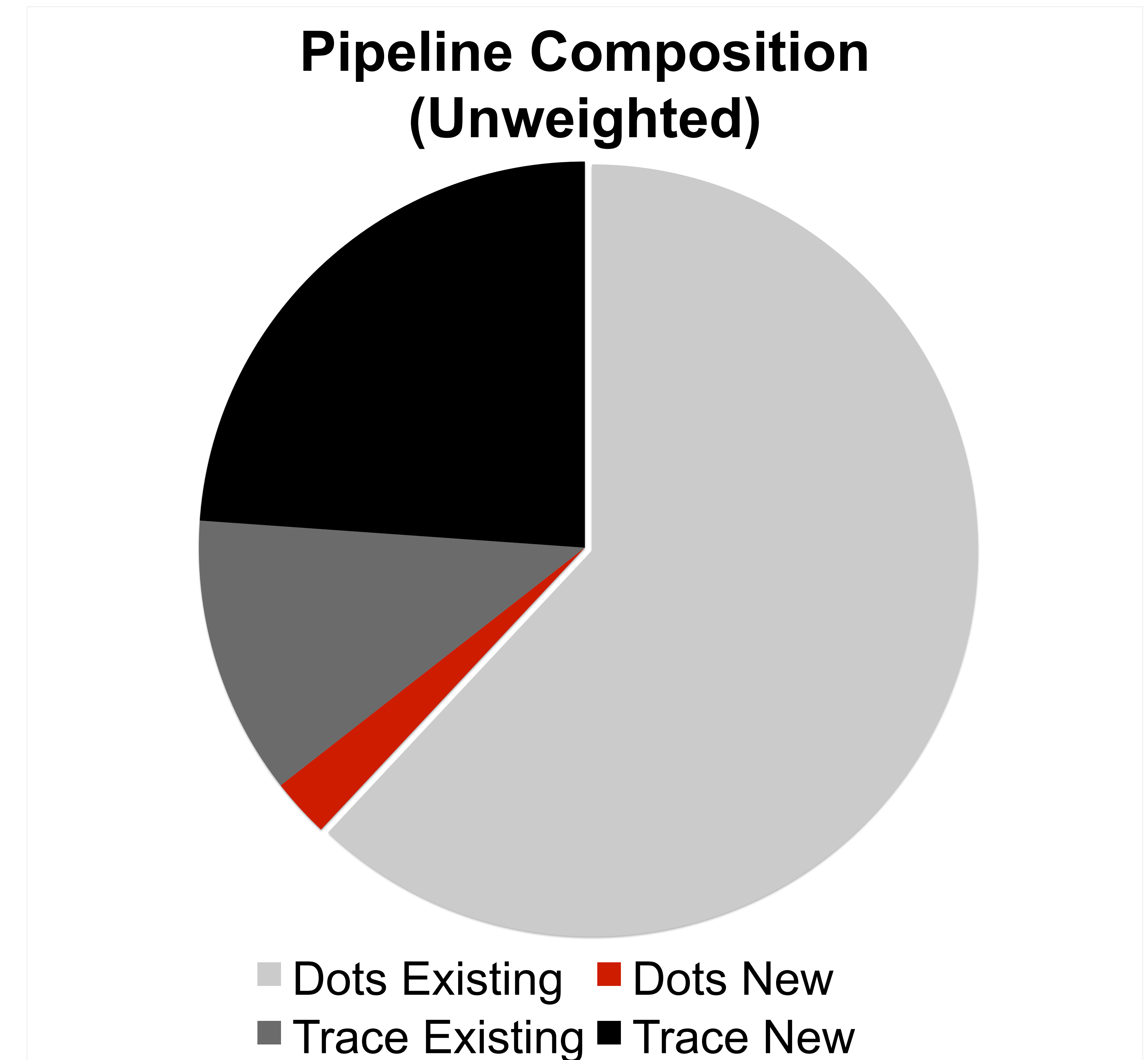
- Digital platform
- Tamper evidence
- Data aggregation

# Behind the scenes we've also been improving our ability to execute

New Sales Process	Organisational Re-Structure	Culture
<ul style="list-style-type: none"><li>• Based on complex sale literature</li><li>• Focuses on assisting customer to understand all dimensions of their problem and then develop and evaluate options</li><li>• Customer (not Technology) focused</li></ul>	<ul style="list-style-type: none"><li>• In July re-structured into functional rather than regional teams (apart from EU)</li><li>• 2 terminations</li><li>• Now lean cost base</li><li>• Greater use of external expertise</li></ul>	<ul style="list-style-type: none"><li>• Renewal – 50% of key roles now &lt; 2 years tenure</li><li>• Improved processes to support accountability and transparency</li><li>• Teamwork and forward planning getting there</li></ul>

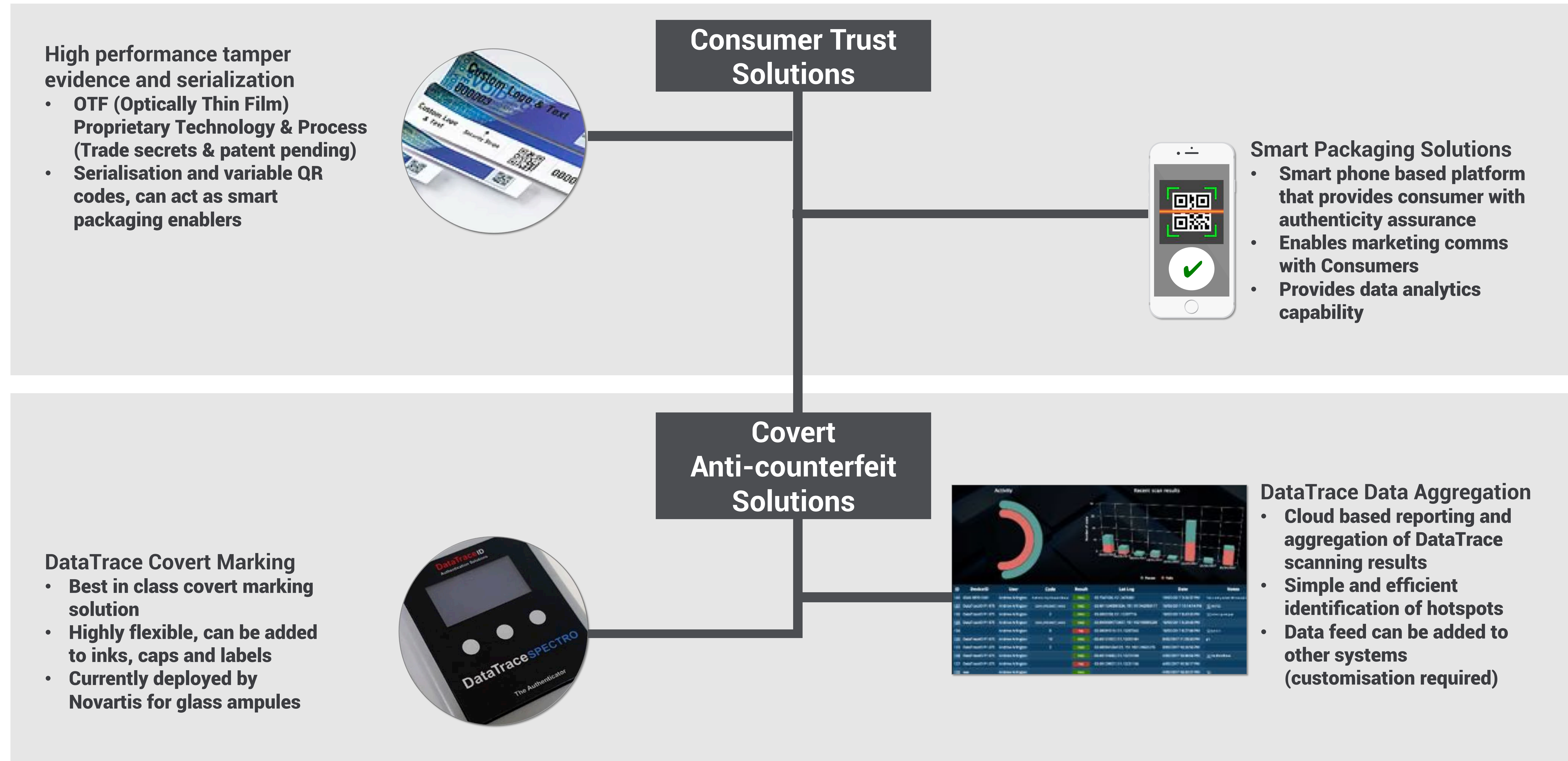
# And our pipeline is building, particularly in DataTrace

- Growing proportion of our leads are now in DataTrace – dedicated lead gen program with new product suite should see this increase during FY17/18
- Whilst the majority of DataTrace leads are in the US and Aust, the EU is also starting to yield organic leads – we plan to build on this in FY17/18
- Dots continues to have high stable recurring customer base
- Partnerships the key to generating new Dot leads





# DataDot anti-counterfeit solutions are focused on increasing consumer trust levels and reducing counterfeit risk







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