Building prospects with global train suppliers to deliver future growth

2016 Half Year Presentation
Sales $8.7m up $2.1m, 32% increase

Recurring revenue 38% of sales

Adj EBITDA (inc R&D tax incentive) $847,000, up 78% from $475,000

EBITDA up $175,000 from loss of $53,000

Marketing and business development expenses up 46%

R&D $1.6m, up 37% from $436,000

Positive operating cash flow $672,000

Cash position $3.46m
First Half Significant Milestones

- Strengthened marketing and business development
  - Significant increase in prospects and preferred tenderer opportunities, especially in rail

- Awarded $5.3 million Alstom contract
  - 22 new trains for the Sydney Northwest Rail Link

- Strategic expansion into rail commuter communication solutions (CCS)
  - Much larger footprint on trains, customers dealing with just a single company rather than three

- Development commenced on building the new rail CCS
  - Two countries. CCS also being bid on seven major city rail projects worldwide

- High-calibre development team
  - Strengthened by an additional 20 engineers building DTI’s CCS platform

- Overdraft and bonding facilities
  - Established to support the growth opportunities

- Achieved ISO9001 accreditation

- Additional patents lodged to protect new developments

- Trials for new Pantograph and CCS technologies
# Financial Performance Highlights

<table>
<thead>
<tr>
<th></th>
<th>HY2016</th>
<th>HY2015</th>
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</thead>
<tbody>
<tr>
<td>Sales</td>
<td>8.70</td>
<td>6.59</td>
</tr>
<tr>
<td>Other income</td>
<td>0.07</td>
<td>0.20</td>
</tr>
<tr>
<td>Cost of goods sold</td>
<td>(4.29)</td>
<td>(3.29)</td>
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<tr>
<td>Employee benefits expense</td>
<td>(2.46)</td>
<td>(2.39)</td>
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<tr>
<td>Depreciation &amp; amortisation</td>
<td>(0.50)</td>
<td>(0.42)</td>
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<tr>
<td>Admin expenses</td>
<td>(0.77)</td>
<td>(0.45)</td>
</tr>
<tr>
<td>Marketing expenses</td>
<td>(0.57)</td>
<td>(0.39)</td>
</tr>
<tr>
<td>Other expenses</td>
<td>(0.55)</td>
<td>(0.30)</td>
</tr>
<tr>
<td>Tax benefit</td>
<td>0.16</td>
<td>0.25</td>
</tr>
<tr>
<td>Loss after tax</td>
<td>(0.21)</td>
<td>(0.20)</td>
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<tr>
<td>EBITDA</td>
<td>0.12</td>
<td>(0.05)</td>
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<tr>
<td>Adjusted EBITDA</td>
<td>0.85</td>
<td>0.48</td>
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</tbody>
</table>

- Growth in Americas sales.
- Forex profit declined due to weakening A$ to US$. DTI has natural hedging.
- 1% improvement in margin.
- Reflects scalable business model. Sales increase with minimal increase in employee expense.
- Change in accounting standard.
- Reflects additional expenses as a listed company (refer Note 1). Higher legal fees due to increased tenders.
- Increased marketing efforts. Significant increase to identified prospects and tenders.
- Increased international travel to broaden market coverage. Gearing up for growth.
- Will continue to claim R&D incentives.

- Refer Note 2.

**Note 1:** Company was listed on ASX on 9.12.14.
**Note 2:** Assumes R&D tax incentive is treated as other income rather than a tax offset.
Positive operating cash flow
- $0.67 million, tax payment of $0.28 million

Purchased $0.55 million plant and equipment
- Including specialist equipment for software and hardware testing

Capitalised $0.89 million expenditure on R&D
- Enhance existing intellectual property and the commencement of the new rail CCS

New asset purchase bank facility
- Drawn down by $0.37 million
Identified Prospects and Tenders

Prospects worldwide valued at $333 million compared to $206 million in prior period

**Region**
- Australasia: $103m (31%)
- EMEA: $173m (52%)
- Americas: $57m (17%)

**Sector**
- Bus: $225m (68%)
- Rail: $10m (3%)
- Other: $98m (29%)

**Note:**
Factors influencing decisions on prospects proceeding and timing of delivery are unknown and outside the control of DTI. However, DTI is well positioned with a number of these prospects having been advised of shortlist status of approx $30 million for delivery over several years.
Year-on-year Prospect Growth

Building a strong base for future growth

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<table>
<thead>
<tr>
<th>Date</th>
<th>Bus</th>
<th>Rail</th>
<th>Bus &amp; Rail</th>
</tr>
</thead>
<tbody>
<tr>
<td>31.12.14</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>31.12.15</td>
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</table>

Year-on-year growth:
- Bus: 70%
- Rail: 68%
First half sales of $5.18 million, up 223% from $1.60 million in prior period

CCTV surveillance solution specified in a bus procurement tender issued by SEPTA (South Eastern Pennsylvania Transport Authority) in Philadelphia
- Procurement tender involves manufacture of 525 new buses over a five-year period
- Similar deal to the CCTV surveillance solution which DTI won in July 2014 for 454 new buses over a five-year period for San Francisco MTA

CCTV surveillance solution, specified for SEPTA’s next procurement of 45 Silverliner rail cars

Appointed an additional business development and marketing consultant for large rail projects

DTI bus and rail technology now adopted on east coast (Philadelphia) and west coast (San Francisco)
First half sales of $3.03 million, down from $3.65 million in prior period
Maintained strong market position with sales to wide range of customers
Signed a key $5.3 million contract with Alstom for 22 driverless trains for Sydney to provide:
- an advanced digital video surveillance system with 24 internal and 2 forward-facing high-definition IP rail rated cameras
- an IP-based audio communications system comprising public address with hearing aid loops, plus an automated voice announcement system and passenger emergency intercom
- external LED driven destination indication signs, 48” wide-screen LCD route displays, and internal passenger information displays
- a driver display screen which provides status information which also provides low latency live views from all cameras in the train plus a second 6 car coupled train
- deliveries to commence first half FY2017 for a two-year period

Bus and rail contracts in Perth, Brisbane, Sydney, Melbourne and Adelaide
First half sales $0.49 million down from $1.34 million due to delay in contract awards

Orders from new customers in the United Kingdom, France and the Netherlands

United Kingdom, Merseyrail. Advanced automatic passenger counting on trains in the Liverpool area. Merseyrail forms one of the most heavily used railway networks in the UK outside London. DTI has been asked to quote on additional CCTV surveillance systems

France, AGIP
- DTI’s French partner awarded a five-year agreement to supply CCTV surveillance systems for AGIR – an association of 172 independent transport providers in France. First order received from City of Niort
- Order from Marseilles Metro for 36 passenger information systems to outfit all of the Marseille Metro trains which follows order in 2014 for CCTV surveillance systems

Holland, Stadler. Trial order from VisiOn ISP to supply CCTV surveillance systems
New commuter communications system being developed for worldwide rail market. First contract awarded with $5.3 million which also includes DTI’s CCTV surveillance solution. Significantly increases DTI rail footprint.
<table>
<thead>
<tr>
<th>Company</th>
<th>Country Base</th>
<th>DTI Technology Tendered</th>
<th>DTI Technology Purchased</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alstom</td>
<td>France</td>
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<tr>
<td>Bombardier</td>
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<tr>
<td>Hyundai-Rotem</td>
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<td>CAF</td>
<td>Spain</td>
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<tr>
<td>Mitsubishi</td>
<td>Japan</td>
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<tr>
<td>Stadler</td>
<td>Switzerland</td>
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</tbody>
</table>
Key Strengths

- Strong market position and capability
- Exposure to attractive high-growth mobile security market and commuter communications systems
- Growing recurring revenue stream
- Scalable business model
- Strong customer relationships
- Strong business partners
- Global terrorism driving increasing customer demand
- Cash at bank, minimal debt and undrawn facilities
- Continued investment in R&D
  - Maintain market leading suite of technology offerings

- Investing in South Africa
  - Significant opportunities across bus, rail and law enforcement vehicles

- Investing in growth in United States
  - Across bus and rail

- New recurring revenue projects building on existing recurring revenue
  - Siemens (up to 13 years with options)
  - NewFlyer for San Francisco MTA (5 years)
  - Specified in tender for SEPTA Buses (5 years)

- Currently undertaking 11 trials in various cities worldwide
  - Including Sweden, France, Australia and Poland which are expected to lead to adoption of DTI technology

- Outlook for DTI in core markets remains strong
  - Prospects valued at $333 million, $30 million shortlisted

- Successful rail strategy now poised to deliver returns
  - Rail lead times long but high value projects
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