Overview – FY17

Financial
• Revenue of $15.9 million in line with guidance
• Underlying EBITDA adversely impacted by revenue lag and costs associated with new product launch, R&D treatment
• Balance sheet strengthened by $11.5 million capital raising
• $3.6 million negative cash flow from Operations offset by increase in net working capital by $3.0 million

Operating
• Major new rail contracts with Alstom, Delatim, and ESG
• Direct entry to US bus market rewarded with new contracts with Gillig and New Flyer
• New Products launched – Train recorder, Commuter Comms

Outlook
• Contracted order book\(^1\) of $31.6 million at 30 June 2017 (81.9 per cent growth since HY)
• Growing Opportunity Pipeline – $450 million
• New product range available
• Initiatives to reduce operating cost base

\(^1\) Includes LoI/LoA
Highlights

- Substantial growth (81.9 per cent) in contracted Order Book
- Launched new products – MDR6, TDR6 train recorder, Commuter Communications System and Passenger Information Displays
- Formalised framework Agreement with Alstom
- Commenced deliveries to critical projects (Sydney Metro, DART)
- Completed Capital raising of $11.5 million
- Strong R&D spend in FY17 ($7 million)

1 Includes LoI/LoA
FY17 FINANCIAL RESULTS
# Key Financial Metrics

<table>
<thead>
<tr>
<th></th>
<th>FY17</th>
<th>FY16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$m</td>
<td>15.9</td>
</tr>
<tr>
<td>EBITDA</td>
<td>$m</td>
<td>(3.0)</td>
</tr>
<tr>
<td>Underlying EBITDA</td>
<td>$m</td>
<td>0.5</td>
</tr>
<tr>
<td>Net profit/(loss) after tax</td>
<td>$m</td>
<td>(5.8)</td>
</tr>
<tr>
<td>Earnings per share</td>
<td>¢</td>
<td>(5.20)</td>
</tr>
<tr>
<td>Dividends per share</td>
<td>¢</td>
<td>nil</td>
</tr>
<tr>
<td>Gross debt</td>
<td>$m</td>
<td>0.5</td>
</tr>
<tr>
<td>Net cash/(debt)</td>
<td>$m</td>
<td>2.7</td>
</tr>
<tr>
<td>Net working capital</td>
<td>$m</td>
<td>11.3</td>
</tr>
<tr>
<td>Operating cash flow</td>
<td>$m</td>
<td>(3.6)</td>
</tr>
<tr>
<td>Employees</td>
<td></td>
<td>89</td>
</tr>
<tr>
<td>Contracted Order Book</td>
<td>$m</td>
<td>31.6</td>
</tr>
</tbody>
</table>

- Revenue in line with guidance
- Recognition of non-recurring charges against inventory and capitalized R&D
- Gross margins adversely impacted by higher pre-production costs
- Nil term debt
- Increase in net working capital associated with rail projects
- Strong Order Book
## Underlying EBITDA

<table>
<thead>
<tr>
<th>$</th>
<th>FY17</th>
<th>FY16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Statutory EBIT</td>
<td>(4,827,070)</td>
<td>2,585,368</td>
</tr>
<tr>
<td>Depreciation / Amortization</td>
<td>1,802,083</td>
<td>1,060,299</td>
</tr>
<tr>
<td>Reported EBITDA</td>
<td>(3,024,987)</td>
<td>3,645,667</td>
</tr>
<tr>
<td>Foreign Exchange losses</td>
<td>165,680</td>
<td>294,814</td>
</tr>
<tr>
<td>Net R&amp;D income / (expense)</td>
<td>1,550,854</td>
<td>(1,107,742)</td>
</tr>
<tr>
<td>Impairment</td>
<td>519,584</td>
<td></td>
</tr>
<tr>
<td>Initial Warranty Provision</td>
<td>146,051</td>
<td></td>
</tr>
<tr>
<td>Business development costs</td>
<td>491,301</td>
<td></td>
</tr>
<tr>
<td>Product margin</td>
<td>614,117</td>
<td></td>
</tr>
<tr>
<td><strong>Underlying EBITDA</strong></td>
<td><strong>462,600</strong></td>
<td><strong>2,832,739</strong></td>
</tr>
</tbody>
</table>

1 Underlying EBITDA excludes foreign exchange losses and non-recurring costs

- Initial warranty provision relates to prior periods
- Business development costs supporting market entry to Poland have completed
- NRV inventory adjustments relate to prior periods
- Lower product margin achieved where delivery of new products while commissioning manufacturing processes
### Balance sheet

<table>
<thead>
<tr>
<th></th>
<th>FY17</th>
<th>FY16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>3.2</td>
<td>0.6</td>
</tr>
<tr>
<td>Trade receivables</td>
<td>9.0</td>
<td>6.4</td>
</tr>
<tr>
<td>Other receivables</td>
<td>3.1</td>
<td>2.7</td>
</tr>
<tr>
<td>Inventory</td>
<td>8.0</td>
<td>5.8</td>
</tr>
<tr>
<td>Property, plant &amp; equip</td>
<td>1.0</td>
<td>1.1</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>5.6</td>
<td>4.4</td>
</tr>
<tr>
<td>Other assets</td>
<td>0.2</td>
<td>0.1</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>30.1</strong></td>
<td><strong>21.1</strong></td>
</tr>
<tr>
<td>Trade payables</td>
<td>5.8</td>
<td>4.0</td>
</tr>
<tr>
<td>Financial liabilities</td>
<td>0.5</td>
<td>0.5</td>
</tr>
<tr>
<td>Provisions</td>
<td>1.1</td>
<td>0.9</td>
</tr>
<tr>
<td>Deferred Tax</td>
<td>1.8</td>
<td>1.0</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td><strong>9.2</strong></td>
<td><strong>6.4</strong></td>
</tr>
<tr>
<td><strong>Total Equity</strong></td>
<td><strong>20.9</strong></td>
<td><strong>14.7</strong></td>
</tr>
<tr>
<td><strong>Net cash/(debt)</strong></td>
<td><strong>2.7</strong></td>
<td><strong>0.1</strong></td>
</tr>
<tr>
<td><strong>Net working capital</strong></td>
<td><strong>11.2</strong></td>
<td><strong>8.2</strong></td>
</tr>
</tbody>
</table>

- Significant ongoing commitment to research and development
- Rail Projects working capital intensive
- Negligible bank debt
- Impairment adjustments recorded
- Improved cash position from capital raising
- Technical Covenant breach – No action from bank
Liquidity

Working Capital

- Net working capital increased by $3.0 million
- Trade receivables and inventory both increased to meet ramp up in project requirements
- Strong support from major suppliers with extended payments terms

Cash and Bank

- Cash resources applied to net working capital ($3.0 million) and R&D ($7.1 million)
- Working with bankers for an acceptable facility to cure technical breach
STRATEGIES
## Strategies

- Key focus to return to profitability

<table>
<thead>
<tr>
<th>Grow Revenue Base</th>
<th>Stabilise Production Costs</th>
<th>Cost Down Strategy</th>
<th>Overhead Reduction</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Increased Order Book</td>
<td>• Product design finished leading to stable production runs</td>
<td>• Review supply chain to reduce component costs</td>
<td>• Tight control of costs and working capital</td>
</tr>
<tr>
<td>• Conversion of Opportunity Pipeline</td>
<td>• Migrate production to lower cost manufacturer</td>
<td>• Implement design efficiencies</td>
<td></td>
</tr>
<tr>
<td>• New Products available</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
ORDER BOOK AND PIPELINE
Order Book

- Order Book growing in line with increased marketing effort
- Strong growth in rail sector with global infrastructure spend
- Order book does not include anticipated recurring work until PO is issued
Addressable Market

- DTI’s addressable market comprises:
  - Mobile surveillance systems, consisting of recorders, cameras and ancillary equipment; and
  - Passenger Information Systems, consisting of displays, audio communications and entertainment systems

- FY17 revenue and order book weighted towards PIS

- Mobile Surveillance market is forecast to grow by 12.1 per cent to over US$1.6 billion by 2021<sup>1</sup>

- Passenger Information Systems forecast to exceed US$37 billion by 2022<sup>2</sup>

1. IHS Research – 24 Feb 2017
Mobile Video Surveillance Market

• Global market for mobile video surveillance equipment forecast to grow at CAGR of 12.1 per cent to 2021

• DTI is a significant player in mass transit sector (trains, trams and transit buses) which constitutes 46.1 per cent of the market

• The Americas is the largest market for mobile video surveillance equipment while EMEA is the fastest growing market

Source: IHS Research – 24 Feb 2017
Passenger Information Systems

- Market forecast to be US$37 billion by 2022, growing at CAGR of 26 per cent\(^1\)
- These products comprise approximately 70 per cent of the current contracted order book of $31.6 million

Opportunity Pipeline

- Substantial Opportunity Pipeline in excess of $450 million
- Pipeline unwinds over next four years based on expected contract award dates
- Significant proportion in tender phase
- Contracted work supports revenue throughout FY18 and into FY19
Opportunity Pipeline

- Significant identified long term pipeline in excess of $450 million
- Geographic segmentation remains similar with EMEA and Americas strongest opportunities
- Market continues to be dominated by rail which generally has higher specifications and engineering effort
- Growth drivers include legislation/evidence standards, public infrastructure spending and potential to reduce insurance and maintenance costs
COMPANY PROFILE
Company Snapshot

SHARE PRICE

![Share Price Chart]

CORPORATE DETAILS

- **ASX Code**: DTI
- **Issued Shares**: 126,671,579
- **Share Price (18 Aug 2017)**: $0.165
- **Market Capitalisation**: $20.9 million

MAJOR SHAREHOLDERS

- Chris Morris (& Associates) 19.6%
- Board & Management 10.2%
- UIL Limited 9.8%
- Adam Smith 5.1%
- Other Institutional 5.3%

BOARD AND MANAGEMENT

- Neil Goodey: Chairperson
- Peter Tazewell: Managing Director
- Richard Johnson: Executive Director
- Glyn Denison: Non-executive
- Jeremy King: Non-executive
- Chris Morris: Non-executive
What we do . . .

- DTI designs, develops and installs world-leading surveillance, video analytics, and passenger information systems technology and services to the global mass transit industry

- Utilising proprietary software with leading edge hardware (hybrid-recorders, commuter communications systems and back office management solutions), DTI provides data solutions to transit operators

- DTI seeks to leverage its engineering capabilities to provide transit operators with increased functionality, products and services
DTI Key Customers

1. Includes End Customers
OUTLOOK
Outlook

• Contracted order book\(^1\) in excess of $30 million
• Gibela/PRASA contract provides strong market entry opportunity for South Africa
• Identified Opportunity Pipeline of $450 million over the next four years
• Global market for mobile surveillance equipment forecast to grow from US$950 million to US$1.7 billion over next five years (12.1 per cent CAGR)
• DTI specialises in mass transit vehicle sector (trains, trams and busses) which is growing at 8.9 per cent CAGR
• DTI has developed a strong technical reputation for developing leading edge products and solutions
• Following the end of product development cycle, DTI has undergone restructure of its operating cost base

\(^1\) Includes LoI/LoA
Summary

• Transitional year which has adversely impacted earnings
• Recapitalisation of Company completed
• Completed introduction of range of innovative new products
• Company maturing and implementing internal improvements to support future growth
• Cost base restructured to support current activities
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