

DTI GROUP LTD
CEO AGM ADDRESS

4 November 2015

Good afternoon Ladies & Gentlemen

Thank you for taking the time to attend personally our first Annual General Meeting as a public listed Company. I will be speaking to the 2015 financial year presentation which was released to ASX on 28 August 2015 with the 2015 Annual Report.

Having previously operated as an unlisted company for over ten years, the decision to list on ASX was made to facilitate further growth of the Company in the coming years.

Financial performance for the 2015 financial year was below our expectations, largely due to tender awards being deferred and lower sales in the United States. However, the Company achieved an EBITDA performance of \$1.5 million based on revenue of \$16 million which included a 41% increase in marketing expenditure of \$1 million.

The Company's balance sheet was strengthened from the net cash proceeds from the IPO and the exercise of options. Shareholders' equity increased by 44% to \$14.7 million. Even though the Company has a solid quick ratio of 2.7 times, the Company intends re-arranging its facilities with a leading Australian bank to provide extra financial resources to fund planned growth. Currently, the Company has minimal interest-bearing debt and current project bonding is covered by a term deposit held with our bankers.

DTI has a strong market position in Australia with well established relationships with government transit operators in Brisbane, Perth, Adelaide, Hobart and Canberra. Both Sydney and Melbourne are seeking to expand their existing transport facilities and DTI considers that it is well positioned to win contracts in the future in these two major Australian cities.

The recent purchase order for the \$5.1 million passenger information and CCTV system for trains being built by Alstom for the Sydney Northwest Rail Link project is a demonstration of our capability in providing tailor-made transit solutions for vehicle manufacturers and transit operators. Importantly, it is our fourth major rail contract in Australia with earlier success in Perth, Adelaide and Brisbane.

The Australian Federal Government has recently announced planned initiatives to provide funding to expand Australian public transport services which could enable a number of planned projects in



Australia to proceed. We consider that DTI is well positioned to be a participant in the roll out of these public transport projects.

Sales in EMEA (Europe, the Middle East and Africa) increased by 99% in the 2015 financial year. DTI has a well established and highly regarded operational base in the United Kingdom and presence in France, Poland and South Africa. The opening of offices in both France and South Africa has enhanced DTI's presence in these countries and has greatly assisted in building strong relationships. The offices are working on a number of opportunities in association with vehicle manufacturers and transit operators in both the rail and bus sectors.

Sales in the Americas were down 55% in the 2015 financial year which were a significant factor in DTI's overall result. Pleasingly, orders have started to flow through during the first quarter of this financial year and we have recently announced an initial order from Kratos Public Safety and Security Systems for advanced video surveillance systems on 64 new light rail vehicles being built by Siemens for the San Francisco Municipal Transportation Agency (Muni). Further orders are expected with the rollout of additional new light rail vehicles and new buses. This follows DTI's previous success in supplying Muni's bus fleet since 2013.

DTI has now established global reach covering its home market in Australia; the United States, which is the world's largest surveillance market; and EMEA.

The outlook for DTI remains strong with excellent pathfinder projects and numerous trials worldwide.

DTI is committed to a growth strategy which involves:

- extending its offering and global reach in key target markets
- continuing to invest in developing innovative technology
- expanding through additional business partners and acquisition.

The main focus for the FY16 year will be the development of the passenger information system for the Sydney Northwest Rail Link project for Alstom. Once developed by DTI's in-house engineers, the new passenger information system can be offered to other customers and projects. This is a prime example of DTI's scalable business model.

DTI's recent successes have highlighted that DTI has world-leading technology suited to the bus, rail and light rail markets, as well as taxis and other sectors. The technology covers hardware, software, systems and maintenance, and support solutions.

DTI is a profitable software focused company with world-leading reference sites and a strong market position and capability. DTI will maintain its ongoing investment in research and development aimed at continued innovation and market leadership of its products and services ensuring its ability to maintain organic growth.

The Board reaffirms its previous guidance for 2016 with an expected increase in FY16 EBITDA compared to FY15 EBITDA of at least 50%.

Our prospective business now totals over \$250 million.

The DTI team comprises 70 employees of which 40% are software and hardware engineers and project management, 10% marketing and sales support, 21% operations and maintenance, 19% production, and 10% administration. These percentages clearly show DTI's commitment to technological innovation which is well supported by a marketing and sales team located throughout the core regions in which DTI operates. Additional engineers are currently being sourced to develop new products and software solutions while maintaining a modest overhead structure.

I would personally like to record my acknowledgement and appreciation of the efforts of DTI's hard-working team.