23rd Annual Needham Growth Conference: Business Update

January 15, 2021

Bruce Davis
Chairman & CEO

New to Digimarc?
Click here for an Introduction to Digimarc
Safe Harbor Statement

This presentation includes “forward-looking statements” within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and Section 27A of the Securities Act of 1933, as amended, which reflect management’s current view with respect to future events and performance, including statements regarding: projected improvements in the ease of use, reliability and efficiency of auto identification from implementing the Digimarc Platform; the size of the total addressable market and anticipated revenue we could realize from serving those markets; potential applications for and performance of our products and services, and related sources of revenue.

Although we believe these statements to be based on reasonable expectations and beliefs, they are subject to risks and uncertainties which are difficult to predict and, in many instances, are beyond our control. These risks and uncertainties include, but are not limited to, the size and growth of our markets; protection, development and enforcement of our intellectual property portfolio; adoption or endorsement of our technology by leading companies in the retail and consumer products industries or standard-setting bodies or institutions; our future profitability; competition from larger companies or alternative technologies; acceptance in our markets of our revenue models and pricing structures; and the risks detailed in our filings with the U.S. Securities and Exchange Commission from time to time, including the risk factors set forth in Part I, Item 1A of our latest Annual Report on Form 10-K.

We believe that the risk factors specified above and the risk factors identified in Part I, Item 1A of our latest Annual Report on Form 10-K and our other filings with the U.S. Securities and Exchange Commission, among others, could affect our future performance and the liquidity and value of our securities and cause our actual results to differ materially from those expressed or implied by forward-looking statements made by us or on our behalf.

All forward-looking statements made by us or by persons acting on our behalf apply only as of the date of this presentation. We expressly disclaim any obligation to update or revise any forward-looking statements to reflect future events, information or circumstances that arise after the date of this presentation or a change in our views or expectations, or otherwise.
Big Picture: Digimarc Platform

The Digimarc Platform provides for enhancing media with Digimarc Barcodes, automatically discovering Digimarc-enhanced media, quality management, and IoT services.

**Identification:**
Enhancing Media with Digimarc Barcode  
(Design & Production Software and Services)

**Discovery:**
Automatically Detecting Digimarc Barcode  
(Enabled Scanners & Detection Devices)

**A Sample of Offerings:**
- Packaging & Labels
- Documents
- Print
- Plastic
- Fabric
- Audio
- Corrugate

**Verification:** Validating Accuracy and Efficacy of Digimarc Barcode
Big Picture: Improve Auto Identification Throughout Full Product Lifecycle
Big Picture: Build Customer Lifetime Value (CLV)

To customer onboarding

1. Unaware
2. Aware
3. Consideration
4. Evaluation
5. Decision
6. Onboarding
7. Adoption
8. Value Realization
9. Product Loyalty
10. Advocacy

From first moment or experience

My.Digimarc

To adoption / loyalty

2. Nestlé
   - Kellogg’s
   - Mondelez
   - General Mills
   - Henkel
   - Diageo
   - Kraft Heinz
   - AB In-Bev
   - Molson Coors
   - Kroger
   - Target
   
   Recycling: AIM, European Brands Association

4. Conagra
   - Major Coffee
   - Processor
   - Major e-Comm

8. Walmart
   - Netto
   - Newpoint Media
   - Major Tobacco
   - Major Pharma

9. Source Audio

10. Central Banks
    - P&G
    - Cognella
    - Hachette Livre
    - Houghton Mifflin Harcourt
    - Recorded Books

Recycling: AIM, European Brands Association

5. Wegmans
   - Avery Dennison
   - Major Auto
   - EVRYTHING

Recycling: P&G, Orkla, Henkel, TOMRA, Pellenc
2020 Retrospective

• Navigating the pandemic well
• Resiliency and adaptability of our Team
• Pandemic drove shift from retail store operations to supply chain
• Beginnings of globalization
• Emergence of End User driven Solutions
• Serialization supporting large opportunities in supply chain
• Marker coder and laser developments unlocking serialization
• Recycling opportunity matured into industry initiative amidst growing global crisis
• Effective working capital management; unexpected sources of funding
• Evolution of the Organization, Platform, and Supplier ecosystem

“When something bad happens, you have three choices. You can either let it define you, let it destroy you, or you can let it strengthen you.”

Borrowed from Jeff Bezos’ 2020 shareholder letter, who borrowed from Theodor Seuss Geisel, author of Dr. Seuss children’s books
Keys to Success in 2021

• Deliver substantial **Bookings and Revenue** growth

• Maintain and grow our Established Business with Government and Media customers including Central Banks and Global Publishers

• Continue to deliver exceptional value and expand footprint at **Walmart**

• Penetrate new supply chain customers focused on **serialization** with interfaces to IOT services, including traceability, brand protection, and supply chain visibility
  - Introduce a unique, comprehensive Brand Protection suite
  - Expand Marker Coder use
  - Commercialize Laser R&D that shows great potential

• Foster growth and globalization with expansion and improved support for **Supplier** network

• Successful industrial tests with **AIM/HolyGrail 2.0** and Golden Threads stimulate and accelerate adoption and ecosystem development; and encourage a second front on recycling in North America

• Faster, easier Digimarc Barcode **enhancement capabilities**; minimal artifacts; and integrated, reliable quality management

• Progress toward seamless multi-modal Discovery of all media

• Engage and keep all **employees safe and healthy** while recruiting talent and experience in new areas of growth
Stay Engaged, Stay Informed

Digimarc in the News
Press Releases
Events

Sign up for our newsletter:
Digimarc Digest

Follow us on social:
Twitter
LinkedIn
Facebook
Instagram

Read our blog:
Digimarc Perceptions

DJ Vogt
Sr Director, Corporate Communications
P: +1 503.469.4762
dj.vogt@digimarc.com