

## LAGODA: WHAT WE STAND FOR

- Lagoda was founded with one goal in mind—to create a research-intensive, independent environment where a unique global research strategy could thrive. The firm’s primary aim is to deliver a product we can be proud of—a portfolio comprising a superior collection of businesses that allow for superior long-term investment performance.
- Since its inception, the firm has embarked on a global journey to discover great business models, great owner operators, and great long-term investment opportunities.
- At Lagoda, our clients become partners in a long-term investment journey. And we consider our investments long-term partners in their business journeys. Lagoda is not interested in short journeys.



*Fatima Dickey, Founder and  
Managing Partner*

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\*Co-founder Richard Bayles has since exited the Firm. Please see the Due Diligence Questionnaire dated November 2019.

# INVESTMENT AS A JOURNEY

At Lagoda, we view each investment as a journey. Our challenge is to determine which journeys are worth our efforts—and worthy of our clients' capital, time, and risk. Here are the essentials we look for:

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## ➤ A JOURNEY WORTH UNDERTAKING FOR THE LONG-TERM

- As long-term investors, our goal is to identify companies that represent large and long-lasting opportunities.

## ➤ A BUSINESS MODEL THAT'S RIGHT FOR THE JOURNEY

- We look for business models that can endure a journey that's often fraught with unpredictable volatility, obstacles, and inevitable economic cycles.
- The best defense during difficult times is a strong and resilient business model.

## ➤ THE RIGHT PEOPLE TO LEAD US ON THE JOURNEY

- We look for the smartest and most committed management teams, the kind that won't tire, deceive us, or lose determination.
- We focus on choosing management teams who are committed to solving problems and have skin (as well as soul) in the game to take the right kinds of risks.

# Competitive Advantage

*(dominant position in products or services; the Economic Moat)*

## Owner-Operator

*(founder-run or a significant long-term shareholder with influence)*

Also important to us are

### Culture

*(organization as a competitive advantage)*

### Growth

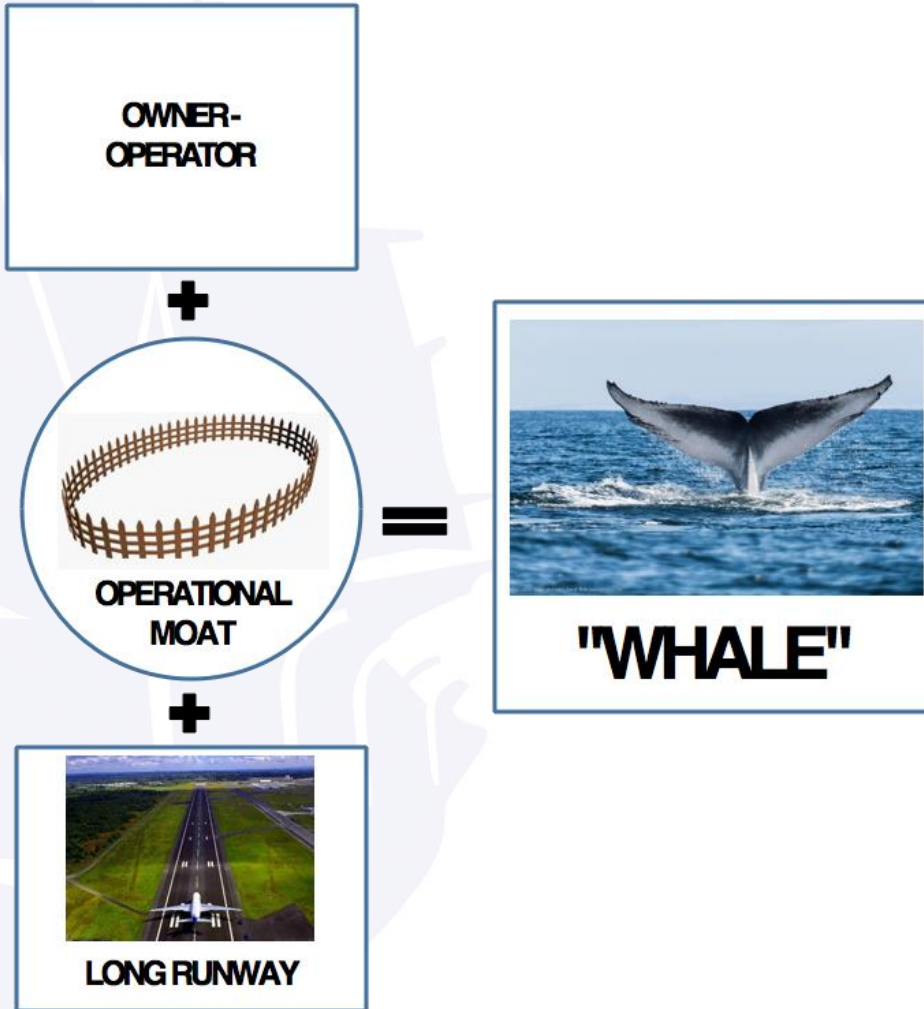
*(long runway for growth)*

### Valuation

*(compelling risk-reward valuation)*

# SPOTTING THE WHALES

The *whale* is our term for a long-term investment with great potential, one that combines the features we consider essential.



## ➤ OWNER-OPERATOR

- The presence of an owner-operator ensures a long-term vision as well as aligned incentives.

## ➤ OPERATIONAL MOAT

- A sustainable moat keeps individual companies strong amid potential *sharks*, providing a sustained advantage.

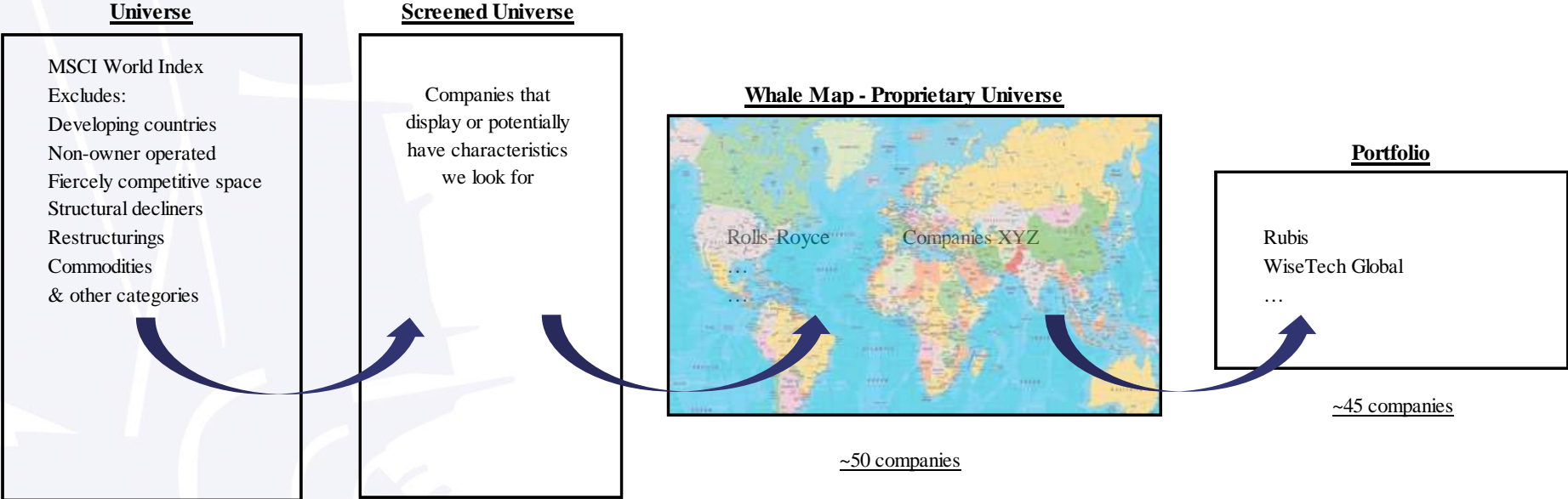
## ➤ LONG RUNWAY

- Having an owner-operator and an operational moat gives companies the potential for many years—even decades—of future growth, given a large market opportunity.

## ➤ WHALE

- A company with this combination of traits has a high likelihood of becoming a whale—an investment that will generate outsized returns over a long period.

# WHALE SPOTTING, HOW IT'S DONE





OUR PROPRIETARY CATEGORIES BY BUSINESS  
MODEL MATURITY & RISK PROFILE

# OUR PROPRIETARY CATEGORIES BY BUSINESS MODEL MATURITY & RISK PROFILE

## **1. Investment Platforms (~20%\*)**

*Investment vehicles of proven capital allocators. Investing alongside some of the best owner-operators with long track records. Risk is that past performance does not guarantee future results.*

Investment AB Latour

SoftBank Group Corp

*Companies XYZ*

## **2. Established Businesses (~45%\*)**

*Industry leading, often dominant businesses operating in well-developed industries. Low risk of competition.*

### Obvious Champions

Alphabet Inc  
Keyence Corp  
Neste Oyj

### Hidden Champions

LEM Holding SA  
Belimo Holding AG

*Companies XYZ*

## **3. Developing Businesses (~25%\*)**

*Leading—often dominant—in a relatively early-stage market at the present; respective markets are expected to grow significantly. Risk is that today's leaders may not be tomorrow's leaders.*

Xero Ltd

Trupanion Inc

*Companies XYZ*

## **4. “Startup” Businesses (~10%\*)**

*Businesses with promising technologies; has opportunities to create new demand. Risk is that commercialization never happens or is substantially delayed.*

Clinuvel Pharmaceuticals\*\*

Digimarc Corp

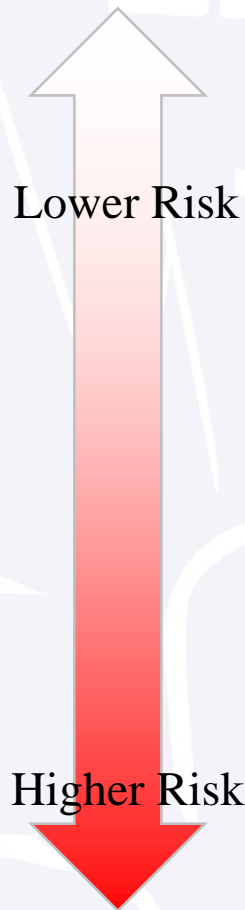
*Companies XYZ*

\*Approximate percent of the equity portfolio excluding cash.

\*\*Originally in the “Startup” category, since moved to “Developing”

## DIVERSIFICATION BY BUSINESS-MODEL MATURITY & RISK PROFILE

In our risk assessment, we define risk not as volatility but as the possibility of permanent loss of capital:



### ***Investment Platforms (approximately 20%\*)***

The risk in this category is that past performance does not guarantee future results. However, we're investing with owner-operators who have very long-term track records, which increases the likelihood of continued success. These companies are generally *diversified conglomerates* with many businesses, and the chance of simultaneous failures is small.

### ***Established Businesses (approximately 45%\*)***

Competitive risk is low in this category since most companies have *well-established moats* in well-established businesses. They're often the best companies in their industries globally. Individual business risks exist, however, such as drug pricing, obsolescence, and industry-specific issues.

### ***Developing Businesses (approximately 25%\*)***

Companies in this category operate in industries that are expected to *grow significantly*. The risk is that today's leaders may not be tomorrow's leaders as these early-stage, dynamic industries develop and mature. Our companies are the best equipped so far to lead their respective industries as they develop. But that could change over time.

### ***Start-Up Businesses (approximately 10%\*)***

Our companies in this category have what appear to be promising technologies with *enormous growth potential*. The risk is that commercialization may not happen or be substantially delayed.

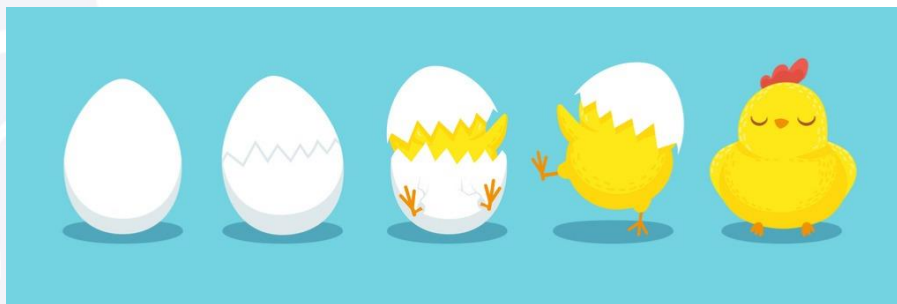
\*Approximate percent of the equity portfolio, excluding cash.

\*\*Figures as of October 31, 2019.

## LET'S FOCUS ON OUR "STARTUP" BUSINESSES

### ➤ "STARTUP" BUSINESSES

- They are businesses that possess promising technologies in varying stages of development.
- They have opportunities to create new demand in vast untapped markets.
- Risk is that commercialization never happens or is substantially delayed.
- Risks tend to be idiosyncratic and are typically uncorrelated to the broader sectors they are classified in.
- *We call these... "moats, but no castles yet."*
- Although they possess higher risk profiles, the upside is typically multiples of the current share price leading to potentially transformative returns for the portfolio.
- "Startup" businesses are currently ~10% of Lagoda's equity portfolio.



# CLINUVEL: REVOLUTIONIZING TREATMENT OF EPP AND VITILIGO

Technological Moat

Visionary  
Owner-Operator

Policy Moat

High  
Recurring Revenue

High  
Market Share

Clinuvel is an Australian biotechnology company focused on the science of photoprotection and its applications in rare skin diseases. The company's lead compound, Scenesse, is a chemical analogue of a naturally occurring hormone, Alpha-Melanocyte Stimulating Hormone. Scenesse has two medical applications: EPP and vitiligo. EPP is a life-changing **orphan disease**, while vitiligo, a much larger opportunity, is a severe cosmetic issue that affects millions worldwide. Besides Scenesse, there are no other approved drugs available for EPP, and treatment options for vitiligo are limited. As such, Clinuvel is addressing conditions with **high unmet medical need**.

Scenesse was granted approval for EPP in Europe (2014) and the US (2019), and the company expects **strong pricing power** given the severity of this disease, the effectiveness of the drug, and the dearth of treatment options available. In the case of EPP, Scenesse must be administered several times a year as a treatment, granting Clinuvel **high recurring revenues**. Clinuvel does not have any direct competitors.

Dr. Philippe Wolgen, Clinuvel's CEO, is also among the company's largest shareholders.



*Pictured left: Clinuvel's CEO, Dr. Philippe Wolgen.*

*Pictured below-left: Vitiligo is a disease that causes loss of skin color.*

*Pictured below-right: EPP is a disease characterized by extreme photosensitivity.*



## CLINUVEL: THE INVESTMENT CASE IN ONE SLIDE



# CLINUVEL

As of writing, Clinuvel's market capitalization is approximately \$1.1bn US dollars, over 10x of its value at our initial purchase. This is a result of achieving regulatory approval, and early commercialization of Scenesse. However, the journey ahead remains exciting as Clinuvel expands into new geographies, gains approval in other photo-sensitive diseases, and even expands to new product lines.

Clinuvel offers Scenesse to EPP patients in Europe at a cost of EUR 56-85K (\$62-94K) per annum depending on the number of implant injections. Pricing in the US is expected to remain at a similar level. Given the approximately 10,000 EPP patients in Clinuvel's approved and pending markets, a successful launch of Scenesse for EPP could generate revenues of several hundred million USD, based on the strength of this indication alone. Given the **high unmet medical need** for EPP, we believe Clinuvel could achieve meaningful penetration within a few years of its launch.

Clinuvel is also expanding from the biopharma photoprotection market, to the cosmetics and skin care market. The company may launch dermatology applications as well as mass-market products for sun protection and tanning. This is an enormous opportunity. Just the self-tanning product manufacturing industry alone is a \$1.5bn market. Although hard to quantify Clinuvel's potential in these areas, just a small share of industry profits could be significant. The company is set to release the first of its "Chivere" trademarked products as early as 2020.

Scenesse for vitiligo, which is currently in phase II trials but may be priced similarly to Scenesse for EPP, is a very meaningful optionality. This indication also has **high unmet medical need** and, importantly, Scenesse has the potential to cure vitiligo after a one-year treatment regimen. There are an estimated 50 million vitiligo patients worldwide. Even modest penetration into this market could justify Clinuvel's current share price many times over.

EPP	Vitiligo
Estimated \$75,000 per patient per year	Estimated \$75,000 per patient per year
10,000 patients in approved/pending geographies	Tens of millions of patients in target geographies
\$750mm Market Opportunity	Multibillion dollar market opportunity

# Clinuvel Pharmaceuticals: Near-term opportunity in EPP will fund massive long-term opportunity in vitiligo



Day 0  
Baseline

Day 27  
After 9 NBUVB  
treatments

Day 55  
After 15 NBUVB  
treatments, 1 implant

Day 111  
After 27 NBUVB  
treatments, 3 implants

Day 176  
After 40 NBUVB  
treatments, 4 implants



Day 0 (Baseline)



Day 35 (15 treatments/1 implant)



Day 66 (29 treatments/2 implants)



Day 171 (62 treatments/4 implants)

Clinuvel has reached the very important milestone of FDA approval for Scenesse, paving the way for global adoption and expansion of the franchise. So far they have proven that Scenesse 1) stimulates repigmentation, and 2) induces systemic photoprotection. Clinuvel's journey is in fact only beginning, as they begin to pursue the third source of clinical benefit from Scenesse, DNA-repair. This has large implications given that DNA-repair can aid in anti-aging and combat skin cancers.



Here are some excerpts from the company that laid this out:

*“Over the long-term and following chronic exposure to sun, UV-induced DNA damage leads to photoaging and higher risk of developing skin cancer(s). All three prevalent skin cancers share in common the underlying actinic and DNA damage incurred from UV-exposure and subsequent mutations caused”*

*“Data generated by Clinuvel, has shown that alpha-melanocyte stimulating hormone optimizes MC1R binding, improves cellular signaling and influences UV-generated DNA defects.”*

This will be no easy task however, but the reward is large and worth embarking on this next stage, as the CEO explained:

*“Now, 14 years later, we are finally executing the ultimate part of the strategic trilogy....By evaluating the effects of SCENESSE as a DNA -reparative agent we aim to complete the three-pronged plan. Although we are once again entering uncharted territory, the prospects is most exhilarating for all involved. The clinical challenge and the commercial opportunity are both immense”.*

Although early, Clinuvel has already generated data in conjunction with other leading research institutes that show promise in this new area of benefit. The next steps will be for Clinuvel to prepare for two clinical trials.

# CLINUVEL: AN EXPANDING FRANCHISE

Clinuvel's dedicated focus over 14 years to melanocortins (family of peptide hormones involved in photoprotection and other functions) and the photoprotection space has proven worthwhile as they can now take their successes across new product categories and new therapeutic indications.

Scenesse in EPP has largely been derisked and Clinuvel is pursuing approval in new countries such as Australia (filed for registration in December 2019) and Japan, which will collectively add approximately 500 patients to the already small addressable market.

The DNA-repair opportunity, although still years in the making, is exciting as it can lead to skin cancer therapies, as well as a lucrative and mass-market luxury skincare product. To put the luxury skincare opportunity in perspective, the leading player in the space today generates over \$2 billion of sales in its leading brand.

Clinuvel has announced it is pursuing at least one other new indication in addition to EPP and Vitiligo, though still unnamed. There are a number of photo-related orphan diseases that have critical unmet needs which Clinuvel could harness its expertise to further expand its growing franchise. If any of these prove successful the runway for Clinuvel could be even longer and the rewards greater than when we first embarked on the journey.

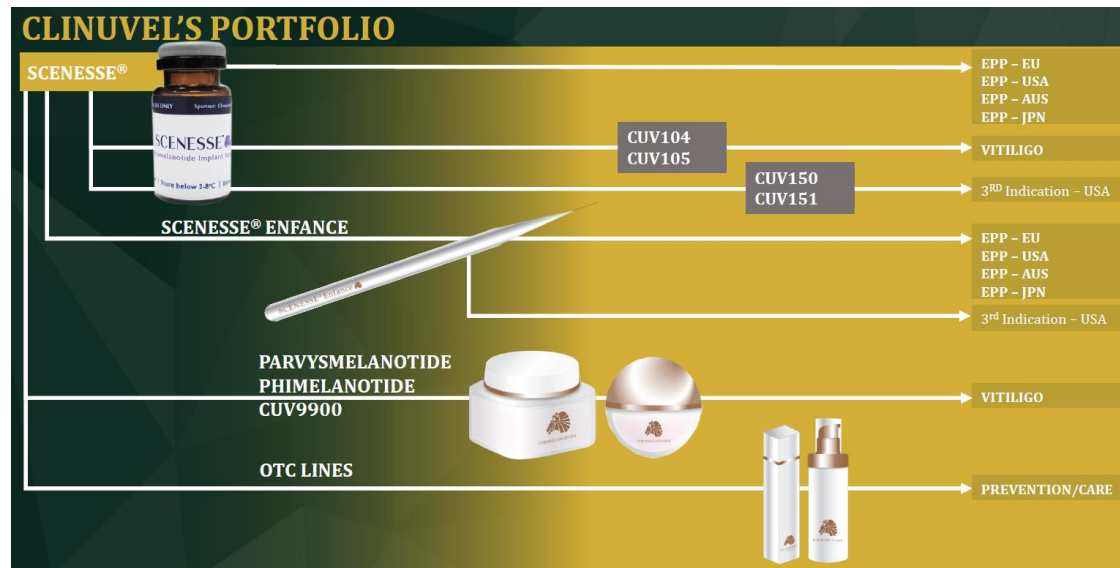
*Pictured far right: Clinuvel's portfolio is expanding from EPP and Vitiligo, to dermatological and mass-market products, in addition to the farther away DNA-repair opportunity.*



*Pictured left: Variegate Porphyria (VP) another photo-toxic related orphan disease is a possible area of exploration for the clinical efficacy of Scenesse.*



# CLINUVEL



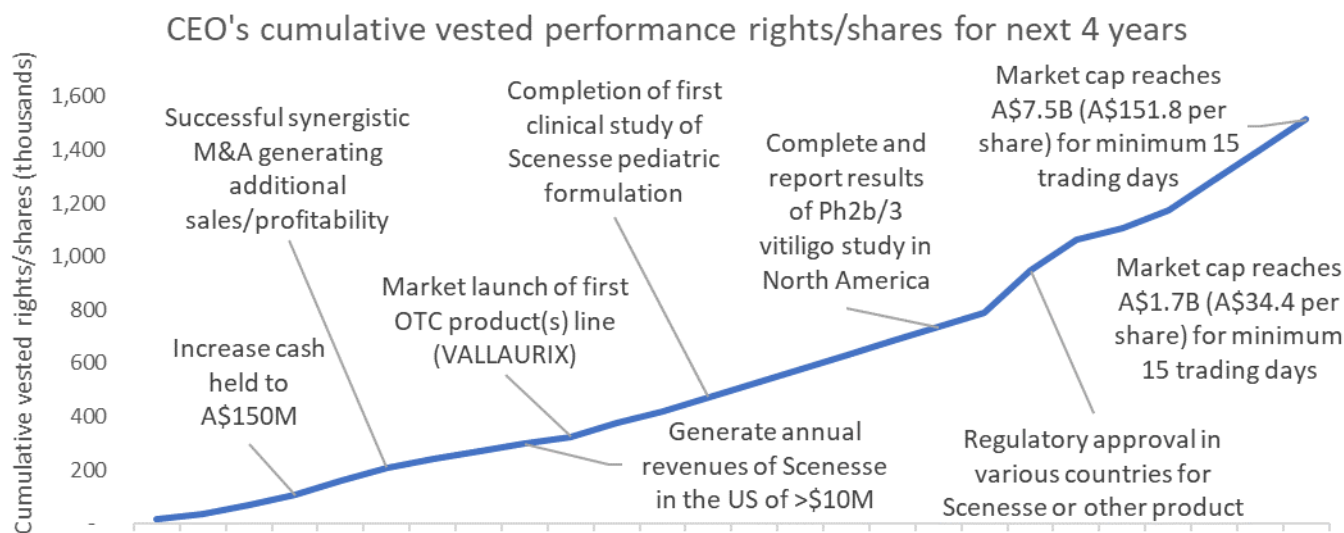
## CLINUVEL: CEO'S TO DO LIST

Clinuvel now has a multitude of current goals (US commercialization, OTC products, Vitiligo trials, new countries for EPP) as well as longer-term goals (DNA-repair and new indications), and will require continued and renewed dedication of the current management team.

The Board has approved a new and generous remuneration package for Dr. Wolgen if he is able to stay and achieve the various goals set out in the next 4 years. We believe that this properly aligns the management team to grow shareholder value going into this next exciting stage for the company.



CLINUVEL



**Goals for the CEO in next 4 years**

# Niche Monopoly scaling to become a Global Dominator



CLINUVEL

**Niche Monopoly**

**Global Dominator**

Medium term

Longer term

**2014: EPP Europe**  
 Gained first approval by EMA  
 Market Opportunity:  
 ~2000 patients  
 Revenue Opportunity:  
 \$180M AUD

**New Geographies for EPP**  
 Japan and Australia submissions  
 Market Opportunity:  
 ~500 patients  
 Revenue Opportunity:  
 \$45M AUD

**Scaling Scenese to Vitiligo**  
 Advanced clinical trial setup  
 discussions with US FDA  
**POTENTIALLY** 100K - 200K  
 patients per year.  
 Revenue Projections: \$2B+ AUD

**2019: EPP US**  
 Gained FDA approval  
 Market Opportunity:  
 ~4,300 patients  
 Revenue Opportunity:  
 Additional \$590M AUD

**Ointments/Cosmetics**  
 Dermatology and mass-market  
 Possible applications: Sun  
 protection, re-pigmentation,  
 anti-inflammatory, skin cancer  
 protection

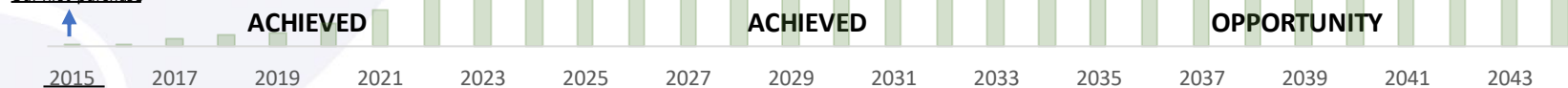
**Addressing Other Niches:**  
 Pediatric EPP in PoC stage  
 Pursuing new indications:  
 Variegate Porphyria (PoC)  
 Xeroderma Pigmentosum  
 (possible)

**GOOD**  
 What we purchased July 2015.  
 Share Price Potential:  
 \$10-13 AUD

**GREAT**  
 Approved by FDA 4Q2019.  
 Share Price Potential:  
 \$30-40 AUD

**POTENTIAL WHALE**  
 Scaling the science, developing  
 applications for Vitiligo and  
 cosmetics.  
 Share Price Potential:  
 \$100+ AUD

Our first purchase



# CLINUVEL: REVOLUTIONIZING TREATMENT OF EPP AND VITILIGO

Technological Moat

Visionary  
Owner-Operator

Policy Moat

High  
Recurring Revenue

High  
Market Share



CLINUVEL

- Visionary owner-operator
- Approved orphan drug in a market with no other approved treatments (EPP), going global
- Potentially transformative treatment for vitiligo, a large addressable market
- High technological barriers to entry
- Optionality of topical products (commercial specialized creams)
- Exciting pipeline of possible new orphan disease indications where Scenesse could be applicable, in addition to pursuit of longer-term clinical breakthroughs

Clinuvel, AUD



## Key Statistics (as of 1/23/2020)

<b>Currency</b>	AUD	<b>Exchange</b>	AU
<b>Price</b>	29.00	<b>Sales (mm)</b>	31.05
<b>Market Cap (mm)</b>	1,432.90	<b>Net Income (mm)</b>	18.13
<b>Enterprise Value (mm)</b>	1,378.63	<b>Div Yield</b>	0.09
<b>P/E LTM</b>	77.28	<b>ROE</b>	37.55

# DIGIMARC: UNIQUE BARCODE TECHNOLOGY WITH MYRIAD APPLICATIONS

Technological Moat

Visionary  
Owner-Operator

High  
Market Share

High  
Recurring Revenue

Digimarc, founded in 1995, has developed an invisible barcode technology with various applications. The company has **high market share in its niche**, by virtue of the product being the only one of its kind. The company's near-term goal is to accelerate the adoption of their digital watermark for consumer packaged goods. With Digimarc technology, brick and mortar stores (particularly grocery stores and other high-throughput stores) can increase productivity and profitability by drastically reducing checkout time and associated costs.

In an increasingly connected world, Digimarc's technology could play a pivotal role in connecting offline and online content. Digital watermarks have also been applied to audio, video, and print. With a smartphone's camera and microphone, invisible watermarking can be used to instantly load relevant online content. Invisible watermarks also have applications in security and anti-counterfeiting.

CEO Bruce Davis, who is recognized as Digimarc's **thought leader and visionary**, is also one of the company's largest shareholders. His experience in patent law and digital technologies is critical to the company's direction and success. Digimarc has over 800 patents in the realm of digital watermarking and content identification.

# DIGIMARC



*Pictured right:  
CEO Bruce Davis is a  
founder and owner-  
operator. With  
Digimarc's Discover  
application, scanning  
this photo will link the  
user to additional  
information about Mr.  
Davis.*



*Pictured left:  
Digimarc's digital  
watermark,  
imperceptible to the  
naked eye, can be  
embedded in product  
packaging and  
detected by a  
checkout scanner or  
smartphone camera.*

# DIGIMARC: A REVOLUTION IN CONSUMER PACKAGED GOODS

Digimarc's unique watermarking technology offers numerous benefits over traditional barcodes, and has garnered a great deal of interest from consumer packaged goods companies and retailers alike. Unlike traditional barcodes, Digimarc's invisible barcode is embedded on the entire surface of a package, which significantly decreases scanning time at checkout. Digimarc estimates the average reduction of checkout time for retailers at 33%. Further, will full deployment, the company estimates that a U.S. retailer with \$10 billion in sales could realize a 5-year ROI over 1200%.

The digital watermark (or "digimarc") can also be used by consumers before checkout to quickly access additional product information. Digimarc's phone application, called Digimarc Discover, is also being used to offer deals to customers. The portal, which can sense watermarks in video, audio, and print, can be used creatively by retailers and product manufacturers seeking to boost digital engagement with customers.

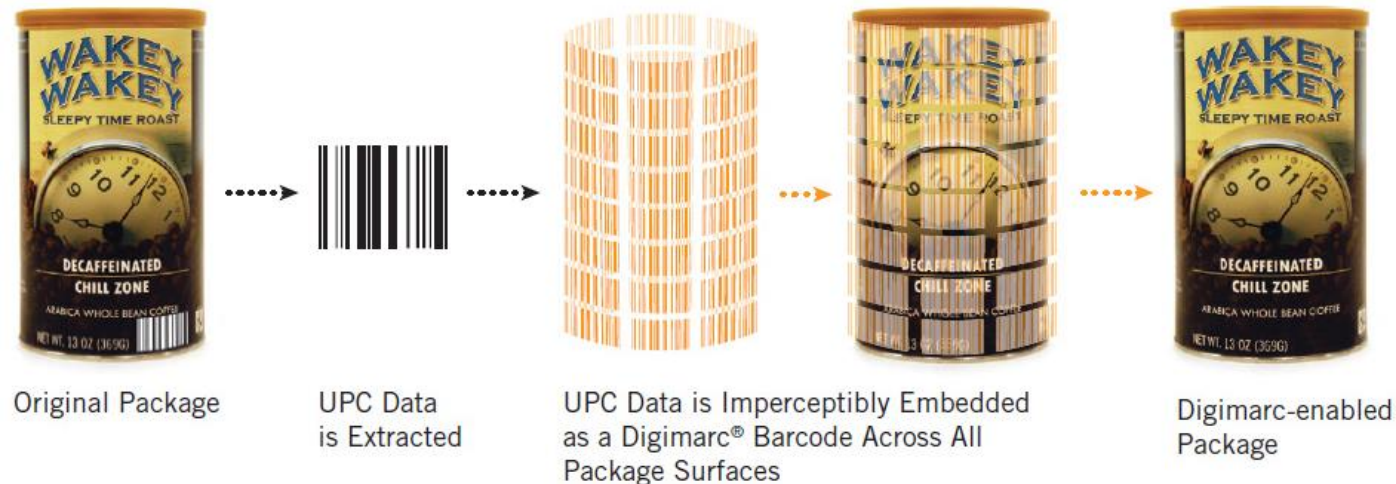
Digimarc's technology is protected by hundreds of patents and a deep **technological moat**. The technology was pioneered by astrophysicist Geoff Rhodes and developed over the past twenty years. The business model for consumer packaged goods is marked by **high recurring revenues**, as the company charges an annual fee per digitally watermarked stock keeping unit.



*Pictured right: With the Digimarc Discover app, smartphone users can digitally interface with products and advertisements, as they might with a QR code.*



*Pictured bottom: An illustration of the conversion of a traditional barcode to a Digimarc-enabled package.*



## DIGIMARC: THE INVESTMENT CASE IN ONE SLIDE

With millions of SKUs (stock keeping units) globally and a clear value proposition for both warehouses and retail stores, Digimarc faces a very large addressable market.

A “digimarc,” or digital watermark, is embedded into an item’s packaging via image editing software. Digimarc charges its customers \$50 annually per watermarked SKU, with a negligible marginal cost to Digimarc.

As illustrated by the company in their quantitative model for primary market (supermarkets and hypermarkets) and secondary market (cash and carry wholesale, discount stores, and pharmacies), high throughput retailers and wholesalers can quickly recoup the costs associated with implementing invisible barcodes through increased productivity. Larger organizations stand to gain more than smaller ones; the model indicates that the top 120 global retailers could save billions of dollars in potential annual labor cost savings.

As of this writing, Digimarc’s market capitalization is approximately \$400 million. The company has the potential to earn this amount many times over in net income, owing to the nature of Digimarc’s technology platform and the size of the addressable market.

In the United States alone, we conservatively estimate that the largest retailers and wholesalers deal in hundreds of millions of SKUs. In the table to the right, we conservatively estimate an addressable market of 200 million SKUs. For reference, Amazon’s US website is estimated to sell over 200 million different items. Even modest penetration into one regional market (the United States) could generate incredibly high recurring revenue relative to Digimarc’s current market capitalization.



Implied Digimarc Revenues Assuming 200 million SKUs and \$50 per SKU annual renewal rate	
Penetration	Recurring Revenue to Digimarc
1%	\$100 million
5%	\$500 million
10%	\$1 billion
20%	\$2 billion
40%	\$4 billion

*Pictured above: Digimarc has the potential to generate very high recurring revenues relative to its current market capitalization of \$300 million.*


## DIGIMARC: THE TIPPING POINT DEAL

Through the years, Digimarc has invested heavily into creating new applications for its digital watermark IP and building it as an Intuitive Computing Platform. During this time, they were able to start working with key players among the top consumer packaged goods (CPG) companies and top retailers. Adoption has been moving slowly, but the company is currently at what the CEO describes as a tipping point, where pilots move into production, retailers start to drive supplier adoption on their own, and new unforeseen deals begin to arise.

Most notably, Walmart, the world's leading retailer, recently signed a multi-year deal with Digimarc to adopt thermal labels for packaged foods and Digimarc barcode for its private label products. This will generate \$3M recurring annual fees to Digimarc, but more importantly will allow the leading retailer to facilitate many of its suppliers to adopt and deliver Digimarc enabled SKUs to stores. This cross-side network effect is significant in accelerating adoption. In addition, there is still potential for expansion of the Walmart deal to include other applications in shipping labels, hang tags, and to its 7,100 stores outside of the US.

This tipping point is likely to lead to a domino effect which could accelerate traction with new players in the ecosystem and generate massive revenues to Digimarc. For example, Walmart alone has 2 million unique SKUs in their inventory, including that of numerous CPG companies who each have even more of their own SKUs not sold through Walmart. At \$50/SKU, this could be a \$100 revenue opportunity. Given that international SKUs are different from that in the US, the opportunity here could be further multiples of that figure. As one accounts for more applications per SKU and beyond CPG and retail, the addressable market keeps getting larger and thus demonstrates the large runway ahead.



GROCERY   		
Salmon		
PACKED ON: 01/15/17	SELL BY: 01/22/17	
UNIT PRICE \$19.99	NET WEIGHT 3 lbs	TOTAL PRICE \$19.99



*Pictured above: Walmart has adopted Digimarc thermal labels and digital barcode for its US stores, and is set to lead other CPGs and retailers to follow suit.*

# DIGIMARC: EVEN MORE APPLICTIONS ARE BORN

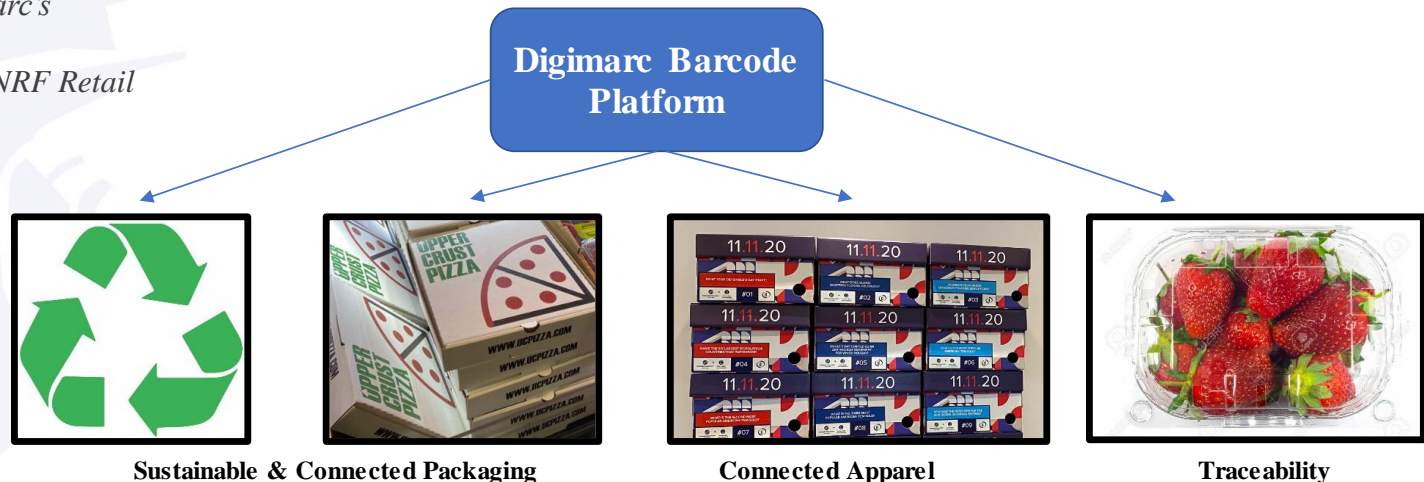


Digimarc is continuing to prove that its platform is indeed the “barcode of everything” as it introduces new, innovative, and potentially groundbreaking applications for its technology. In past years they’ve announced applications in manufacturing quality checks, shipping & packaging, apparel, and even horticulture.

One newer application of Digimarc that has transformational opportunity is within global plastics recycling. Proctor & Gamble is championing this initiative (called HolyGrail), in collaboration with Digimarc and Tomra (one of our portfolio companies). Under the initiative, Digimarc could enter a new and untapped market worth potentially billions of dollars. Digimarc’s unique technology could become the “digital passport for recycling”, helping solve the recycling of plastics problem. Digimarc’s invisible watermark is essentially embedded on the surface of plastics packaging, where sensor-based sorting can quickly and accurately identify and sort plastics materials for proper recycling. Various evidence of the recycling megatrend are emerging with the increasing importance of ESG, former garbage importing countries now rejecting it, CPG companies setting sustainability goals, and increasing carbon emission regulations and targets.

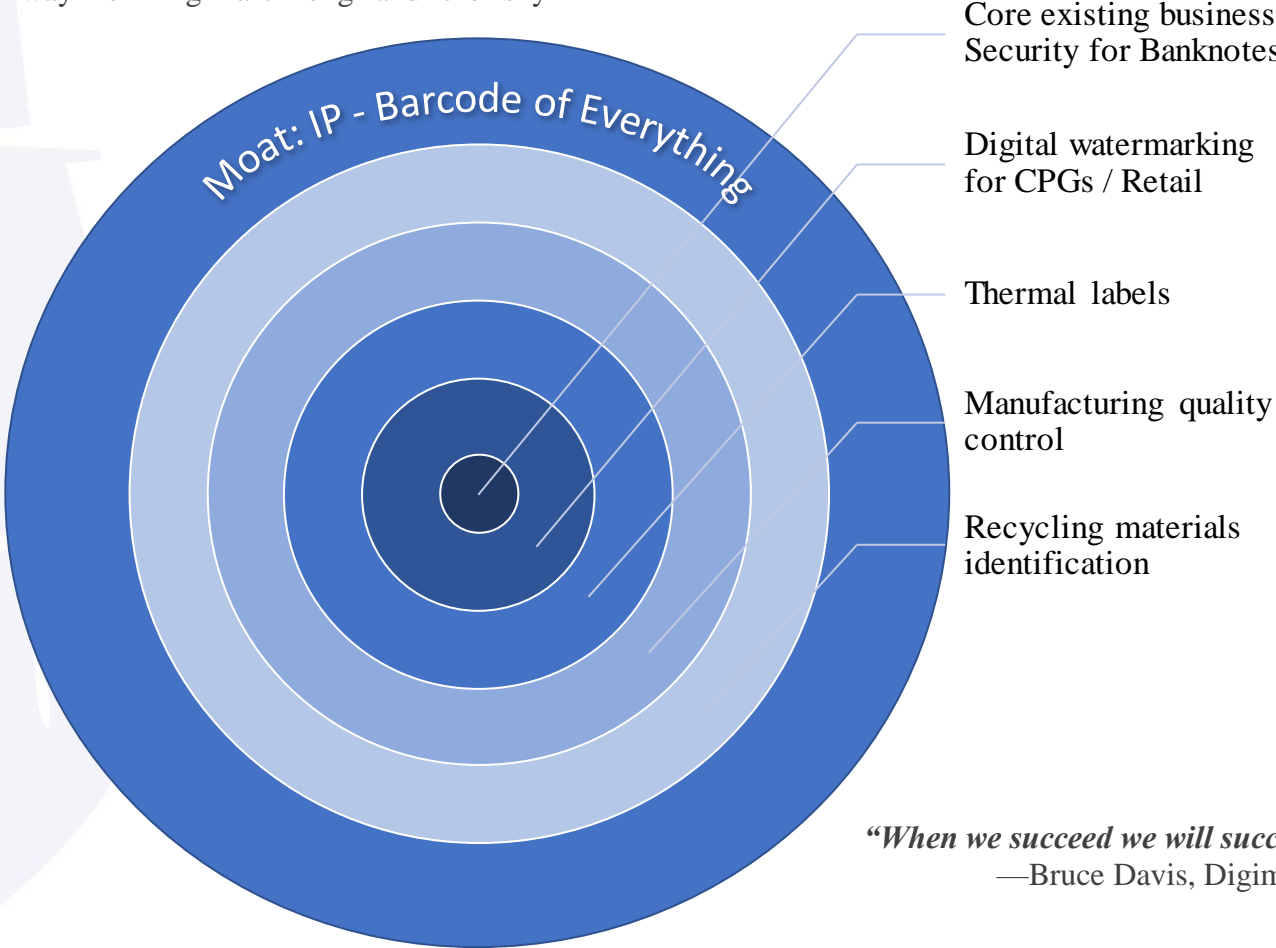
Please see video where P&G describes their collaboration with Tomra and Digimarc on recycling: [Could 'invisible barcodes' revolutionise recycling?](#)

*Pictured below: Some of Digimarc’s growing number of end-market applications, showcased at the NRF Retail show in 2020.*



# DIGIMARC: PLATFORM OPPORTUNITY PROTECTED BY A MOAT

Digimarc has a true moat with its vast and growing library of patents, its experience in security for the last 30 years, and virtually no competition for its technology (the barcode of everything). As more applications for its technology arise, the opportunity for the company grows as it shows the true power of the platform and value of its patents. This strong moat combined with growing and large opportunities makes the runway for Digimarc long and the sky essentially the limit.

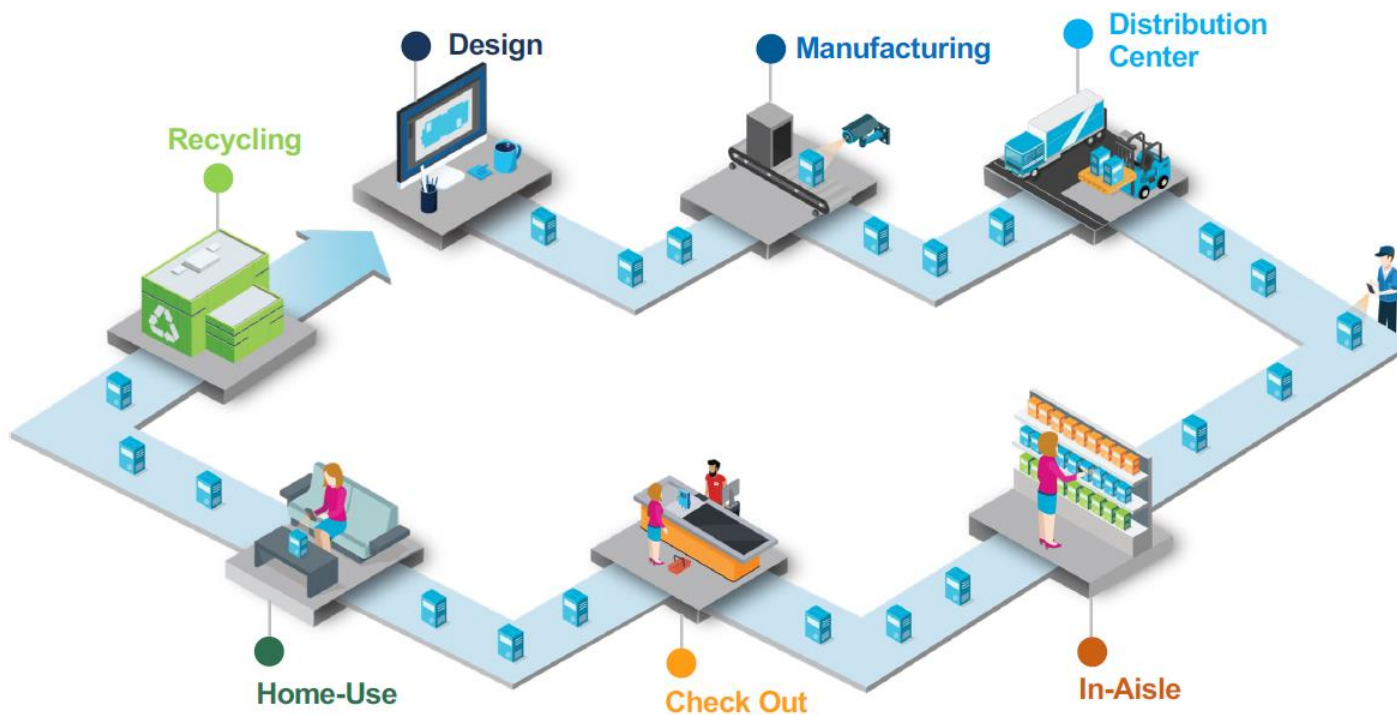


*“When we succeed we will succeed big”.*  
—Bruce Davis, Digimarc CEO

# DIGIMARC



## Unified Commerce



### Design

- Incorporate barcode data into artwork
- Integrate codes and link to content

### Manufacturing

- Improve in-line inspection

### Distribution Center

- More reliable labels
- Print on corrugated packaging
- Scan readily from a distance
- Verify logistics and returns

### In-Aisle

- Price checks
- Manage planogram & availability (OSA)
- Data Analytics

### Check Out

- Easily scan products & labels
- Improve first-pass read rate
- Reduce misreads and manual keying
- Improve customer experience

### Home-Use

- Instructions for use
- Brand and social content
- Point and scan to buy now & reorder

### Recycling

- Identify materials and substrates
- Improve sorting mechanisms

*Pictured above: Digimarc's invisible barcode has use-cases along the entire lifecycle, from in-line inspections in manufacturing to material identification in recycling.*

# DIGIMARC: UNIQUE BARCODE TECHNOLOGY WITH MYRIAD APPLICATIONS

Technological Moat

Outstanding Culture

High Market Share

High Recurring Revenue

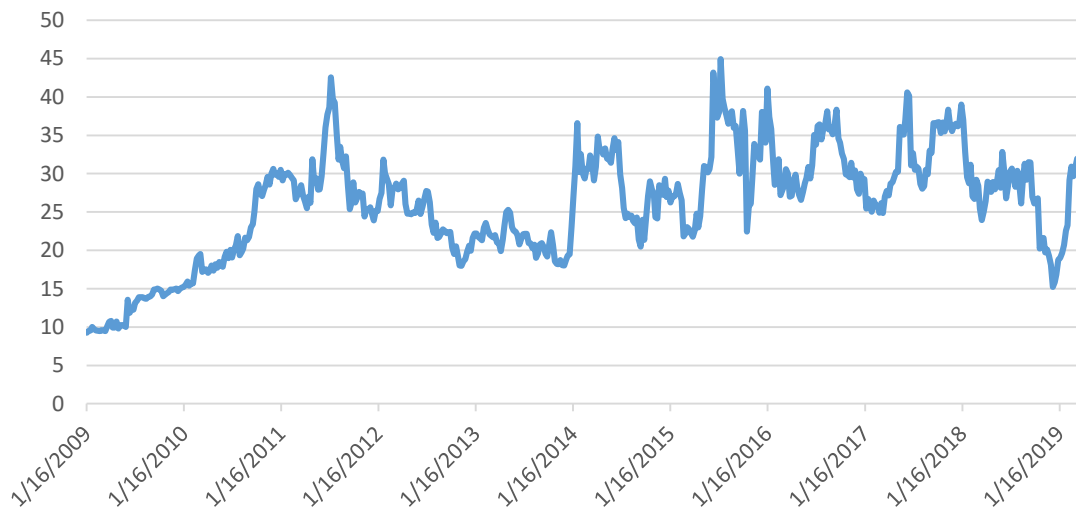
Strong Pricing Power

# DIGIMARC



- High technological barriers to entry and large patent portfolio
- Numerous and growing applications for invisible barcode technology
- Well-defined value proposition for retailers and massive addressable market
- Extensive partner network
- Ambitious owner-operator and visionary leading the business

Digimarc, USD



### Key Statistics (as of 4/25/2019)

<b>Currency</b>	USD	<b>Exchange</b>	US
<b>Price</b>	30.85	<b>Sales (mm)</b>	21.19
<b>Market Cap (mm)</b>	374.36	<b>Net Income (mm)</b>	-32.51
<b>Enterprise Value (mm)</b>	330.75	<b>Div Yield</b>	-
<b>P/E LTM</b>	-	<b>ROE</b>	-46.82

# Important Legal Considerations

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**Not a Complete Picture.** The information contained herein may not present a complete picture of the financial position, activities, results, actions, and/or plans of the accounts managed by the Firm (the “Accounts”), the Firm and/or any fund or account to be managed by the Firm. A copy of the Firm’s current written disclosure statement regarding its advisory services and fees is available upon request.

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**No Assurances.** No assurance can be given that investment objectives will be achieved. Certain strategies employed by the Firm may involve speculative investment practices that involve a substantial degree of risk.

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