



duostech
connected intelligence

**INVESTOR PRESENTATION
DECEMBER 2023**

Nasdaq: DUOT

Safe Harbor Statement

This presentation, as well as other written or oral statements made from time to time, includes “forward-looking statements”. Forward-looking statements are not based on historical information and include, without limitation, statements regarding our future financial condition and future results of operations, business strategy and plans and objectives of management for future operations. This presentation includes statistical and other industry and market data that we obtained from industry publications and research, surveys and studies conducted by third parties or us. Industry publications and third-party research, surveys and studies generally indicate that their information has been obtained from sources believed to be reliable, although they do not guarantee the accuracy or completeness of such information. All of the market data used in this presentation involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates. While we believe these industry publications and third-party research, surveys and studies are reliable, we have not independently verified such data. The industry in which we operate is subject to a high degree of uncertainty, change and risk due to a variety of factors, which could cause results to differ materially from those expressed in the estimates made by the independent parties and by us including statements regarding projected revenue and margins, new product developments, potential increases in our customer base and deployments, possible mergers and acquisitions activity, and our plans to expand into new markets, countries and categories. Forward-looking statements reflect our current views with respect to future events. The words “may,” “will,” “expect,” “intend,” “anticipate,” “believe,” “project,” “estimate,” “plans,” “continuing,” or the negative of these words and similar expressions identify forward-looking statements. These forward-looking statements are based upon estimates and assumptions made by us or our officers that, although believed to be reasonable, are subject to certain known and unknown risks and uncertainties that could cause actual results to differ materially and adversely as compared to those contemplated or implied by such forward-looking statements.

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Duos Technologies Overview – Nasdaq: DUOT

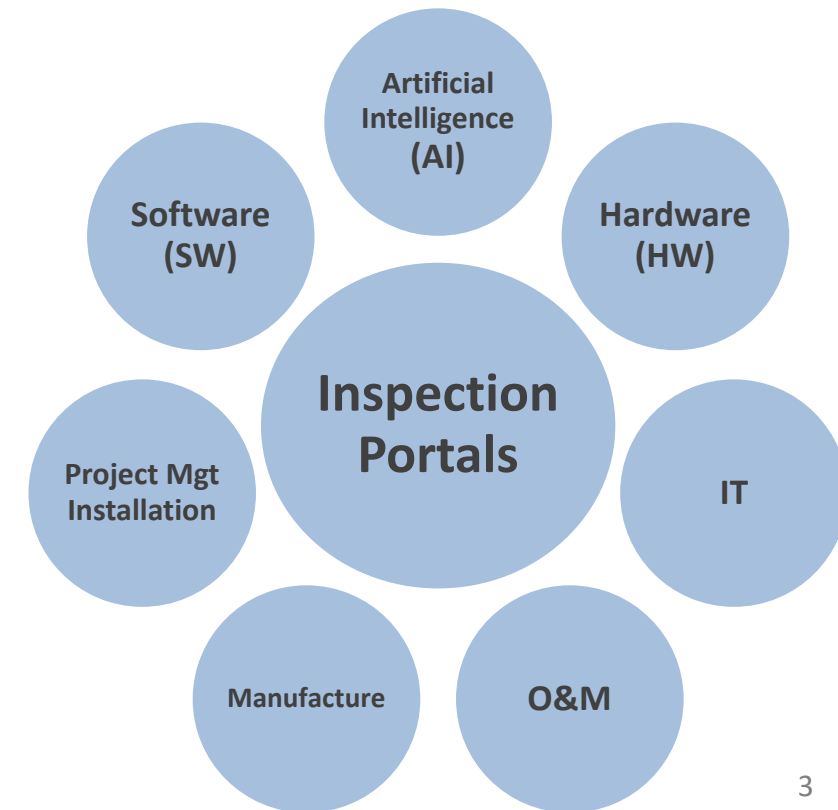


Advanced technology company that specializes in **Machine Vision & Artificial Intelligence** to analyze fast moving objects.

We help customers move commerce more safely and efficiently.

- Headquarters in Jacksonville, FL
- ~ 70 employees
- 15 portals deployed/contracted

Only company in the rail space that self-performs all aspects of HW, SW, IT, and AI.



Management Team

Charles (Chuck) Ferry
Chief Executive Officer



- **Over 35 years of military and private-sector leadership**
 - *Previously CEO for APR Energy*
 - *Previously GM for ARMA Global*
- **26 years Army Enlisted, NCO Combat Veteran**
 - *Infantry, Ranger, and Special Operations Commander*



John White
VP, Operations

40+ years of military and private sector experience. Decorated Infantry Combat Veteran. SME with installation of power plants, solar farms, and Railcar Inspection Portals.



Jeff Necciai
Chief Technology Officer

30+ years of experience in designing, developing, and delivering value-driven technology solutions across a wide range of industries. Former CTO for Nascent Technologies.



Chris King
Chief Commercial Officer

20+ years of operational and commercial leadership experience within global energy & supply chain sectors. SME in managing acquisition integrations and building commercial team that focuses on new revenue, asset sales, and contract extensions.



Andrew Murphy
Chief Financial Officer

16+ years of experience in finance and accounting leadership roles in private equity and public companies. SME in asset intensive markets such as power and recycling/waste management.



Leah Brown
Controller

25+ years of experience in accounting, finance, program oversight, and strategic planning, including various financial positions at a Fortune 500 company in the transportation sector.



Adrian Goldfarb
Strategic Advisor

40+ years of experience in commercial, operational, and financial positions in technology companies including over 13 years as CFO of public companies.



David McKee
Strategic Advisor

40+ years of experience in the rail industry with leadership roles for CSX Transportation and Oldcastle Railroad. SME in rail safety, train operations, fleet productivity goals, and regulatory compliance.

The Railway Safety Act and AI Revolution

Duos is uniquely positioned with the impending Railway Safety Act and the AI Revolution

Railway Safety Act of 2023*

- In 1987, following several deadly train collisions, Congress enacted legislation mandating drug testing and locomotive engineer certifications.
- In 2008, following several deadly train collisions, Congress enacted Positive Train Control (PTC) as a mandate across the U.S. even though PTC technology did not exist at the time.
- In 2023, following the East Palestine, Ohio derailment, the Railway Safety Act is expected to be passed. This will mandate the Federal Railroad Administration (FRA) regulate wayside detection technologies including heat, acoustic, and machine vision/camera technology.
- Duos is the industry leader for machine vision/camera wayside detection systems. Our Railcar Inspection Portal (RIP®) captures over 100 FRA/AAR**-mandated inspection points and our centraco® SW and AI User Interface displays over 40 AI use cases.

Artificial Intelligence

- The demand for AI and data analytics has skyrocketed and this includes the rail industry.
- The rail industry is highly focused on the use of AI for safety, operations, and maintenance applications across the North American network.
- Several Class 1s have attempted and failed to deliver AI using 3rd party pure-play AI developers and/or self-performing.
- Duos strengthened industry collaborations with Dell Technologies and NVIDIA to support AI development and achieve significant increases in performance at near “real-time” reporting.
- Duos is the only vendor in the North American rail industry that self-performs all aspects of HW, SW, IT, and AI development and produces reliability results of 95% and better.

Railcar Inspection Portal (RIP®) – a Wayside Detection System



- Inspects 360-degree views of the train traveling at track speeds up to 125 mph looking at over 100 FRA/AAR-mandated inspection points.
- Generates high-resolution images in near real-time that trained mechanical car inspectors can use to augment manual, human inspections.
- When used by trained mechanical car inspectors, the RIP is a major advancement in safety.
- The FRA, labor unions, rail operators, and railcar owners are all highly supportive of our technology.

Rail Industry Ownership *(North America)*



RAILROADS

- Ownership of railcars continues to decline
- Virtually no tank car ownership due to complexities and regulations
- Focuses capital investment on infrastructure

25%
(2012)



16%
(2023)



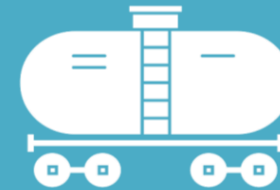
TTX*

- Railroad-owned equipment pool focused on box, flat, intermodal, and gondola cars
- Overall market share has remained steady since 2008 at ~10% of the North American fleet

9%
(2012)



10%
(2023)



SHIPPERS

- Shipper ownership share has declined slightly
- Alternative focus of capital on core business versus railcar investments
- Railcar maintenance and management not a core competency

19%
(2012)



17%
(2023)



LESSORS

- Shift from railroad- and shipper-owned railcars to lessors
- Lessors dominate the tank car segment due to complex services and compliance requirements

47%
(2012)



57%
(2023)

Strategy

Expand and diversify in the rail sector;
Introduce data subscription business model;
Enter other sectors through organic growth and M&A.

Railcar Inspection
Portal



Truck Inspection
Portal



Aircraft Inspection
Portal



Rail Transportation to
Reach \$3.5 Billion by
FY27¹

Aviation MRO to Grow to
\$4.7 Billion by FY30²

Global Cargo Inspection to
Reach \$2.3 Billion by FY26³

Expansion of Subscription Business Model

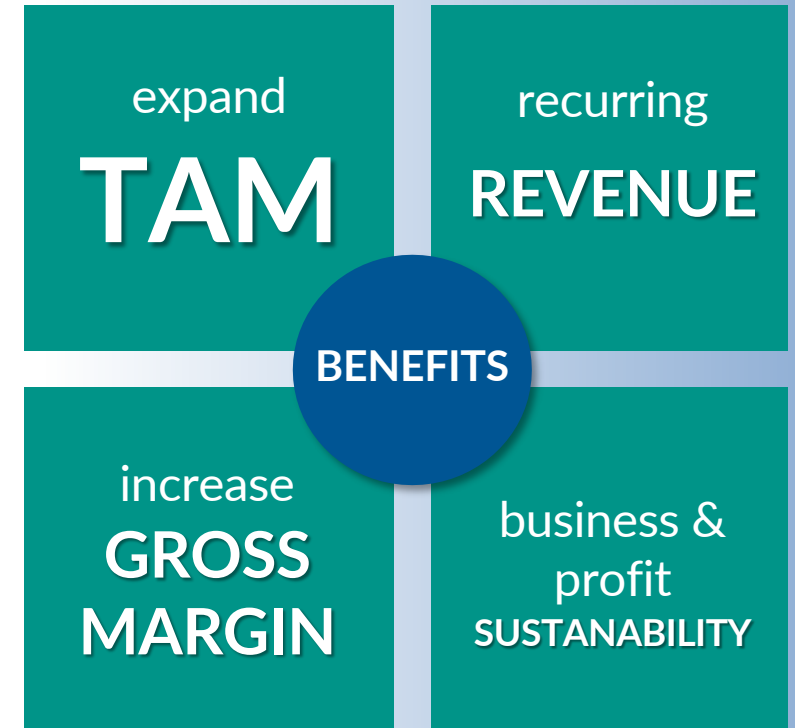
Own and operate a network of RIPs on key RR corridors and interchange points where rail operators & car owners/shippers will most benefit from our data

CAPEX OFFERING (existing)

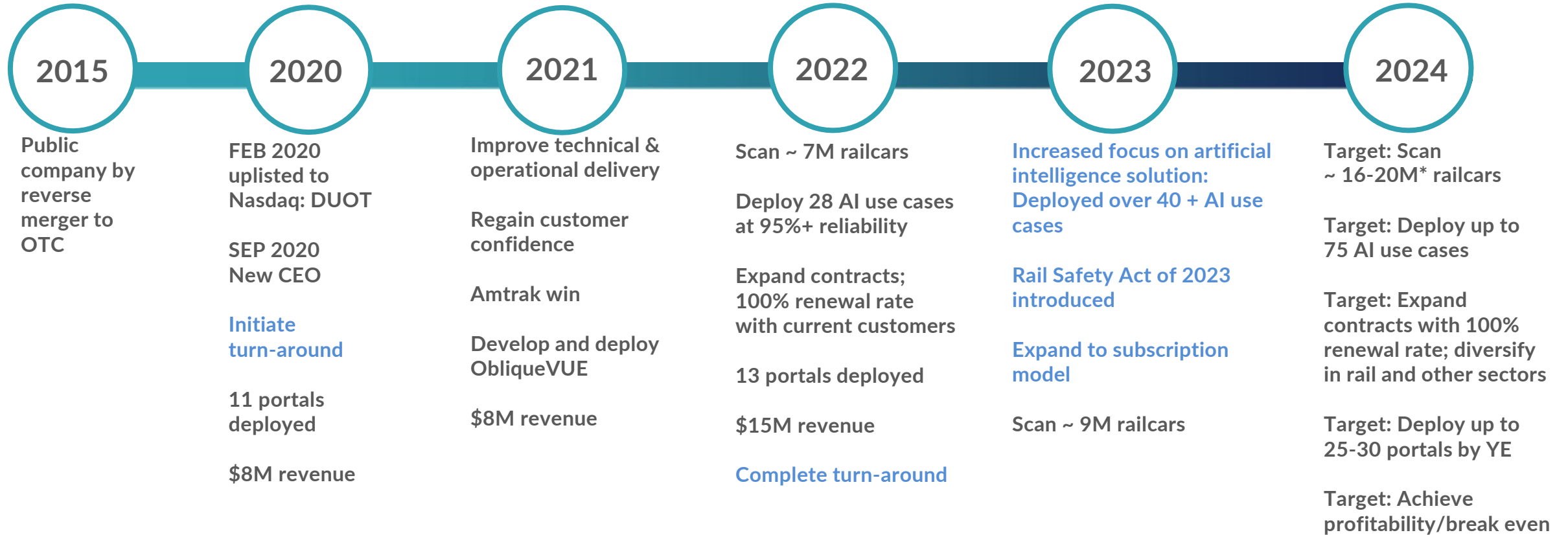
- Currently installed 13 freight RIPs
- 2 transit-focused RIPs to be completed in late 2023/early 2024
- **TAM:** 150x portals across Class 1 track or \$300 - \$500M in capex sales along with \$30 - \$40M per annum in services revenues
- Capex model focused on small customer pool: Class 1 railroads and large Transit Agencies
- Capex RIP sales include large, one-time revenues with recurring maintenance and AI services of ~ 10-20% annually per RIP
- History of high renewal rates for services and AI offerings

SUBSCRIPTION OFFERING (future)

- Duos will build its own portals which will be monetized via subscription
- Duos in negotiations to buy back 7 existing portals and build new subscription portals on the North American right-of-way
- **TAM:** \$500M - \$1,000M per year (7x portals represent \$140M+ of opportunity per annum if fully subscribed)
- Subscription model expands total addressable market to several hundred car owners, leasing companies, and intermodals
- Pricing structure offers attractive entry point for critical safety and maintenance data
- High-margin recurring revenue profile

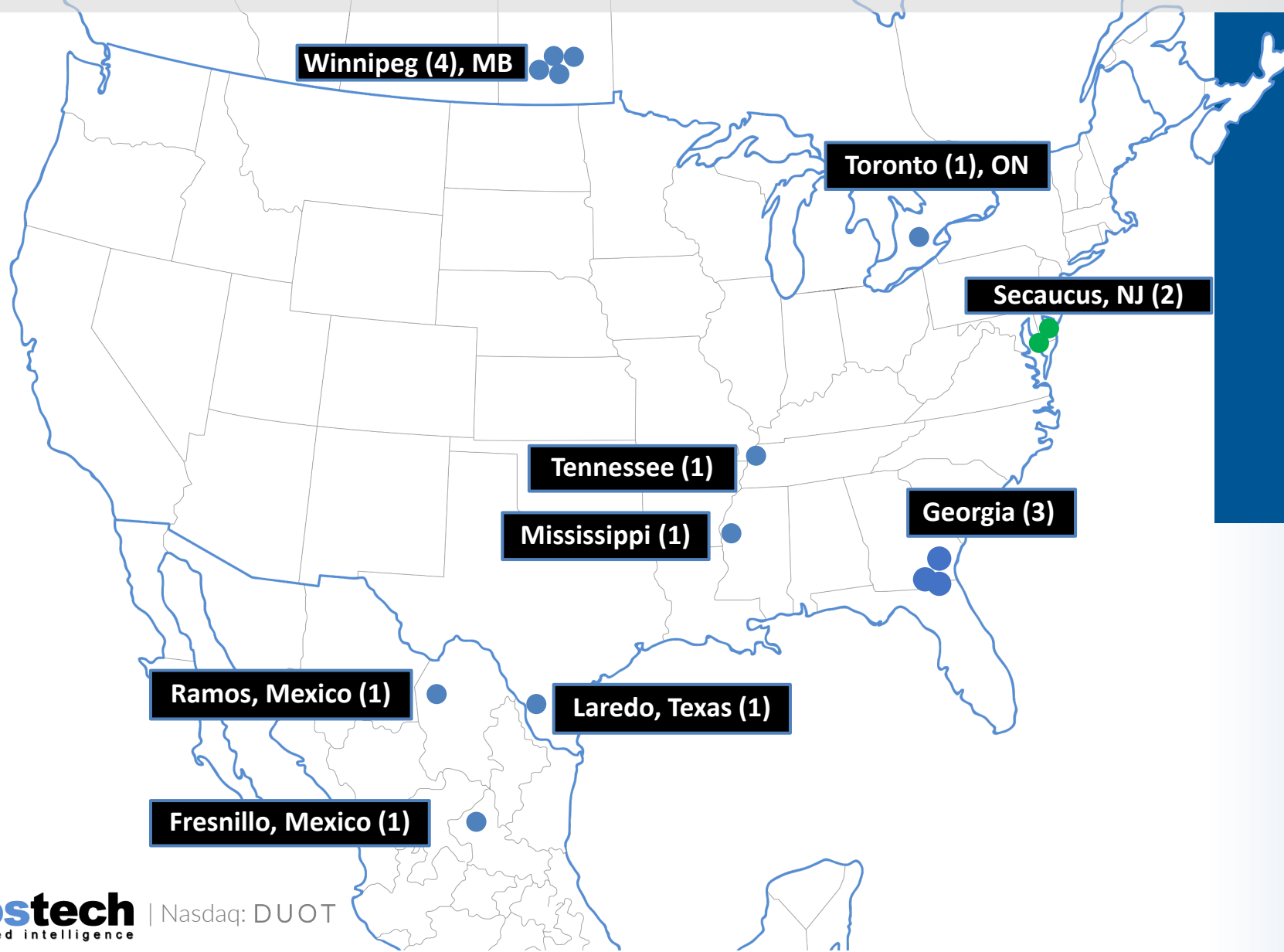


History and Future Pathway



**Estimate Railcar Scan/ Portals:
25-30 portals ~ 16M - 19M railcar scans
35-40 portals ~ 22M - 25M railcar scans*

Portals Overview – Current & Future

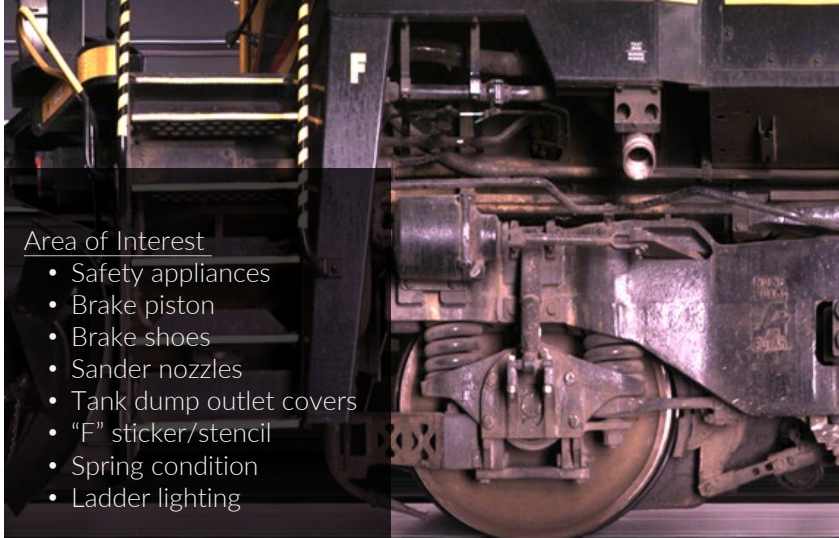
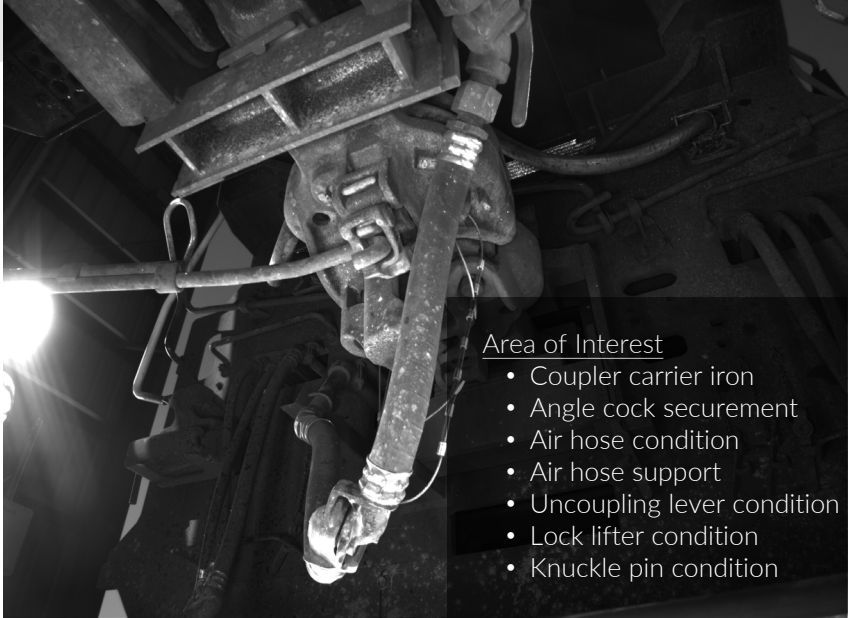


- 6.1M+ railcar scans in Q1 to Q3 2023 from 13x portals
- 7M+ railcar scans in FY22 from 11x portals; 573,000 unique; 35% of total freight car population

● 13 Existing RIPS
● 2 Transit RIPS

High Resolution Images at 70mph

For Visual Inspections



centraco[®] Proprietary SW and AI User Interface

Raw images from multiple sensors

Collected, processed, analyzed in **centraco[®]**

Presented to user to make a decision

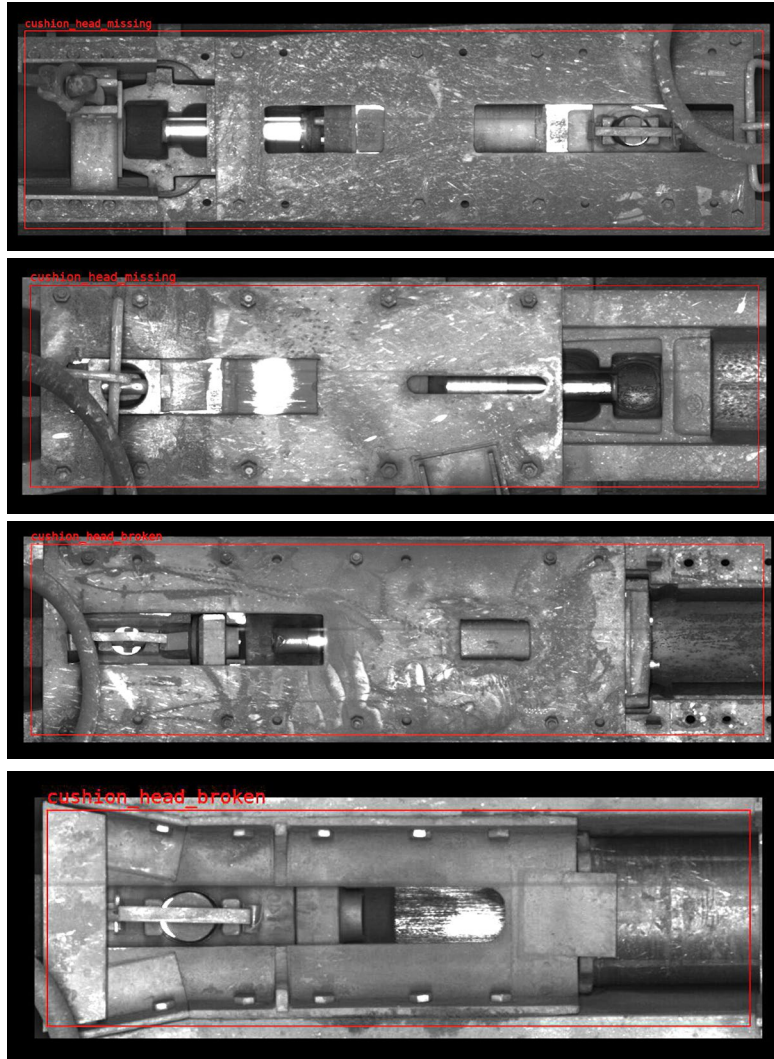
The screenshot displays the Centraco AI user interface. At the top, navigation and status information includes: Rivers, 2021-10-19, 06:55:58, Direction: East, Car Count: 133, Avg Speed: 41.86 mph, and Detections: 4. The main area shows a multi-frame video of a train. A red box highlights a specific railcar with the number #85 TTGX 980524 (1/1). A white box with a yellow border, labeled 'DETECTION VALIDATION WINDOW', is positioned over the railcar. A blue banner at the bottom of the video area reads 'SELECTING RED CAR NUMBER REVEALS THE DETECTION VALIDATION WINDOW'. On the right side, there is a 'Search for Cars' list with various railcar numbers. At the bottom, a table displays details for Car #85:

Car #85	Priority	Type	Defect Code	Generated By	Comments	Valid Status	Detection Images
TTGX 980524	BO Inspect	Operator Detection	Cushioned underframe Devices - Missing	User	A end cotter key missing off of Y47 bolt	✓	

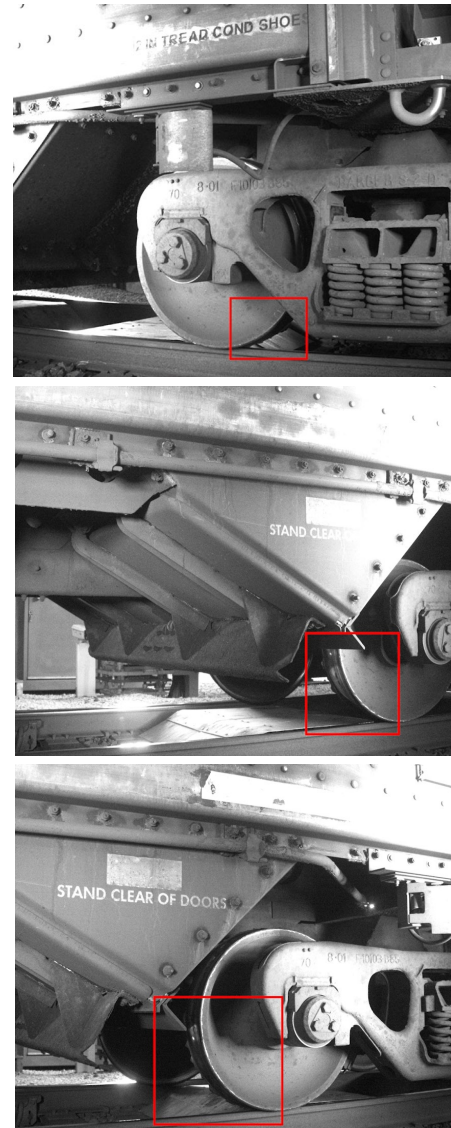
AI Detections That Prevented Derailments

95%+reliability
portfolio of 40+ AI Use Cases

End of Car Cushion



Broken Wheel Flange



Bad Journal



Consolidated Income Statement

(in '000s)	9 Months 2022 <i>(Unaudited)</i>	9 Months 2023 <i>(Unaudited)</i>	FY 2022 <i>(Audited)</i>
Revenues	\$9,079	\$5,945	\$15,012
Cost of Revenues	\$6,474	\$4,940	\$10,264
Gross Margin	\$2,604	\$1,005	\$4,748
Operating Expenses	\$8,509	\$9,271	\$11,613
Income (Loss) from Operations	(\$5,905)	(\$8,266)	(\$6,865)
Other Income (Expense)	(\$7.2)	\$185.2	\$0.3
Net Income (Loss)	(\$5,912)	(\$8,081)	(\$6,865)
EPS (LPS)	(\$1.01)	(\$1.12)	(\$1.11)
Weighted Average Shares Outstanding	5,859	7,189	6,175

Balance Sheet

Selected Data

<i>(in '000s)</i>	Sept. 30, 2023, 10-Q <i>(Unaudited)</i>	Dec 31, 2022, 10-K <i>(Audited)</i>
Current Assets	\$6,754	\$6,835
Cash, A/R, Contract Assets ⁽¹⁾	\$4,873	\$4,965
Current Liabilities	\$3,396	\$4,496
Contract Liabilities ⁽²⁾	\$1,589	\$958
Debt	\$0	\$0
<i>Cash</i>	\$3,267	\$1,121
<i>Working Capital</i>	\$3,358	\$2,339
<i>Stockholders' Equity</i>	\$5,674	\$4,051

(1) Contract Assets become A/R as projects complete milestones

(2) Contract Liabilities reduce as project milestones completed

Capital Structure

As of 12/04/23	
Common Stock	7,248,455
Warrants	44,644 ⁽¹⁾
Options	1,412,775 ⁽²⁾
Series D Convertible Preferred	433,000 ⁽³⁾
Series E Convertible Preferred	3,833,335 ⁽⁴⁾
Series F Convertible Preferred	0 ⁽⁵⁾
Total Share Count Fully Diluted	12,972,209
Market Capitalization (Dec 04 \$3.16)/Fully Diluted	\$22.95M/\$36.47M ⁽⁶⁾

(1) Weighted Average Exercise Price: \$7.70/share

(2) Weighted Average Exercise Price: \$5.21/share

(3) Common Stock Equivalent as converted = 1,299 Preferred Shares (Series D), Exercise Price: \$3.00/share

(4) Common Stock Equivalent as converted = 11,500 Preferred Shares (Series E), Exercise Price: \$3.00/share; 5,000 shares exchanged from Series F

(5) Common Stock Equivalent as converted = 0 Preferred Shares (Series F), Exercise Price: \$6.20/share; exchange for Series E during mid-Q4'23 – originally issued 5,000 shares

(6) Note: Calculated by Intrinsic Value Method

Investment Highlights



Significant **Global Market Opportunities***

- Combined North American markets exceed **\$10B**
 - **\$3.5B** Rail Transportation
 - **\$2.3B** Global Cargo Inspection
 - **\$4.7B** Aviation Maintenance and Repair Operations
 - Multiple sources previously cited



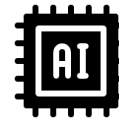
Rail Industry Tailwinds

- **Rail Safety Act of 2023**
- Planned deployments of Duos owned portals in strategic locations on North American rail network



Expanded **Potential Customer Base**

- Multiple multi-million-dollar deployments announced in 2022 continuing in 2023
- Potential for 100s of additional customers through **new subscription data** program



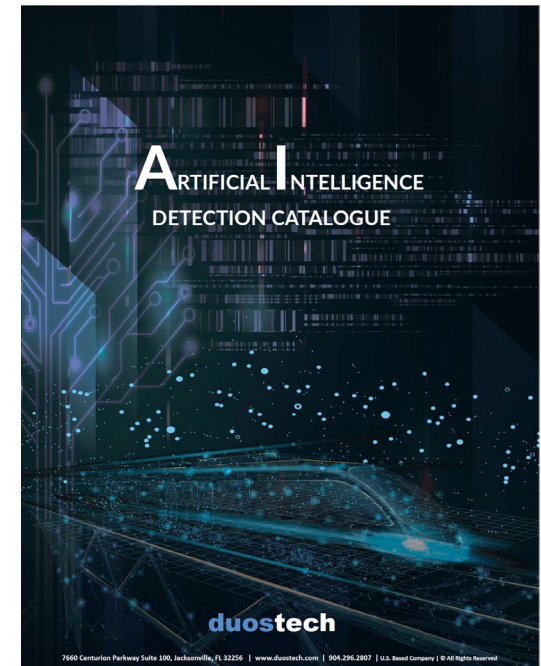
Artificial Intelligence Revolution

- Only company in the rail space that self-performs all aspects of HW, SW, IT and AI
- Plans to grow **AI catalogue** to over 100 detections in the next 24 months



Enhancing Financial Position Amidst Challenging Quarters

- 2021 revenue of **\$8.3 million**
- 2022 revenue of **\$15.0 million**
- Improved Balance Sheet with sufficient working capital - **Strengthening cash position to tackle subscription market**
- Increasing project scopes & recurring revenue base



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