



DSS (NYSE MKT: DSS)

Investor Presentation

March 2014

www.DSSsecure.com

Safe Harbor Statement

Cautionary Note Regarding Forward-Looking Statements:

Forward-looking statements that may be contained in this presentation, including, without limitation, statements related to the Company's plans, strategies, objectives, expectations, potential value, intentions and adequacy of resources, are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act and contain words such as "believes", "anticipates", "expects", "plans", "intends" and similar words and phrases.

These forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from the results projected in any forward-looking statement. In addition to the factors specifically noted in the forward-looking statements, other important factors, risks and uncertainties that could result in those differences include, but are not limited to, those disclosed in the "Risk Factors" section of the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2013, filed with the Securities and Exchange Commission on November 13, 2013.

Forward-looking statements that may be contained in this presentation are being made as of the date of its release, and the Company assumes no obligation to update the forward-looking statements, or to update the reasons why actual results could differ from those projected in the forward-looking statements.

DSS “At a Glance”

Company:

- Commercializes and licenses patented technology in a range of technology sectors.
- Historically, an R&D leader anti-counterfeit and authentication technology.
- On July 1, 2013, DSS merged with Lexington Technology Group (“LTG”) to acquire LTG’s management team, which has experience in IP licensing, bringing new products to market, and LTG’s IP assets, which provide leverage for DSS digital products.
- Headquartered in Rochester, NY, with offices in Tyson’s Corner, VA, New York, NY, Brisbane, CA, Tyler, TX, and Victor, NY.
- 2012 Revenues of \$17 million (28% growth from 2011).

Market Information¹ :

- Exchange/Ticker: (NYSE MKT: DSS)
- Common Shares outstanding: 49.2 million
- 10 day VWAP share price: \$1.68
- Average 3 month daily trading volume: ~910,000 shares

DSS 3Q13 Financial Highlights

DSS Financial Performance:

- 3Q13 revenue of \$4.25 million; Y/Y increase 2%
 - Technology Sales, Services and Licensing revenue increased ~14%
- Gross profit of \$1.6 million; Y/Y increase 6%
 - 31% increase in gross profits from Technology Sales, Services and Licensing revenue due to settlement income
- Adjusted EBITDA Loss: \$0.56 million

Balance Sheet:

- Healthy cash balance of ~\$3.2 million as of 9/30/13
- Closed two additional IP investments for \$2.5 million
- Subsequent events:
 - In Feb. 2014, raised \$2.5 million in non-dilutive asset based financing with a private equity firm;
 - In March 2014, received an additional \$1 million under the same agreement

DSS Combined Lines of Business

Technology Management

- Historical LTG investments
- Historical DSS technology licensing & disputes
- Pipeline investments



Digital

- AuthentiGuard product suite
- Cloud computing, hosting and security
- New products supported by tech investments

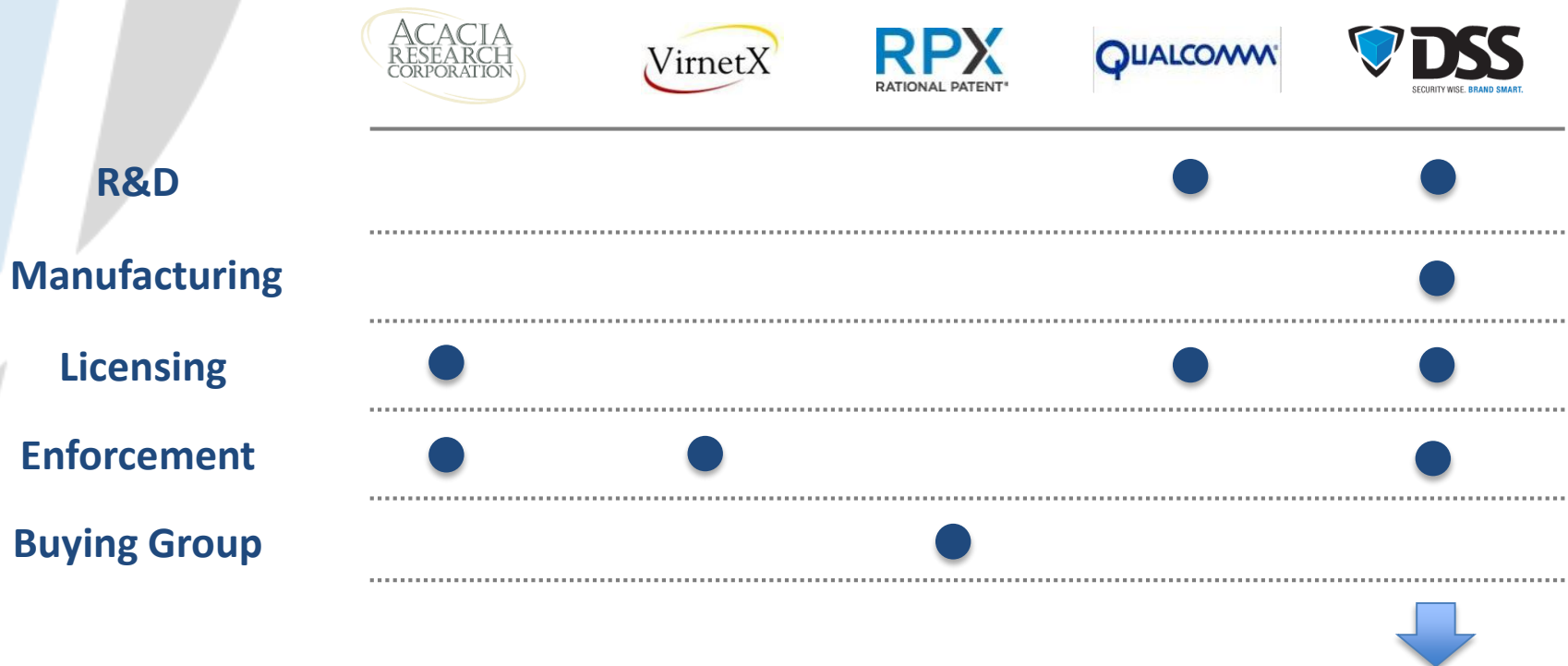


Manufacturing

- Custom and security-enhanced packaging
- Custom and security-enhanced plastic IDs
- Security Printing



DSS Business Model



Commercialization and enforcement of a diversified technology portfolio:

- Investment in commercialization provides equity upside
- Requires willingness to face trial and seek injunctions to protect competitive position

DSS Management Profiles

Jeff Ronaldi
Chief Executive Officer



- Over 25 years of experience in company formation and management
- Previously CEO Lexington Technology Group
- Leader in IP enforcement with verdicts against Microsoft, Genzyme and Citrix

Peter Hardigan
Chief Operating Officer



- Previously COO Lexington Technology Group
- Extensive IP experience as CFO & Head of Investment Management at IP Navigation
- Principal & leader of IP transactions at Charles River Associates in NYC and Frankfurt

Robert Bzdick
President



- Over 25 years of successful entrepreneurial experience
- Leads DSS Printing, Plastics, Packaging and ID businesses
- Founder and CEO of Premier Packaging Corp. prior to DSS acquisition

Phillip Jones
Chief Financial Officer



- CFO DSS since 2009, Controller and Principal Accounting Officer since 2005
- Financial management positions at American Fiber Systems and at Zapata Corporation;
- Helped to spin-off and IPO of Zapata's internet subsidiary

DSS Strategic Goals & Milestones

Technology Management:

Build and Manage DSS's IP Portfolio

- Bascom Research: established 4%-5% royalty rate
- VirtualAgility: Markman hearing April 2014; Jury selection Nov. 2014
- Xpress Mobile (Xpressmo.com): partnership announced Nov. 2013
- Wireless Peripheral patents: acquired in 3Q13; filed against Apple Nov. 2013
- Semiconductor: 9 patents acquired in 3Q13; filed against Samsung, TSMC and NEC
- Continued use of private project funding to minimize dilution

Digital:

Commercialize differentiated service offerings, including AuthentiSuite


















- First sales achieved in 3Q13 with MedTech to employ AuthentiGuard technology for event management
- Announced partnerships with NADDI* and Conde Nast/Brides Magazine
- Recent high visibility media leading to additional pipeline
- New products launched in 3Q13 and 4Q13

Manufacturing:







Shift business to higher margin activity and increase operating profitability

- Continued growth in Printing, Packaging & ID
- Continued transition to higher margin products in Print and ID
- Combination of Printing/Packaging equipment and facilities
- EBITDA positive in Packaging and Printing

DSS Technology Management: Current Portfolio




Portfolio	# Patents / Applications	Technology	Milestones	Current Defendants
 	6 / 4	<ul style="list-style-type: none"> Data structure used to build social networks and use thereof 	<ul style="list-style-type: none"> Cases filed: 10/4/2012 2 settlements at 4% & 5% effective royalty rates Stayed pending SCOTUS case Alice Corp v. CLS Bank (June/July 2014) 	 
	5 / 5	<ul style="list-style-type: none"> User-configurable platforms used to create sophisticated, integrated applications 	<ul style="list-style-type: none"> Cases filed: 1/4/2013 Markman Hearing: April 2014 PTAB trial: July 2014 Temporarily Stayed until March 2014 Trial: December 2014 	        
 	2 / 0	<ul style="list-style-type: none"> Use of wireless peripheral devices in "Personal Data Network" 	<ul style="list-style-type: none"> Case filed: 11/26/2013 in EDTX 	

DSS Technology Management: Current Portfolio (Cont'd)

Portfolio	# Patents / Applications	Technology	Milestones	Current Defendants
	9 / 0	<ul style="list-style-type: none"> Semiconductor Fabrication 	<ul style="list-style-type: none"> Acquired in 3Q13 Cases filed: 3/10/2014 in EDTX 	  
	2 / 1	<ul style="list-style-type: none"> The development of custom applications and websites 	<ul style="list-style-type: none"> Entered into Sales and IP licensing partnership Nov. 2013 	<p>N/A</p> <p>Ongoing licensing discussion</p>
	12 / 9	<ul style="list-style-type: none"> Digital and physical Anti-counterfeit and Anti-duplication technology 	<ul style="list-style-type: none"> 5 digital applications filed in 2012-2013 Patents should issue 2015-2016 	<p>N/A</p> <p>Numerous Commercial Licenses, including RR. Donnelly</p>

*Estimate based on estimates from PriceWaterhouseCoopers 2012 Litigation report for the Northern District of California (Bascom Research) and the Eastern District of Texas (VirtualAgility).
 Note: LTG made a minority investment in VirtualAgility. VirtualAgility owns the patents in suit and is engaged in the litigation filed in the Eastern District of Texas.

DSS Digital Develops and Sells Products and Solutions Incorporating DSS IP

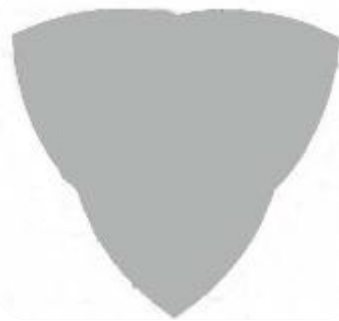
Product	Technology / IP	Milestones	Target Markets
 www.authentiguard.com	<ul style="list-style-type: none"> Integrated system to protect packaging and printed material from duplication Uses PRISM and other core and acquired IP 	<ul style="list-style-type: none"> Product beta launched Nov. 2012 First Commercial Sales Sep. 2013 with Medtech wristbands Strong pipeline of opportunities R&D to develop dedicated peripherals and devices running AuthentiGuard 	<ul style="list-style-type: none"> \$250 billion market in US for counterfeit goods Key opportunity areas: <ul style="list-style-type: none"> Pharmaceuticals Luxury goods
AuthentiSite www.authentiguard.com	<ul style="list-style-type: none"> Integrated system to verify authenticity of websites Uses PRISM and other core and acquired IP 	<ul style="list-style-type: none"> Launched Aug. 2013 Partnership with Conde Nast Oct. 2013 Partnership with NADDI Oct. 2013 	<ul style="list-style-type: none"> Online retail and wholesale: <ul style="list-style-type: none"> Pharmaceuticals Luxury goods Consumer packaged goods
 www.authentishare.com	<ul style="list-style-type: none"> Integrated enterprise file sharing with secure linking capability to 3rd party cloud services Uses Bascom Patents and other core IP 	<ul style="list-style-type: none"> Launched in 4Q13 Initial sales in 1Q14 	<ul style="list-style-type: none"> Small and midsize business: <ul style="list-style-type: none"> Accounting/audit Legal Engineering
 www.sensorshield.com	<ul style="list-style-type: none"> Cloud based facilities monitoring technology using multifunction sensors Uses wireless peripherals patents 	<ul style="list-style-type: none"> Product Launched 4Q13 Initial sales anticipated in 1Q14 	<ul style="list-style-type: none"> Small and midsize businesses: <ul style="list-style-type: none"> Facilities monitoring Data center monitoring Perishable goods

DSS AuthentiGuard®: Digital Security to Prevent Physical Counterfeit



Three Key Components Work Together
to Provide Authentication, Data Capture and Reporting

The Prism Mark



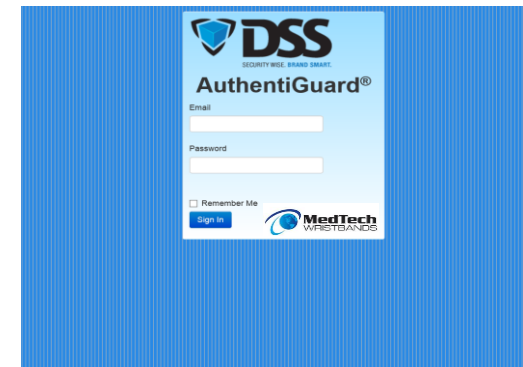
Authentication marker, using covert Prism technology, that resists copying and scanning. Once read with the app, it unlocks encrypted information to the app user.

The Application



The app authenticates marking in real-time with full reporting, GPS tracking, data storage and more

The Portal



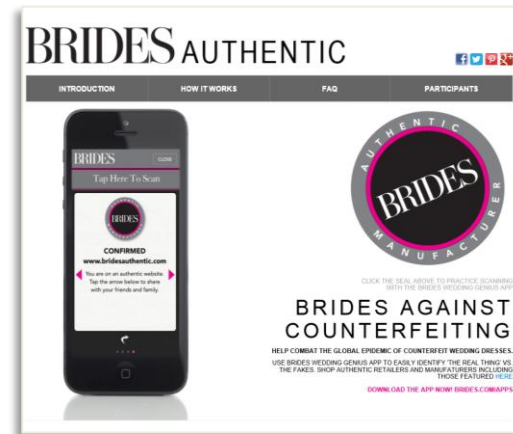
The portal manages marks, users, and access to the system with complete reporting and is fully customizable and capable of integrating into existing systems

DSS AuthentiSite: Digital Security Against Counterfeit Websites



- The AuthentiSite team creates a customized Prism mark for placement on a brand-owner's authorized or licensed reseller's website.
- Consumers use the app on their smart phone to read the mark to verify a website they are on is an authorized reseller of a product.

Example Applications



DSS Manufacturing: Growth and Profitability Improvement

Commercial Focus: Transition to Higher Margin Sales

- Grow existing revenue base where profitability is highest
- Increasing mix of security enabled products (e.g. RFID within Plastics)

Finance: use of capital to improve financing cost and efficiency

- Improved borrowing costs (Operating Lease Buyout)
- Selective investment in manufacturing technology

Operations & HR

- Apply operations principles from Packaging Group across manufacturing divisions
- Pay for profitability

DSS Historical Financials

(\$ in thousands)

Income Statement				
	2011	2012	9M12	9M13
Revenue				
Printed Products	\$11,937	\$15,289	\$10,326	\$10,773
Tech. Sales, Service & Licensing	1,447	1,826	1,340	1,526
Total Revenue	13,384	17,115	11,666	12,299
Operating Expense	7,646	9,502	6,834	10,257
Net (Loss) Income	(3,222)	(4,281)	(3,193)	(3,483)
Adjusted EBITDA ¹	(2,309)	(1,314)	(1,035)	(1,127)

Balance Sheet	
	3Q13
Current Assets	\$6,510
Long-term Assets	58,311
Total Assets	64,822
Current Liabilities	4,316
Long-term Liabilities	6,122
Total Liabilities	10,438
Stockholders Equity	54,384
Total Liabilities and Equity	64,822

¹ Adjusted EBITDA is a non-GAAP financial performance measurement. Adjusted EBITDA is calculated by adding back to net income (loss) interest expense, income taxes, depreciation and amortization expense as further adjusted to add back stock-based compensation expense and non-recurring items, such as gain on the change in fair value of derivative liability in 2011 and costs related to the Company's potential merger with Lexington Technology Group, which were incurred in 2012. and 2013.

Investor Takeaways

- Differentiated business model focused on commercialization and enforcement of a diversified technology portfolio.
- Management team with the right experience, skill set, and track record
- Traditional manufacturing business growing and now generating profit
- AuthentiGuard and other digital products provide growth opportunities
- Licensing activity could produce meaningful upside
- Potential milestones throughout 2014, with litigation milestones in 1Q and 2Q
- Active investor base & high liquidity (~910K shares per day)

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