

Lifeloc Technologies  
Annual Shareholders Meeting  
May 1, 2018



Committed to safer roads and  
workplaces worldwide

# Agenda

- Welcome Shareholders
- Shareholder Business and Votes
- Company Review
- Questions

# Lifeloc Technologies

## Safe Harbor Agreement

This presentation contains forward-looking statements which reflect management's expectations regarding Lifeloc's future growth, results of operations, performance (both operational and financial) and business prospects and opportunities. Where possible words such as "plans," "expects" or "does not expect," "budget," "forecasts," "anticipates" or "does not anticipate," "believes," "intends" and similar expressions or statements that certain actions, events or results "may," "could," "would," "might" or "will" be taken, occur or be achieved, have been used to identify these forward-looking statements. Although the forward-looking statements contained in this presentation reflect management's current assumptions based upon information currently available to management and based upon that which management believes to be reasonable assumptions, Lifeloc cannot be certain that actual results will be consistent with these forward looking statements. Forward-looking statements necessarily involve significant known and unknown risks, assumptions and uncertainties that may cause Lifeloc's actual results, performance, prospects and opportunities in future periods to differ materially from those expressed or implied by such forward-looking statements. These risks and uncertainties include, among other things: international and domestic operations, customer demand, regulatory matters credit and customer concentration; competition; rapid technological change; product liability claims; intellectual property; use of non-GAAP financial measures; significant shareholder; supply arrangements; and dependence upon key management personnel and executives. For more details, please see the "Risk Factors" section of our SEC filing.

Although Lifeloc has attempted to identify important risks and factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors and risks that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements.

Accordingly, as noted above, you should not place undue reliance on forward-looking statements. These forward-looking statements are made as of the date of this presentation and, except as required by law, Lifeloc assumes no obligation to update or revise them to reflect new events or circumstances.

# Lifeloc Today

- Installed base in over 65 countries.
- Global penetration in both workplace testing and law enforcement
- Core Business is strongly cash flow positive
- Solid balance sheet
- \$8.0 million sales, 33 FTE, 2017
- Big growth opportunities in offender monitoring and real time drug testing

# 2017 Highlights

- 1) Company revenue at \$8.0 million
- 2) 16<sup>th</sup> consecutive profitable year
- 3) Focused on major product developments that will make a significant impact
- 4) Set the stage for future growth with heavy investments in R&D and infrastructure.
- 5) Acquisition of R.A.D.A.R.<sup>®</sup> (Real time Alcohol Detection and Recognition) from Track Group

# Profit and Loss 2017

Income Statement	2017	2016
Revenue	\$ 7,990,738	\$ 8,381,135
Gross Profit	\$ 3,712,864	\$ 4,178,406
Gross Margin	46.5%	49.8%
R&D	\$ 1,076,763	\$ 1,037,035
Sales	\$ 1,388,927	\$ 1,359,043
General and Admin	\$ 1,114,534	\$ 1,147,349
Pretax Income	\$ 78,759	\$ 586,786
Net Income	\$ 14,603	\$ 433,151

# Investing Aggressively Towards Goal

- 1) R.A.D.A.R. unit redesign underway to return product to manufacturability in 2018
- 2) New breathalyzer nearing completion
- 3) New platform includes Lifeloc assembled fuel cells with a purchased sensor
- 4) EasyCal® update is also part of the new platform
- 5) Marijuana breathalyzer and SpinDx platform advancing with Lifeloc driving development
- 6) Epicor ERP: Replacing Sage, ACT, Salesforce, ASP Storefront and unsupported Access databases

# Lifeloc Growth Strategy

## 1) Grow the Core

Core portable breathalyzers generates free cash flow

## 2) Grow the Pie

Move to higher value added applications

## 3) Recurring Revenue

Acquisition of offender monitoring business

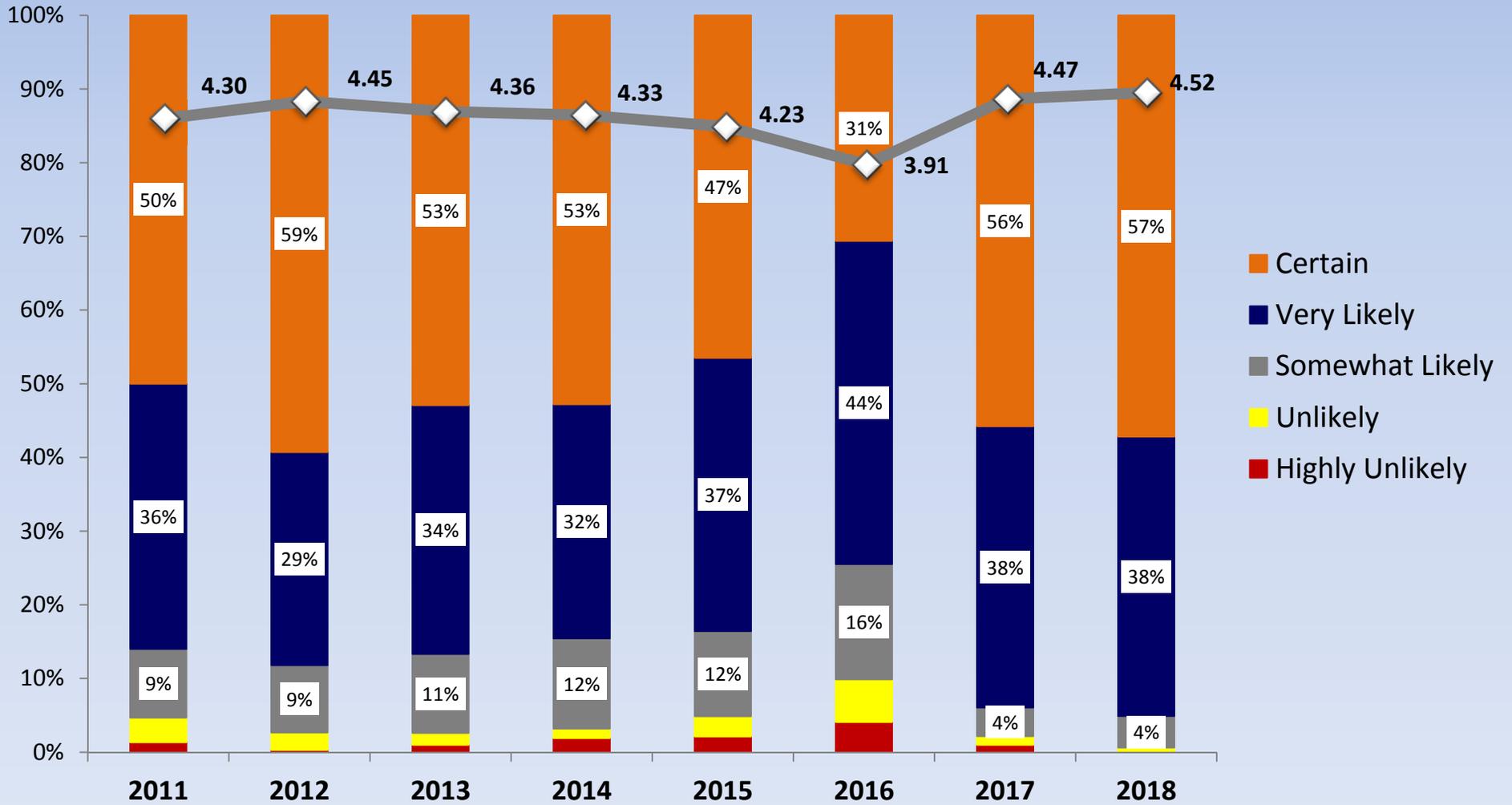
## 4) Marijuana and Drug Opportunities

Real time drug testing technologies

# Product Pipeline

- New Breathalyzer nearing production, introduction by early Q3.
- Expanded EasyCal calibration station will quickly follow.
- Newly manufactured R.A.D.A.R. devices expected later 2018.
- Marijuana Breathalyzer with SpinDx to follow.

# Future Purchase



Indication of future purchase at highest level measured

# Product Update



OIML R 126 conforming

Test down to  $-10^{\circ}\text{C}$

Ambidextrous

Rechargeable battery option

GPS

Color display

Wifi

Customization through  
configuration files

# RADAR Acquisition

- Device can generate monitoring and leasing fees for a recurring revenue stream
- R.A.D.A.R.® product has been acquired 2017 Current work focuses on redesign for manufacturability
- RADAR is part of an offender management system as an alternative to incarceration
- Subject receives random notice to test
- Device uses biometrics to confirm subject ID
- GPS tracking of test location
- Backend database tracks test result and provides notice for failed test



R.A.D.A.R.® is a registered trademark of Lifeloc Technologies, Inc.

# RADAR Opportunities

- Biometrics create a sustainable competitive advantage
- 7 issued US patents around biometrics, plus associated international applications
- Opportunities in workplace and fleet management

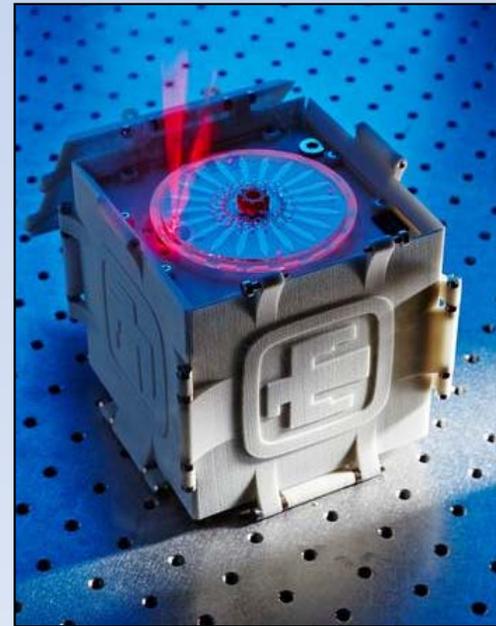


# DOA Opportunity

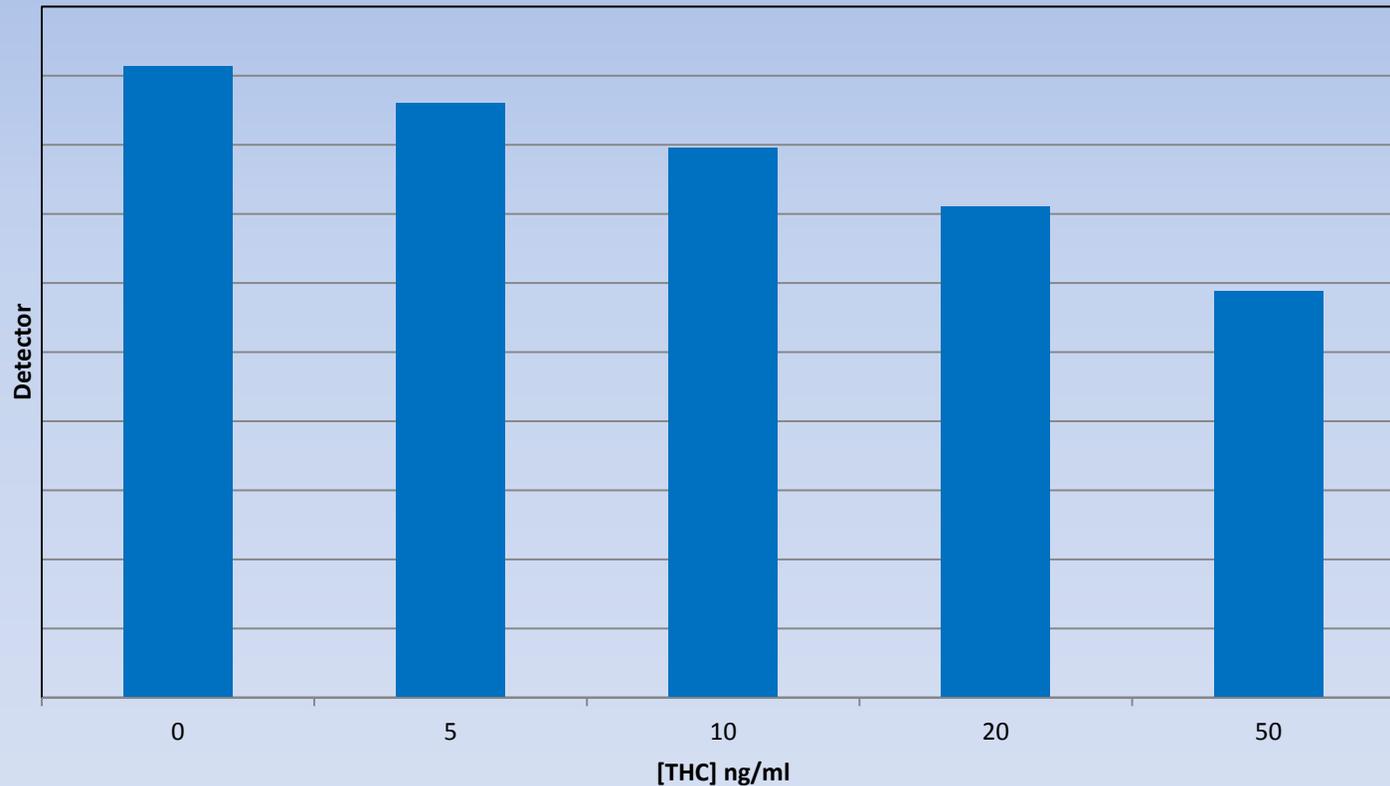
- The DOA market is ripe for a new technology play to replace traditional blood and urine testing, improve customer service and reduce prices.
- The drug testing market is fragmented with excellent product and segment consolidation opportunities.
- No one company provides a quantitative drug testing solution to the marketplace.

# SpinDx Development Status

- Lifeloc has exclusive license Drugs of Abuse field of use following a cooperative research and development agreement
- Technology already licensed and commercialized for other fields of use
- Demonstrated detection of  $\Delta$ -9 THC, cocaine and methamphetamine at the levels of interest
- Lifeloc has existing channel to both Law Enforcement and Workplace markets



# SpinDx Development Status



- Detection of very low levels of THC has been demonstrated at Lifeloc utilizing SpinDx.

# Lifeloc Growth Summary

Invest as needed in the core business investment continues, so that core will fund growth opportunities for years

Core growth expected as new platform opens market opportunities

RADAR acquisition has begun business model shift to recurring revenue through monitoring

Real time drug testing is an enormous need with a potential solution in development

# Investor Relations

Lifeloc seeks to broaden its investor base and market for its stock

Lifeloc presented company pitch at the April 2017 MicroCap Conference in New York and the June 2017 LD MicroCap Conference in Los Angeles

Developing an investor relations mailing list

Looking to eventual uplisting to NASDAQ, with possible intermediate steps

Evaluating engagement of investor relations firms

Company will ramp up profile through social media and press releases

Thank you