

Extract from ORIGINALLUXURY Technology For Transparency 2nd Edition, March 2024









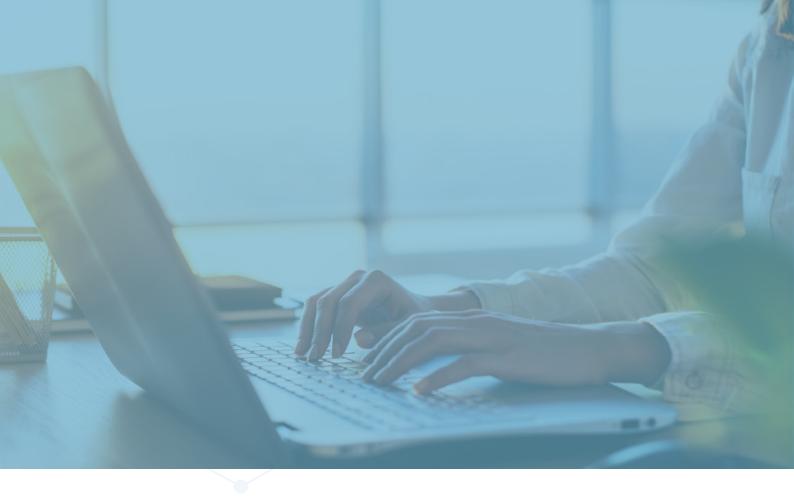






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PLUGGING INTO AUTHENTICATION

Learn how the power of product authentication technology and tools from Authentic Vision helped Elsewedy Electric grow their business, track down counterfeiters, engage their customers and protect their brand. Authentic Vision helps Elsewedy



AUTHENTIC VISION HELPS ELSEWEDY ELECTRIC PROTECT THEIR BUSINESS AND CUSTOMERS

As consumers, how can we be sure that the electrical cables we purchase are authentic and safe? As manufacturers, how can we help customers differentiate our products from erroneous and potentially dangerous imitations? In markets like Egypt, where 40 - 60% of electrical cables on the market may be counterfeit, shoppers and sellers could never be too sure what they were buying or selling. Until now. Thanks to their work with Authentic Vision, Elsewedy Electric, a \$2B per year electric technology company based in Cairo, Egypt, is able to protect its customers and its market share from the dangers of counterfeiting.

A GROWING PROBLEM

Counterfeit products in any field unfairly erode the market share of legitimate manufacturers who invest in product innovation and safety. The producers of these fake products take advantage of established brands, violate their patents, copy their trademarks and flood the market with inferior goods not built to proper safety and design specifications. The electrical cables industry is no different. They've witnessed an increase in the number of counterfeiters and substandard products. Customers are not able to easily distinguish fake products from the genuine article. Legitimate companies may even find themselves facing potential liability lawsuits for damages caused by inferior counterfeit products that were not even their own! As a trusted market leader in electrical cables since 1938, Elsewedy Electric, turned to Authentic Vision – a leader in authentication technology – to help them address the problem.



THE SOLUTION SPECIFICATION

Working with Authentic Vision, Elsewedy Electric was able to define a complete anti-counterfeiting solution for their market. They needed a solution that would allow their distributors, contractors and consumers to readily recognize real products and reject counterfeit products at the point of sale based on a simple, easy-to-use application. They wanted to drive criminal counterfeiters out of business while putting the power back in the hands of consumers.

Their solution specification called for:

- · A security feature that could not be copied or shared online to stay ahead of counterfeiters
- · The ability to apply a label to all products at the factory
- Label management options that support the manufacturing and distribution process
- . The ability to authenticate products at the point of sale using a smartphone
- · Data and analytics that could stamp out counterfeit activity through enforcement

AUTHENTIC VISION'S SOLUTION DELIVERY

Because of their complete, multi-faceted solution, Authentic Vision was able to meet all of Elsewedy Electric's specification requirements. This included a solution that end consumers could simply and actively check with the use of an application and a smartphone at any time, even at the point of sale.

Security to stop counterfeiters:

Authentic Vision technology offers a copy-proof holographic fingerprint technology that can only be produced once. This unparalleled asset security solution means that when industrial counterfeiters create fake products, they cannot copy or mimic Authentic Vision's security labels.

consumer's hands: Customers can be assured of a product's genuineness upon completing their simple yet stringent authentication process and instantly see whether it is "Authentic" or "Counterfeit" — all on their smart phone. The burden of identifying counterfeit products is shifted from subjective human

Simplicity to put the power back in the

Traceability to track counterfeiters:

With Authentic Vision's powerful Business Intelligence backend, every time a product—genuine or otherwise—is scanned in the market, a data point is generated. Elsewedy Electric was able to put the analytics engine to work to identify and geo-locate counterfeits every time a product is scanned by the mobile application.

Ability to support a market awareness

perception to objective technology

and machines.

campaign: With Authentic Vision's technology implemented, Elsewedy Electric was able to deliver a powerful market awareness campaign educating the market about the product ultimately putting the power to authenticate back into the hands of the end customers.



SOLUTION IMPLEMENTATION

STEP 1

EDUCATING THE MARKET

While both Elsewedy Electric and Authentic Vision understood that half the battle to fight back against counterfeiting was a great authentication solution, they also knew the other half was an effective customer awareness campaign at the point of sale. The campaign needed to EDUCATE, INFORM and ARM users so they could readily identify genuine products and reject counterfeit ones. The campaign began by targeting males ages 25 – 55 years old within specific geographic locations from distributors and retailers.



Market Channel Reach included:

- Billboards
- Newspapers
- Radio
- Press Releases
- News (online and offline media)
- Events

Customer KPI metrics included:

- Downloads: Number of downloads and installations
- Social Media: Analytics and polls (Facebook and Twitter)
- Website: Landing page analytics
- Hotline: Customer Relations feedback
 - Quantitative & Qualitative
- Radio: Channel reach
- · Billboards: Hotline and website
- Point of Sale: Hotline and website
- Print Media: Hotline and website

CAMPAIGN ACCOMPLISHMENTS

- Total of 43K application installs (Android + iOS)
- Customers were educated about falsely named, fake products and the potential dangers of using such products.
- The Elsewedy Electric Application from Authentic Vision became an integral part of the customer's buying process.



Banner ad for social media channels





Point of Sale



YouTube

Elsewedy Hurghada Billboard Ad

STEP 2

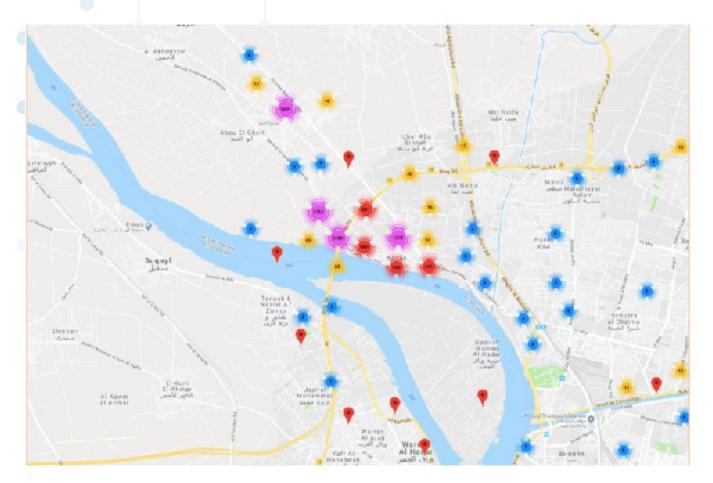
IN-MARKET OBSERVATIONS AND FINDINGS

Counterfeiters react quickly to any product changes, including security technologies. As expected, within a day of Elsewedy Electric adopting Authentic Vision's security labels, counterfeiters were photocopying Authentic Vision labels and applying these copies onto their fake 'Elsewedy Electric' products.

The quality of the fake labels was crude, and, of course, could not be authenticated. Within a few weeks, counterfeiters were trying (and failing) to re-create the patented holographic technology contained within the Authentic Vision label.

Initially, Authentic Vision and Elsewedy Electric identified the specific label codes that were suspected of being used by counterfeiters. Daily scan rates were approximately 3K-5K authentications, and the system reported up to 50% of all scans to be scans of fake labels. Importantly, the user was instantly aware that the scanned product was fake. This shows the importance of Authentic Vision's solution to protect Elsewedy Electric's original products.

There are many counterfeit hotspots and these areas are also known for high criminal activity. As depicted in Fig. 1, the largest number of detected counterfeits were taking place in a specific location which could clearly be identified with the help of technology implemented in Authentic Vision application.



STEP 3 ANALYSIS AND FINDINGS

How was the counterfeit problem detected and analyzed?

- Counterfeits detected: Till today, more than four thousand different types of copies exist and each of these were scanned multiple times. For example, the first created fake was already identified 11K times as counterfeit (as of January 2019) – see Fig. 2.
- Scan Results displayed: Upon scanning a fake label, a clear message appears on the smartphone screen: "Counterfeit Product." This message instantly identifies fake products and protects customers.
- Datapoint created: As a fake product was scanned, a datapoint was created in the Authentic Vision system, including exact location.

- Datapoints analyzed: These datapoints were analyzed by Authentic Vision and allowed Elsewedy
 Electric to detect counterfeiting hotspots and provided actionable data which could enable them to
 take enforcement actions.
- Results measured: The market saw a large number of counterfeit labels. Reports show that one out of two labels on the market are counterfeit – indicating 50% of all checked Elsewedy Electric cables are counterfeit.
- Supply Chain protected: Authentic Vision's technology allows Elsewedy Electric to extract and analyze the network of counterfeiters, their relation to each other, and also their role in the supply chain.

Key Findings

The key success factor is Authentic Vision's unique Holographic Fingerprint™, random serialization of the data matrix code and the use of blacklisting through server side analytics. That helped blacklist hijacked codes and also detected counterfeit activity. The application enabled Elsewedy Electric and Authentic Vision to stop counterfeiters dead in their tracks. Authentic Vision technology was able to recognize a pattern and distinguish between many scans of counterfeit by the same phone within the same location that points to counterfeiters. Elsewedy Electric was encouraged to use the interactive map to also cross check their existing knowledge about the local market, such as location of important distributors, stores etc. This enabled follow-up investigations and enforcement action.

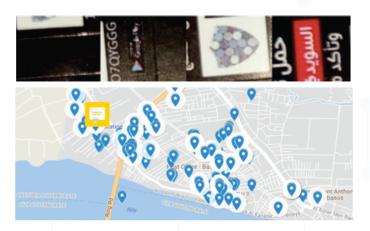
COUNTERFEITING CHRONOLOGY ATTEMPTS TO COPY AUTHENTIC VISION'S LABELS AND HOW WE STOPPED THEM

After Two Days

Copies of Authentic Vision label using standard photocopying machines appeared.

After Two Weeks

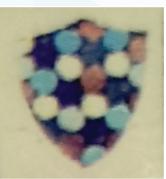
High quality printed replicas including original serial numbers.



Top: [Fig. 2] Color copy of Elsewedy label.

Bottom: Locations of the counterfeit.





After One Month

Replicas of the holographic foils. The majority of the foils originate from Egypt, but Chinese versions have also been detected.





After Two Months

Perfect to the eye replicas of the Authentic Vision labels including the holographic foil and original serial numbers.











Counterfeiters are always trying to break anti-counterfeiting technologies and at a furious pace. They have failed in creating and authenticating replicas of Authentic Vision technology. Customers should pay careful attention to the degree and level of security in the solutions that they are considering, given the vulnerability of solutions that are capable of being copied easily due to low security and the speed at which the counterfeiters move. They could easily get a false sense of comfort by adopting a technology, and not realize that the damage to revenue and brand is happening without them even knowing and after having made the investment in low quality solutions.

Authentic Vision
has the expertise,
the creativity, and
the tech leadership
to be a true trusted
partner. We are
extremely satisfied
with our results—
and our ROL

-MR. AHMED HASSOUNA,
GROUP MARKETING DIRECTOR,
ELSEWEDY ELECTRIC

RESULTS, CONCLUSIONS, AND TAKEAWAYS SUCCESSFUL AUTHENTICATION AND COUNTERFEIT DETECTION

- To date, over 43,000 app instances have been installed across Android and iOS devices, and growing.
- Elsewedy Electric's products are successfully protected by the Authentic Vision's integrative solution.
- Several types of "Authentic Vision fake labels" have been identified and documented by Authentic Vision and all of these labels were blocked, therefore there is no counterfeit attempt that works.
- Approximately every three minutes, Authentic Vision scans detect a counterfeit.



GROWING AWARENESS

- · A successful awareness campaign has led to active behavior change in the market.
- Elsewedy's above the line (ATL) marketing/awareness campaign resulted in a behavior change on customer side. The scan of the product is now an integral part of the buying process.
- A process has been established where consumers are asking dealers to authenticate the Holographic Fingerprint™ in shop before they purchase.

Authentic Vision continues their strong commitment to support their customer, Elsewedy Electric, in their quest to enhance authentication capabilities and track down counterfeiters using their business intelligence tools.

If you need help securing your products or your brand, Authentic Vision is ready to help. Our complete security solution helps you to protect your supply chain, grow your revenue and provide an engaging experience for your consumer. We are continuously innovating to deliver industry-leading anticounterfeiting protection with today's customers in mind. Our anti-counterfeiting and authentication solutions target a variety of sectors including auto parts, pharmaceuticals, technology, chemicals, wine and spirits, and more. Authentic Vision is here to help you as you seek authentication solutions to secure your products. If you are interested in more information about Authentic Vision or Authentic Vision's offerings, or wish to order a samples box, please visit www.authenticvision.com.

SECURE PRODUCT DIGITALIZATION: ELEVATING THE LUXURY AND APPAREL INDUSTRY

TRANSFORMING HIGH-END FASHION WITH DIGITAL INNOVATION



BENEFITS OF SECURE PRODUCT DIGITALIZATION

- Create a unique customer experience
- · Boost digital engagement
- · Collect customer data with physical products
- Position yourself as an innovative brand

ABOUT AUTHENTIC VISION

Authentic Vision is a pioneering company that is revolutionizing the luxury and apparel industry through secure product digitalization. Our vision is to be the secure bridge between the physical and digital worlds, especially in the realm of high-end fashion and luxury items. By harnessing the power of digital technology, we aim to enhance the value and authenticity of luxury products, thereby elevating the overall brand experience for both consumers and businesses alike.

In today's competitive market, it is crucial for luxury brands to differentiate themselves and create a unique brand identity that resonates with their target audience. Authentic Vision's digital solutions empower brands to do just that by providing them with the tools to create a digital identity for their products. This digital identity not only adds an extra layer of value to the product but also enables brands to connect with their consumers in new and innovative ways, thereby fostering a stronger relationship between the brand and its customers.

Furthermore, our digital solutions allow brands to tap into the growing trend of sustainability and ethical consumption. By providing consumers with detailed information about the origin and production process of their products, brands can demonstrate their commitment to ethical and sustainable practices, which is becoming increasingly important to today's conscious consumers.

THE NEED FOR DIGITALIZATION IN LUXURY AND APPAREL

In today's fast-paced digital age, the luxury and apparel industry must evolve to meet the ever-changing demands of modern consumers, particularly Generation Z, who are digital natives and have a significant influence on market trends. Product digitalization plays a crucial role in this evolution, offering brands a unique opportunity to enhance the customer experience and forge a stronger emotional connection with this young, tech-savvy demographic.

One of the key concepts at the heart of product digitalization is the the idea that every luxury item and piece of high-end fashion can have its own unique digital identity. This digital counterpart. It not only adds an extra layer of value to the product but also allows these consumers to interact with luxury brands in new and exciting ways that are native to their digital-first approach, thereby enhancing the overall brand experience and fostering a community around the brand.

The benefits of secure product digitalization are manifold and particularly relevant when targeting Gen Z. For one, it can significantly boost revenue growth by preventing counterfeiting and opening up new avenues for direct-to-consumer sales – a model that Gen Z consumers prefer due to its convenience and speed. Additionally, digitalization enhances customer engagement and brand positioning by providing unique and personalized experiences that set the brand apart from its competitors, which is something that Gen Z values highly.

Furthermore, product digitalization allows brands to collect valuable data about their consumers, including shopping habits and preferences, which can be used to improve the customer experience and develop new products that better meet the needs of this target audience. By leveraging the power of data analytics, brands can gain a deeper understanding of their customers and create more targeted and effective marketing campaigns that resonate with Gen Z's desire for brands that understand their individuality and speak their language.

By aligning with the values and expectations of Gen Z through secure product digitalization, luxury and apparel brands can not only stay relevant but also build a strong foundation for loyalty and growth in an increasingly digital future.

WHY CHOOSING THE RIGHT TECHNOLOGY MATTERS

In the ever-evolving landscape of product digitalization, it is crucial to choose a solution that not only bridges the gap between physical items and their digital identities but does so securely and with scalability in mind. As digital assets increase in value, they become prime targets for theft and misuse. It is imperative that these assets are shielded and consumed solely in tandem with their original products. Moreover, the chosen technology must be cost-effective at a large scale and function seamlessly across all devices to ensure widespread adoption and effectiveness.



QR Codes, despite their low cost and popularity, present significant vulnerabilities. They can be easily shared and replicated digitally, making them prone to copying. This opens up avenues for potential security breaches where malicious parties can manipulate these codes to siphon off personal information or even commit financial fraud against unsuspecting customers. The simplicity of creating and distributing counterfeit QR Codes further exacerbates these risks, underscoring the need for more secure alternatives.

NFC (Near Field Communication) chips, while offering a more interactive and secure user experience, are burdened by their prohibitive costs, making them an impractical choice for mass implementation. Additionally, NFC technology is not uniformly supported across all smartphones, which introduces compatibility challenges that could exclude portions of the user base. These factors, combined with the significant expense associated with NFC, underscore the necessity for a more inclusive and economically viable solution.

In contrast, Authentic Vision's Meta Anchor® stands out as an innovative solution tailored for the luxury and apparel industry. It overcomes the security challenges of QR Codes, and the technological and cost barriers associated with NFCs. Meta Anchor® facilitates a frictionless and secure link between physical products and their digital identities, ensuring that the digital engagement luxury brands provide is both authentic and exclusive. By prioritizing a balance of accessibility, robust security, and a streamlined user experience, the choice of cutting-edge technology like the Meta Anchor® becomes crucial for brands aiming to excel in the digital age.

ENHANCING AUTHENTICATION IN THE AGE OF VISUAL INTERACTION

As technology rapidly advances, the boundaries between the physical and digital worlds are blurring, ushering in an era of unprecedented immersive experiences. In the next decade, it's anticipated that mixed reality (MR) headsets will eclipse smartphones as the primary tool for digital interaction.

This shift is largely due to the immersive capabilities of MR technology, which offers a more intuitive and engaging way to interact with information and virtual objects within our real-world environment.

MR and virtual reality (VR) technologies are revolutionizing the way we connect with products and brands. They allow consumers to step into a simulated world, where they can experience products in three-dimensional space, adding a new level of depth to the purchasing journey. This transformation is not just a novelty but a fundamental change in the consumer experience, as the act of shopping becomes an interactive visual exploration.

Embracing this shift, Authentic Vision's Meta Anchor® technology is at the forefront, enhancing the consumer journey by integrating visual authentication into these immersive environments. This innovative approach allows users to verify the authenticity of luxury items in an interactive, visually rich space, making the process secure, intuitive, and engaging. By doing so, Meta Anchor® elevates the act of purchasing into a captivating event, seamlessly blending product verification with a dynamic brand narrative in the evolving landscape of digital reality.



A DIGITAL OFFERING FOR A NEW ERA OF LUXURY AND APPAREL

Authentic Vision is proud to offer a range of digital solutions specifically tailored to the luxury and apparel industry. Our offerings include anti-counterfeiting technology, product information databases, and loyalty programs designed to foster a stronger connection between the brand and its consumers.

At the heart of our digital offering is Meta Anchor®, a unique technology that provides a secure and scalable solution for product digitalization. Unlike traditional QR codes or NFC chips, Meta Anchor® is not susceptible to counterfeiting or replication, ensuring that the digital identity of each product remains secure and authentic.

Our technology can be applied to a wide range of luxury items and apparel, from high-end fashion to bespoke jewelry and accessories. By incorporating Meta Anchor® into their products, brands can offer consumers a unique and enhanced experience that adds value to the product and strengthens the emotional connection between the brand and its consumers.

Furthermore, our digital solutions are designed to be easily integrated into existing business processes, making it simple for brands to adopt and implement our technology. Our team of experts will work closely with you to develop a customized solution that meets the specific needs of your brand, ensuring that you can fully leverage the benefits of product digitalization.

In conclusion, secure product digitalization is an essential tool for brands in the luxury and apparel industry looking to elevate their products and create a stronger connection with their consumers. Authentic Vision's unique offering of Meta Anchor® technology provides a secure and scalable solution that can be tailored to the specific needs of each brand, ensuring that the digital soul of each product remains authentic and valuable.

We invite you to contact Authentic Vision for more information on how we can help you leverage the power of product digitalization to elevate your luxury brand and create a truly unique and memorable experience for your consumers. Our team of experts is ready to assist you in unlocking the full potential of your products and taking your brand to new heights.

In the Future, all products will have a Digital Soul®

"Going forward, every business process will bridge the digital and physical worlds"

- Satya Nadella, CEO Microsoft





Pioneering Transparency Through Technology in the Luxury Sector