

DAMSTRA

Damstra Technology NWR Small Cap Conference

4 August 2020

Financial data is provided on a pro forma basis except where explicitly stated otherwise



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This presentation has been prepared in relation to Damstra's proposed acquisition of Vault Intelligence Limited (ACN 145 040 857) ("Vault") by scheme of arrangement ("Acquisition").

Summary information

This presentation provides information in summary form and should be read in conjunction with the announcements in relation to the Acquisition released by Damstra and Vault. This Presentation does not purport to contain all the information that investors may require in order to make a decision in relation to the Acquisition. It contains selected information only. Further information will be contained in additional documents to be released by Vault and/or Damstra.

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Date

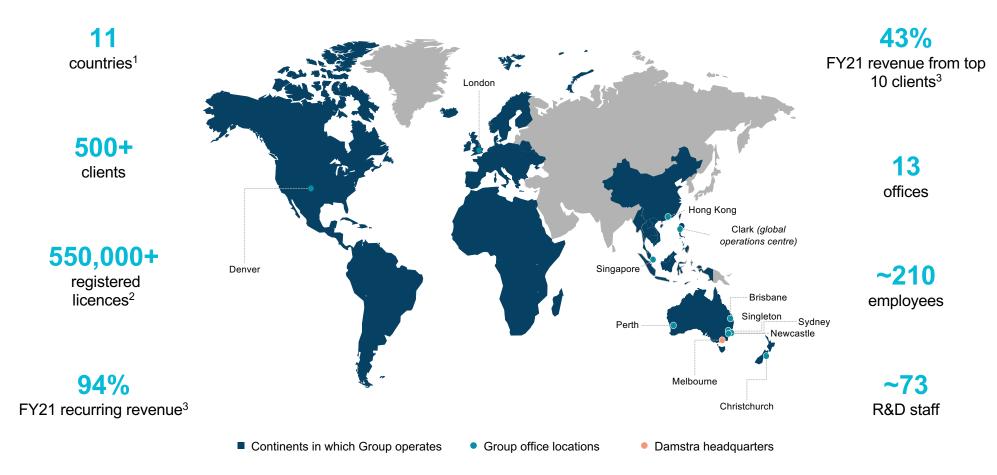
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Combined Group footprint

DAMSTRA

Damstra (Group) is an Australian-based provider of integrated workplace management solutions to multiple industry segments across the globe. The Company develops, sells and implements integrated hardware and software-as-a-service (SaaS) solutions in industries where compliance and safety are critical.



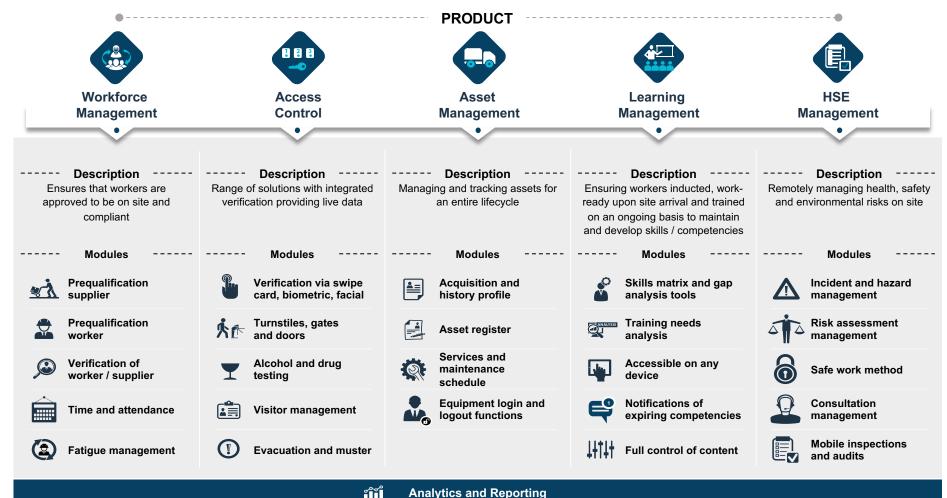
2. Estimated as at 1 July 2020

3. Refer to the Important notice and disclaimer on page 2, in particular the sections titled "Financial Information" and "Vault Information and Combined Information"

Overview of Damstra product modules



Damstra's integrated workplace management solution combines hardware components installed on client sites with a comprehensive SaaS-based solution for use by both employees and employers



Analytics and Reporting

Expanded our platform in FY20 with new products and modules

S DAMSTRA

We have added 14 fully integrated products and modules to our world-leading platform, to assist organisations in tracking, managing and protecting their workplaces



added in FY20

Grown from 14 product modules to 28 since 2018

Proven capability to integrate products/modules fast

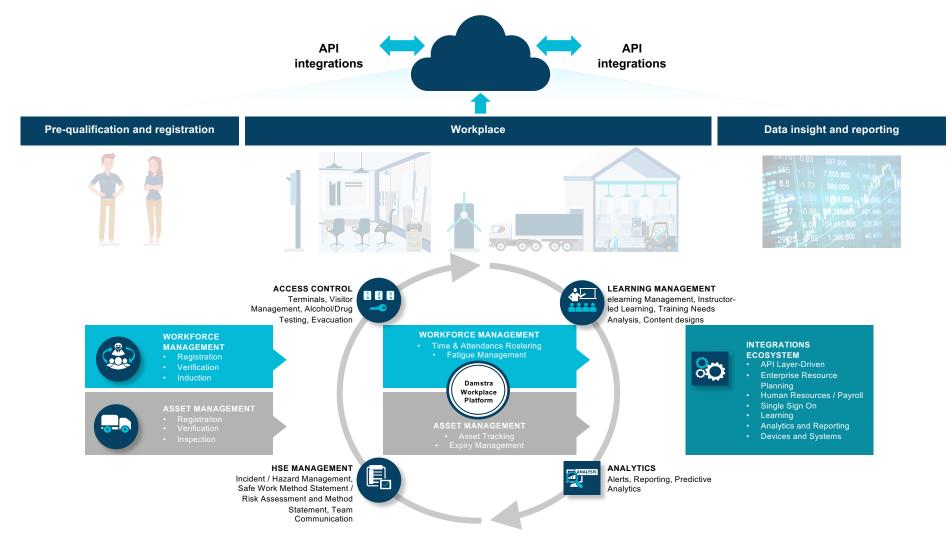
Proven ability to cross-sell products to existing clients

Insight from customers has driven development of additional modules and features

Overview of Damstra's workplace management platform

DAMSTRA

Damstra's products are designed to provide a comprehensive end-to-end experience for our clients





Damstra's services are built on a highly secured and controlled platform, providing a wide array of security features

Damstra risk management framework

- Implemented strategic business plan, including risk identification and the implementation of controls to mitigate or manage risks
- Guided by risk framework, Damstra's environment is subject to various internal and external risk assessments:



- Guidelines for protecting sensitive Government information held by contractors applicable to the protection of Controlled Unclassified Information (CUI) on nonfederal systems
- Damstra compliant with these guidelines, and customers can effectively comply with NIST



- Damstra' ISO 9001 certification directly supports customers in the AWS cloud.
- Damstra has achieved ISO 27001 certification of our platform and services.
- ISO 27001 is a widely-adopted global security standard that sets out requirements and best practices for a systematic approach to managing company and customer information



- U.S. Health Insurance Portability and Accountability Act (HIPAA)
- Maintain security configuration for customer data compliant with HIPAA on AWS
- Secure customer data on Damstra AWS environment to process, maintain, and store protected health information



- Damstra is SOC 2 compliant, as set forth by the American Institute of Certified Public Accountants (AICPA) Trust Services Principles.
- These principles define leading practice controls relevant to security, availability, processing integrity, confidentiality, and privacy applicable to service organizations

Platform API integrates with adjacent third party solutions

D A M S T R A

Integration across organisational systems and platforms is critical to delivering improvements in safety and compliance, as well as productivity and efficiency in the workplace for our clients

	(jiii)					
ERP	Human Resources and Payroll	Sign-on Platforms	Learning & Project Management	Analytics and Reporting	Devices and Systems	Other API Integrations
••••• Description We support widely-used business management software that incorporates a range of business functions including accounting, inventory management, purchasing	• Our integration with human resources and payroll software providers further supports a seamless client experience through an automated payroll solution from collecting workforce time data and applying pay policies	• We support interfaces which provide clients with full control and access to many applications through a single sign-on, leading to increased productivity	• • • • • • • • • • • • • • • • • • •	• Description We support providers of data visualisation and reporting which assist clients to make business decisions using the comprehensive workplace data our system collects	 Description Our integration with physical devices and systems provide clients with a variety of methods to improve their business functions Clients have the potential to utilise many different solutions to further efficiency and effectiveness of operations 	• • • • • • • • • • • • • • • • • • •
Selected Examples	Selected Examples	Selected Examples	Selected Examples	Selected Examples	Selected Examples	Selected Examples
 ADP SAP IBM TechnologyOne Procore Sage, MYOB, Xero, Quickbooks Epicor, Vista, Penta, Jonas 	 Kronos PrismHR Subscribe-HR Deputy INX Chris21 	 Google Okta Microsoft Azure Zapier Dropbox, OneDrive Microsoft Box 	 GO1 Maestro, Aconex Buildertrend eBuilder Newforma Simpro, Tradify, Servicem8, Geo Workflow Max Intelex, INX 	 Tableau Exago Leica Geosystems Intelex Wink Sas Maestro Dundas Zoho reports Domo 	 Site printers / networks Turnstile control systems RFID Key cabinets Alcolisers Time and people clocks 	 QR code enabled turnstiles High temperature rated terminals



Quarterly Activities Report^{*}



Strong results across all aspects of the business creating a platform for FY21 growth

Key Highlights

- Strong performance across the business delivered revenue and other income on an unaudited basis for FY20 of \$22.0m, representing a growth rate of 38% on FY19
- Unaudited EBITDA for FY20 is expected to be \$5.6m, ahead of guidance and prospectus forecast. This demonstrates the delivery of attractive unit economics and strong operating leverage¹

Key metrics for the business at the end of FY20 are

- User's increased from 320,000 at the end of FY19 to 404,000
- Clients increased from 129 at the end of FY19 to 279
- Recurring revenue for FY20 was 91% of operating revenue

Key Highlights cont'd

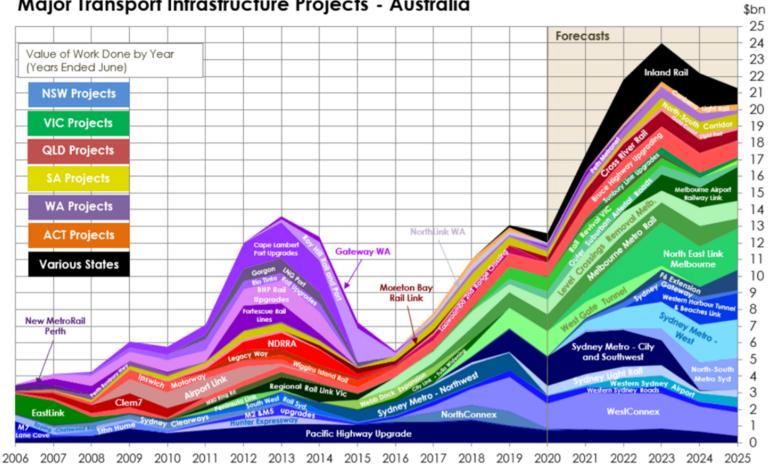
- Normalised cash receipts of \$5.6 m for the quarter, representing growth of 57% on the prior corresponding period (PCP)²
- Normalised positive operating cash flow of \$1.9m² for the quarter, a growth of 760% compared to (PCP)
- Operating cash to EBITDA conversion for FY20 of 93%
- Normalised cash balance of \$10.4m², which includes costs due to recent acquisitions
- Product innovation continues with 14 additional products / modules brought to market during FY20
- Major staff appointments in North America and scale up in North American business, including signing of first channel partners

^{1.} Excludes share based payments, listing costs and costs of acquisitions

^{2.} Includes \$1m in overdue payments received after year end

^{3.} Quarterly Activities report released on ASX 22 July 2020





Major Transport Infrastructure Projects - Australia

Note: This chart includes projects with a value of work done greater than \$300 million in any singleyear Source: Macromonitor, July 2020

FY21 – Focus on International Growth



Initial International success and looking to accelerate North American growth and other region's during FY21



Present clients

- Newmont Global our anchor client with our products now in North American, Africa and Australia
- Other smaller client wins in North America, including education vertical
- Have clients in Hong Kong, Philippines. Utilities and Petrochemicals sectors
- Trials occurring in the UK, focus on infrastructure construction

Increased Resourcing

- Building our resourcing in North America with key appointments
- SVP Strategic Partnerships and Alliances – Jon Mattei Over 25 years of software expertise focused in both Fortune 100 and SMB segments from enterprise solutions through mobile workforce applications.
- Senior Vice President Sales North America – Brice Elliott Chief Revenue Officer for Pramata Corporation and has also held executive sales roles for companies like PeopleSoft, Xerox, ITT Telecom, i2 Technologies and Infor Global Solutions.



Channel Partners

- Zivaro, headquartered in Denver, Colorado formed a strategic alliance to enhance safety systems, products, platforms, and cloud capabilities. Damstra's workforce safety platform comes together with Zivaro's cloud expertise to help customers accelerate digital transformation
- (GAI), headquartered in Cincinnati, is an experienced, award-winning, value-added reseller. GAI focuses solely on Federal or the SLED (State, Local Government and, Education) sectors



Verticals we are targeting

COVID-19 has created a US market accelerant, Damstra is positioned as "business continuity via employee digitization" focusing on heavily regulated and compliance driven sectors

Key vertical focus

- Federal and State Government
- Mining
- Energy
- Education
- Construction
- Utilities



Illustrative view of the of the combined Group



Following the acquisition, Damstra will have increased financial scale, platform to accelerate growth, increased equity market relevance (with higher liquidity potential to be included in ASX300) and a robust balance sheet and strong operating cash flow generation

The below is provided for illustration purposes only and should not be inferred as guidance¹



FY21² Revenue

- Revenue range of \$33 \$35m³
- Damstra revenue in FY21 is estimated to be 30-40% above FY20 unaudited results
- ____

FY21 EBITDA

- >90% of group revenue is projected to be recurring
- Revenue generated from an 850+ client base
- Historical revenue churn <1%
- Projected annual run-rate synergies of \$4m⁴
- Synergies expected to be fully achieved within 12 months of Acquisition completion date

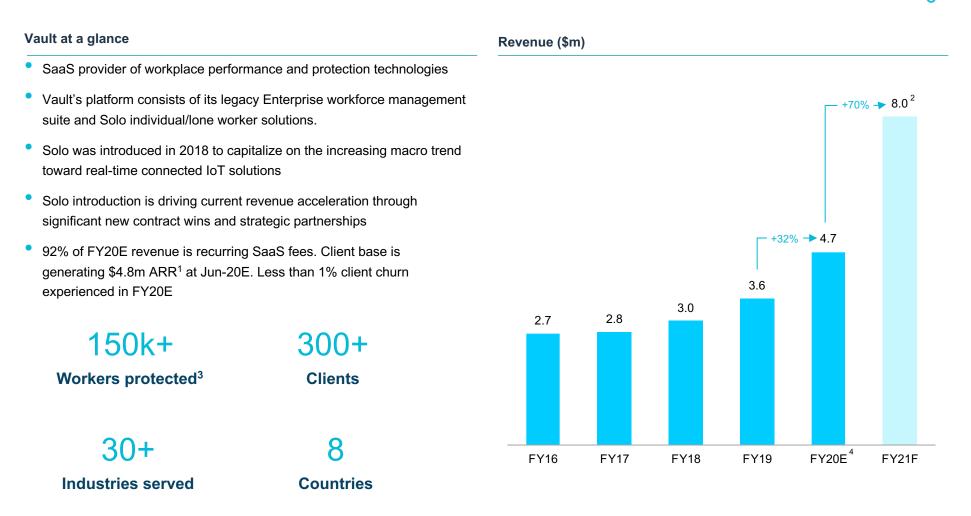
- Cash on balance sheet
- Cash on balance sheet after completion of transaction is expected to be the range of \$13-\$15m
- Based on Vault and Damstra's current cash on balance sheet
- Driven by increased operating leverage and synergies
- Assumes present operating cash outcomes until completion

1. Refer to the Important notice and disclaimer on page 2, in particular the sections titled "Financial Information" and "Vault Information and Combined Information"

- 2. On a 1 July 2020 pro forma basis, combined revenue based on respective guidance from Damstra and Vault
- 3. Based on Damstra 30-40% revenue growth guidance and Vault projection \$8m
- 4. Full annualised amount of costs to be removed

Introduction to Vault Intelligence

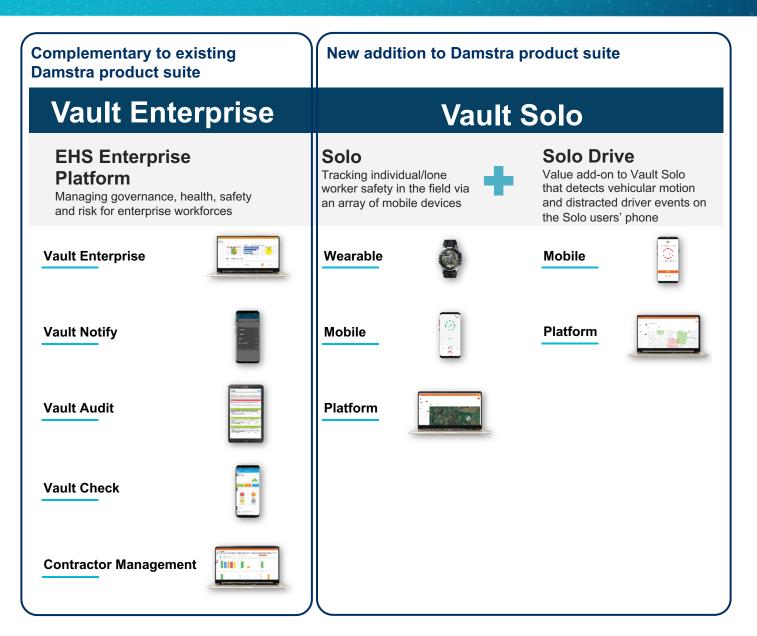




- 2. Vault FY21 guidance
- 3. Number of licences paid in the last period
- 4. FY20 unaudited

Vault product range





Acquisition rationale

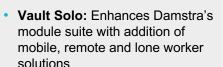


Acquisition rationale is consistent with previously stated growth pillars. Organic growth will be enabled through increased scale and cross-selling opportunities. Product & technology is boosted by the addition of Vault Solo and R&D capability. New significant partners will enhance Damstra's existing partner channel strategy



Scale

- Client numbers: → 500+
- User numbers: $400k \rightarrow 550+k$
- Vault Enterprise: legacy product that is complementary with Damstra's existing core offering
- Minimal client overlap: opportunities to cross-sell between the respective client bases
- Vault's channel partner development adds to Damstra's channel partner strategy



Product

- Extends Damstra's ability to track manage and protect both large transient workforces and lone worker enterprises
- Potential to cross-sell SAMM paperless and Velpic e-learning to Vault Solo clients, and wearable IoT tracking and protection solutions to Damstra clients



Financial¹



Innovation

 Creates an attractive financial 	• Co
profile. Combined FY21 revenue	an
guidance of \$33-35m ²	dri

- >90% of FY21¹ group revenue is projected to be recurring
- Improved sector and revenue diversification. FY21¹ Top 10 clients projected to be only 43% of revenue. Down from 71% precombination
- Operating leverage \$4m annual run-rate synergies expected
- Increased scale and market relevance

Complementary technology stack, and integration of R&D team to drive culture of product innovation

R&D team will increase to around 73 FTE

1. Refer to the Important notice and disclaimer on page1 & 2, in particular the sections titled "Financial Information" and "Vault Information and Combined Information"

2. Based on Damstra 30-40% revenue growth guidance and Vault projection \$8m

Acquisition highlights





Acquisition of Vault Intelligence – leading provider of workforce performance and protection technologies

Scrip-for-scrip acquisition of 100% issued capital by recommended Scheme of Arrangement



Creating a larger workplace management group

Delivering increased scale to leverage opportunities in the present and post COVID-19 environment



Highly complementary product sets and client base

Combination provides increased revenue diversity, greater scale and a platform for accelerating growth

К Л И У

Strengthens and expands Damstra's modular, integrated product range

Providing future organic growth



Highly attractive financial profile

Acquiring Vault-guided \$8m FY21¹ revenue and 300+ new clients. Projected \$4m run-rate synergies are expected to lead to combined operating leverage and EBITDA uplift



Accelerate innovation

New product innovation will be enabled by complementary technology stacks and integration of R&D teams

Vault partners add to Damstra's channel partner strategy



Existing



- TechOne's ERP platform has been integrated with Damstra's learning management platform
- Target segments are Government, Health care, Retail, Manufacturing, Financial Services, Asset intensive industries and project-based industries
- Geographic focus on Australia and New Zealand as well as the UK



- SkillPASS platform includes all products and modules of the Damstra workplace management platform
- Targeting members of the association in the sectors such as education, utilities and trade associations
- Cross-selling the Damstra platform to its members



- Deep integration between Damstra's workplace management platform and Alcolizer's alcohol and drug testing products
- Cross-selling of Damstra products into the Alcolizer base focusing on mining, construction and transport industries
- Geographic focus is on Australia/NZ as well as the Alcolizer customer base in Asia

New



Strategic partnership agreement with large Telstrabranded retail and B2B outlet operator. Partnership to sell into large enterprises. ASXlisted



Major reseller partner in New Zealand. Initial sales focus on assisting Vodafone's Top 200 customers with their business continuity plans



Blue chip Singaporean customer committing via M1 partnership agreement. M1 are a major telecom provider in Singapore



Regional distributor with more than 30 years' experience and customer network across South East Asia. Based in Singapore.



M&A is a core strategy, and it so much more than a "roll up"



We have a demonstrated track record of successful integration and enhancement of value for acquisitions. Our M&A strategy continues to evolve

What do we look for in acquisition target

We have 3 core principle in target identification

- 1) Product enhance or accelerate
- 2) People if you don't retain the key staff you have no value
- Been commercialised to some degree we are not chasing the next "moon shot" product success

Our secondary filters

- Provide entry into new markets, be it geography or new verticals
- Establish new client and cross-selling opportunities → increased network effect
- Accelerate convergence of technologies, that can **scale internationally**
- Acquire organisational capability
- Damstra internal "bandwidth" to execute and integrate

2 Acquisition during FY20

During FY20, Damstra has made three acquisitions. M&A is a core strategy for Damstra we have created a specific approach, including a dedicated team, process on target selection, due diligence, negotiation, and then implementation

- Dec 2019 acquired Scenario Advantage
 - Small competitor, opportunistic
- Feb 2020 acquired APE Mobile
 - Product focussed acquisition paperless forms
- Jun 2020 acquired Smart Asset
 - Product focussed acquisition asset management
- Acquisition multiples ranged between 1 to 4.5x LTM

Disclosed revenue at time of acquisition on a full run rate basis was \$2.9m, >90% reoccurring for the 3 acquisitions. This base revenue will be pillar for FY21 revenue growth, and the product based acquisition we look for accelerate growth

Acquisitions are being integrated successfully



	Scenario Completed December 2019	APE Mobile/Samm Completed February 2020	Smart Asset Completed June 2020
Business			
Clients lost	0	0	0
Staff retained	Y	Y	Y
Accounting systems integrated	Y	Y	Y
Staff organisationally integrated	Y	Y	Y
R&D staff put into "pizza" teams	Y	Y	Y
Branding	Phase out FY21	Rebranded	Retained
System/supplier rationalisation completed	16	27	7
Systems			
One Infrastructure platform	Y	Y	Y
Removal of redundant systems	Y	Y	In progress
API integrations completed	Y	Y	In progress
System integrated with Damstra	Y	Y	Y
Single Sign On implemented	Y	Y	In progress
Removal of legacy code base	Phase out FY21	na	na
Product			
Can be sold as a standalone product	Ν	Y	Y
Integrated with Samm	Y	na	Y
Integrated with Velpic	Y	Y	Y
Integrated with Smart Asset	In progress	Y	na



DAMSTRA