



D A M S T R A

16 November 2020

Annual General Meeting – Chairman’s Address

Good morning, ladies and gentlemen. My name is Johannes Risseeuw. I am Executive Chairman of Damstra Holdings Limited and it is my pleasure to welcome you to our 2020 Annual General Meeting.

Firstly, I would like to introduce my fellow Directors; our Chief Executive Officer Christian Damstra, and Non-Executive Directors Morgan Hurwitz, Sara La Mela, Drew Fairchild and Simon Yencken. Also, present at today’s meeting is our Company Secretary Carlie Hodges, Chief Financial Officer Chris Scholtz, and Jason Perry our audit partner from PWC.

This morning I will provide you with an overview of the business and then pass over to Christian who will make a presentation of the Company’s activities in 2020 and provide an update on our plans for 2021.

Damstra 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 of utmost importance. These solutions assist Damstra’s clients to better track, manage and protect their staff, contractors and their organisations, and to reduce the risks associated with worker health, safety and regulatory compliance.

From any perspective it has been both an extraordinary and transformational year for Damstra, highlighted by the IPO of our Company on the Australian Stock Exchange on 16 October 2019. We have delivered a high-quality set of results across all business metrics, reflecting a fundamental step change in performance and a clear validation of the operating leverage that exists in the business. To have delivered this performance during COVID-19 is a credit to the Damstra team and demonstrates the quality of our products and a resilient business model.

Damstra has proven its importance as a critical business tool during these challenging times, and customers have continued to rely on our solutions. During the height of the pandemic in our key markets, there was minimal reduction in demand for our services across the main verticals of mining, construction, and telecommunications.

Turning to our financial results in FY20, revenue and other income rose by 47% to \$23.5 million and client numbers increased from 129 to 279. It is especially pleasing to report that 90.7% of our revenue is recurring with churn less than 0.5%. This demonstrates the high quality of our revenue, the importance of our solutions to deliver a safe working environment and the commitment of our customer base. These were a very pleasing set of results considering the challenging time all businesses encountered during 2020.

While we are incredibly pleased with these results, we are as equally proud of the innovation underpinning the new products launched to our clients. We added 14 fully integrated products and modules to our world-leading platform, to assist organisations in tracking, managing and protecting their workplaces.

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As companies prepare for and manage a return of staff to working locations, product enhancements to the Damstra solutions now provide the ability to test, track, trace and train in a highly scalable manner and using anonymised individual data for exception management. In doing so we focus on seamless inclusion into existing infrastructure which makes the Damstra platform a truly integrated and complete solution for small and large businesses. Investing deeply and innovating continuously makes our products easier to sell and accelerate growth.

During FY20, Damstra made three acquisitions: APE Mobile, Scenario Advantage Workforce and SmartAsset Software. As M&A is a core strategy for Damstra we have developed a specific approach, including a dedicated team, process on target selection, due diligence, negotiation, and then implementation. Our criteria for success and approach to M&A: no clients lost during transition, retention of key staff, integration of the technology stack and products and have a clear organisational structure. What is paramount, and always will be, are our clients being able to see a “single view of Damstra” in a product sense and through the expanded offering we bring.

We adopt a disciplined and focused screening and integration methodology in M&A. This leads me to the Vault Intelligence transaction. We completed the acquisition of 100% of issued capital in Vault Intelligence Limited by way of a recommended Scheme of Arrangement on 19 October 2020. Christian will go into more detail in his presentation, but it is pleasing to state that Damstra now has a truly global footprint, with offices in ANZ, UK, North America and South East Asia. Already we have seen the successful cross sell to Vault customers of Damstra product modules.

Regarding our international strategy in North America, we significantly scaled up resources to grow with our clients and have plans to pursue a wide array of opportunities in such a large market. Damstra’s channel partnership strategy continues to evolve as an important long-term growth lever which has already shown signs of success.

We now also have a presence in South East Asia and will continue to add resources in the United Kingdom. Our continued international expansion opens up new avenues of growth and our vision for the business is that over time overseas revenue will be more dominant than domestic sources.

We have entered FY21 with great energy and excitement and presently integrating the Vault transaction which is ahead of our internal planning. We see this as a year of continued evolution with our business having size, scale and increasing product innovation effort to accelerate domestic and international growth. From an investor perspective, this is important as we believe we have reduced our overall risk profile while increasing our organisational capability.

I would like to acknowledge the Damstra Board and management team for their drive and ambition to create a truly global business during FY20. On the Board I am aware of the importance in having the right skills, experience, sector knowledge and attributes among the Directors to effectively govern and discharge our strategic objectives. After our annual Board assessment, the Damstra Board spent significant time reviewing where we needed to add capability, considering our technology product pipeline and international growth aspirations. In that context, we have expanded our Board with the addition of Sara La Mela. Sara has extensive experience as a senior technology executive in both Australia and the United States, serving in various roles at both Twitter and Google. At Twitter she was a founding member of its global sales team. Sara has served as the Chief Operating Officer of Local Measure for the last six years, and presently serves as a Non-Executive Director at Whispir Limited

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(ASX:WSP). Sara's experience and entrepreneurial thinking will help us more deeply appreciate the necessary steps to capturing the significant global opportunity for our leading product solutions.

We are actively building the capability of our people at all levels across the organisation and shareholders would be aware of Damstra recently building out our North American business. While we are mindful of the importance of diversity among the Board, this is also a priority at an executive level and it is pleasing to note that three of our CEO's direct reports are female and in key front line roles.

Finally, I would like to thank all our shareholders, employees and clients for your support. We respect the trust you place in Damstra and everyone across our organisation is committed to achieving our vision and delivering long-term shareholder value.

Ends

Authorised for release to ASX by Johannes Risseeuw, Executive Chairman of Damstra Holdings Ltd.

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About Damstra

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The Company has been operating since 2002 and has grown from providing an Australian mining contractor management solution to an integrated workplace management solution provider with a growing client base in international markets.

For more information, please visit

<https://workplace.damstratechnology.com/>

<https://www.linkedin.com/company/damstra-technology/>

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