



D A M S T R A

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Damstra Technology

Annual General Meeting

16 November 2020

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

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Agenda

- 1 Recent results
- 2 Business update
- 3 FY21 guidance
- 4 Q&A

Key financial and operating metrics for FY20



\$23.5m

Revenue and other income

vs. \$16.0m in FY19



46.6%

Revenue and other income growth

vs. 3-year CAGR 42.0%



90.7%

Recurring revenue¹

vs. 90.4% in FY19



<0.5%

Client revenue churn²

vs. <1% in FY19



30%

Increase in total³ R&D spend

Total R&D spend is **22.9%** of FY20 revenue



\$6.8m

Pro forma EBITDA⁴

\$4.8m Underlying EBITDA⁵

vs. \$1.8m⁶ in FY19



\$14.2m

Cash and trade receivables

vs. \$3.9m at Jun-19



\$5.2m

Pro forma⁷ operating cash flow

vs. \$0.3m+ in FY19



279

Clients

vs. 129 at Jun-19



404k

Users

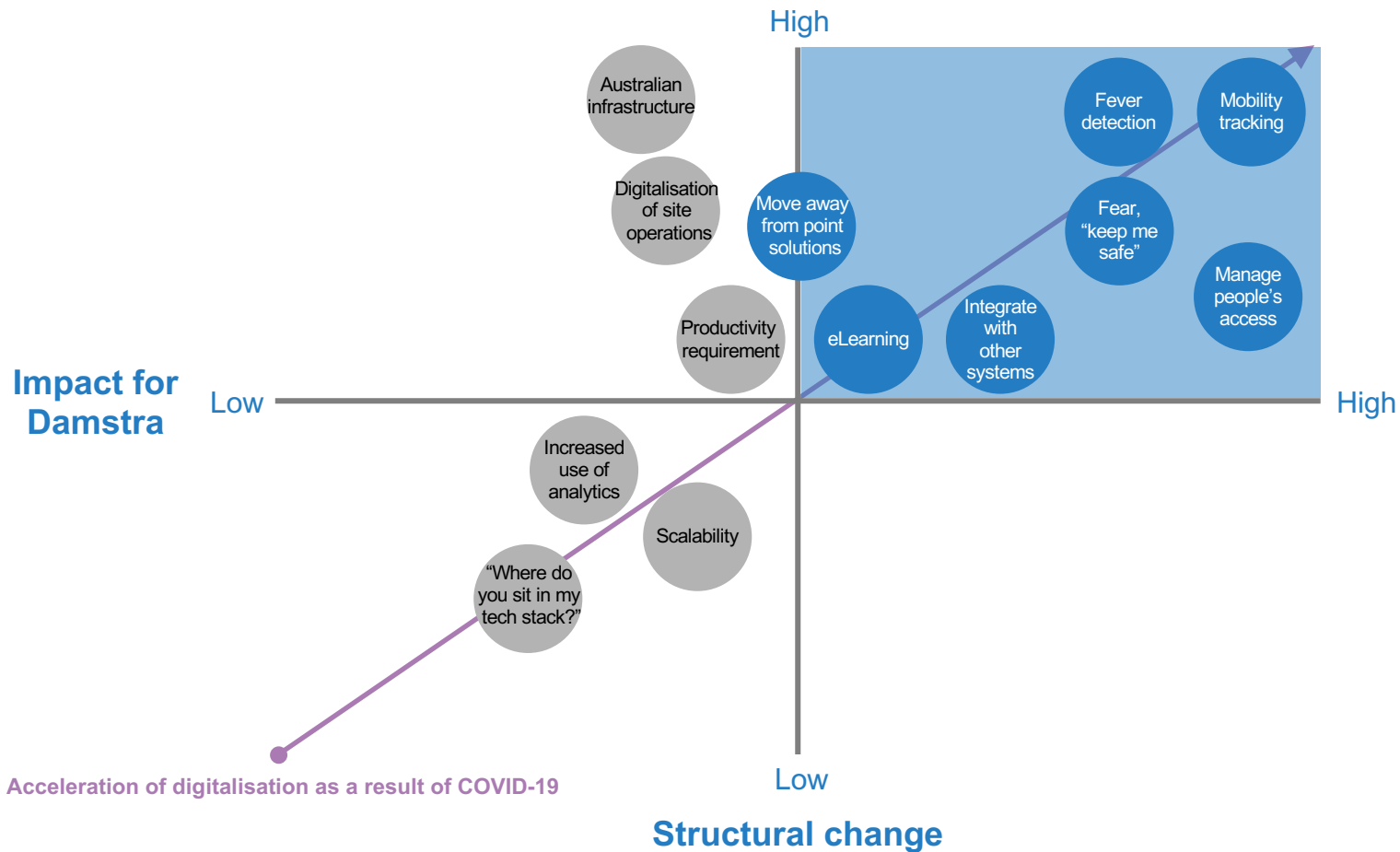
vs. 320k at Jun-19

Strong business performance in FY20, demonstrating a fundamental step change in the business compared to FY19. This places the business in a strong position for FY21, including the acquisition of Vault

1. Relates to revenue that is earned over time
2. Calculated as prior year recurring revenue that was lost during FY20
3. Calculated as the sum of R&D expense per the pro forma income statement and capitalised development costs per the cash flow statement
4. Before IPO costs, share-based payments, income tax, finance expenses and acquisition costs
5. Pro forma EBITDA excluding one-off other income
6. FY19 underlying and pro forma EBITDA are equivalent
7. Excludes transaction costs related to business combinations

Industry tailwinds are propelling future growth

COVID-19 has accelerated some underlying industry trends around digitisation, but companies must operate in an environment where every company say they have a “COVID” solution. There are some key long term underlying trends¹



Damstra's solutions are considered critical by many customers in ensuring the delivery of a safe work environment, as well as to reduce the health and safety risks for employees on a site

FY20 saw significant achievements across our four core growth pillars

Organic growth

Expanding our client base but staying focused on our core capability. New products enable cross selling opportunities

New customer wins

- International: Winning new clients in the US and South-East Asia
- SE Asia now seen as a new market
- New verticals: Winning new clients in the Education and Finance sectors
- Construction: Core clients rolling out new infrastructure projects, new clients wins with >60,000 users

Cross-selling to existing customers

- Fever detection - more than 20 clients have ordered the solution, and it is now live with clients
- CPB rollout of Damstra's learning solution to all contractors (acquired 15,000 licenses)

Product & technology

We split expenditure on; new products, upgrading present modules and integration

Innovation

- Structural increase in total¹ R&D expenditure, 30% increase versus FY19.

Product

- Increased R&D expenditure reflected in delivery of 14 new modules: fever/face detection, mobile attendance, RFID tracking, digital form integration and skills management

- Overall, 4,420 new product features implemented during FY20

Commercialisation

- New modules: >50% are focused on commercialisation, not just upgraded UI/UX

Partners

Channel partners are a key plank for growth, focus on North America

US partners

- Strategic relationships formed with Zivaro (government and enterprise clients) and GAI (Federal, state and local government and education)

TechnologyOne

- Successful integration of Damstra's Learning Management platform. Targeting 75 clients acquired by the end of FY21

Increasing North America resources

- Two Senior VP's hired in North America and scaling up resources

Strategic acquisitions

M&A is product-centric with a strong focus on integration

Acquisition of Scenario

- Accelerates Damstra's growth on the East Coast of Australia

Acquisition of APE mobile

- Expands Damstra's paperless product suite, drives cross-sell

Acquisition of SmartAsset

- Expands Damstra's asset management, maintenance and tracking product offering and enables cross-selling

Acquisitions are being integrated successfully, driven by a dedicated team, enabling cross-selling to commence

FY20 Summary: Delivering on the strategy

Record result

- 47% growth in revenue and other income
- Pro forma EBITDA **\$6.8m**
- Underlying EBITDA **\$4.8m**
- Pro forma operating cash flow **\$5.2m**

Growing clients and users

- 279 clients (from 129 at Jun-19)
- 404k users (from 320k at Jun-19)

New product innovation

- 14 new modules delivered
- 4,420 new features implemented
- Key products: fever detection, digital forms, RFID tracking

Increased investment in R&D

- 30% increase in total cash spend
- 83% increase in headcount

Strategic acquisitions

- Scenario Advantage - **scale**
- APE Mobile – **product**
- Smart Asset Software – **product**

Positioned for US growth

- Zivaro and GAI **strategic partnerships** signed
- Two Senior VP hires and **scaling resources**

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Damstra's global footprint

Damstra Group is a provider of integrated workplace management solutions to multiple industry segments across the globe.

11
countries¹

~600+
clients

~570,000+
registered
licences²

~91%
FY21³ recurring revenue



~45%
FY21³ revenue from top
10 clients

13
offices

~200
employees

~70
R&D staff

■ Continents in which Group operates

● Group office locations

● Damstra headquarters

1. Countries where Damstra products are used
2. Estimated as at 9 November 2020
3. Full year projection. Please refer to the Important Notice and Disclaimer on slide 2

FY21 management priorities

Organic growth

International, ANZ, SE Asia and new verticals. 4 key themes

North America

- North America is the priority
- Build upon recent clients wins

ANZ

- Capture opportunities on the back of project infrastructure investment by state and federal governments

SE Asia

- New growth option for Damstra with anchor clients in Singapore, Hong Kong & Philippines

New verticals

- Global ports strategy via anchor client Keppel
- Aged care via Solo product
- Security via ADT, and fever detection

Module growth

Accelerate commercialisation of new modules, accelerate cross-selling

Module acceleration - 4 key areas

- Fever detection / facial recognition: commercial success since launch with new sectors open to Damstra
- Solo: commercial success with major rollout with Keppel complete - >3,000 devices are operating daily
- HSE paperless: being trialed by certain clients on an industrial scale
- Learning: accelerated growth continues due to increased online learning demand
- Assets: continued growth due to digitalization of asset management
- All individual modules are currently growing significantly over FY20 PCP. Cross-sell has already occurred with Vault clients

Product & technology

Delivery of the product pipeline, with a key focus on integration and fusing products together

R&D

- 70+ FTE. Projecting R&D expenditure of ~25% of revenue.

Product Pipeline

- Deliver the product pipeline to market and drive deeper client solutions
- New UI/UX for the core platform
- Launch SME product
- New evolution of integrated hardware solutions
- Focus on mobility products, integrated into the base platform
- Launch new Satellite offering, currently in live trial

Partners

Channel partners are a key plank for growth

Channel Partners

- We have more than 20 channel partners
- They can be broadly categorised as the following:
 - i. Partnership
 - ii. Implementation
 - iii. Referral
 - iv. Reseller
- Several partnerships are global in nature

Vault integration update - ahead of plan, synergies upgraded to \$5m¹

Cost savings will be fully run-rated by the end of Q3 FY21. Validates Damstra's M&A approach - when a business is integrated, material cost savings and operational efficiencies can be achieved

Organisation

- A new combined organisational design has been implemented, with all Vault staff transitioned into Damstra. A new global Damstra executive structure has also been implemented
- David Moylan (ex-CEO of Vault) has assumed the role of Chief of Global Partnerships and will report directly to the Damstra CEO, Christian Damstra
- David Rose (ex-COO of Vault) is now Chief Service Delivery Officer and will report directly to the Damstra CEO, Christian Damstra

Synergies

- Original target of \$4m synergies upgraded to \$5m¹
- 198 specific task identified for action
- 30 duplicate systems and suppliers are being rationalized
- Overlapping operational roles removed
- Operating savings achieved via the removal of dual listing costs i.e. listing costs, insurance, Board, & legal
- 3 offices rationalised

Technology

- The Solo product will be fully integrated into the Damstra core system by end of Q2 FY21
- The Enterprise solution will be fully integrated into the Damstra core system by end of FY21
- Move to single ERP systems will occur by the end of November
- Move to one infrastructure platform by the end of Q2 FY21
- All legacy systems to be retired by the end of Q3 FY21

Clients

- Nil clients lost, and Vault clients being offered an expanded product suite
- The Vault Brand will be retired, brand positioning and marketing collateral to be aligned
- Cross-sell teams have been implemented; three Vault clients have been contracted for Damstra modules
- Opportunities to cross-sell Solo in North America
- We are now in more industry sectors, furthering SME market exposure

1. Full annualised amount of costs to be removed

Acquisition continues to expand our modular product offering

Workforce module strengthened with Lone Worker solution, HSE improved with new management and reporting tools



Workforce



Company mobilisation



Employee mobilisation



Verification



Time and attendance



RFID solution



Mobile login & logout



Tracing of workers



Deep integration with digital forms



Lone worker solution (Solo)



Access Control



Fixed and mobile access terminals



Drug & alcohol testing



Visitor management



Evacuation management



Facial recognition



Temperature detection



Assets



Plant management



Equipment management



Equipment calibration



RFID solution



Asset management and maintenance



Deep integration with digital forms



Learning



Learning management



Course editor



Deep integration with Workforce



Expanded course library



Skills matrix & training needs analysis



Health and Safety



Prestart and toolbox talks



Digital forms and flows



Template form and flow building



EHS module

Acquired & being integrated

Overview of the Damstra EHS product suite

Complementary to existing
Damstra product suite

Damstra Safety

EHS Enterprise Platform

Managing governance, health, safety and risk for enterprise workforces

Enterprise



Notify



Audit



Check



Contractor Management



New addition to Damstra product suite

Damstra Solo

Solo

Tracking individual/lone worker safety in the field via an array of mobile devices



Solo Drive

Value add-on to Damstra Solo that detects vehicular motion and distracted driver events on the Solo users' phone

Wearable



Mobile



Platform



Mobile



Platform



Innovation continues: Solo wearable, fever detection and satellite tracking

Monitoring lone worker safety, screening event spectators for COVID symptoms and tracking remote workers

Keppel Offshore & Marine

Introduction

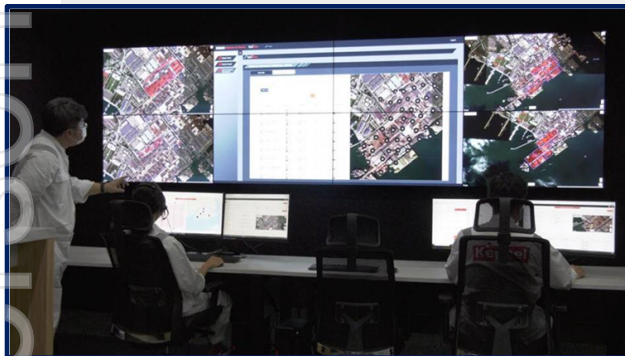
- Keppel Offshore & Marine (KOM), Singapore's premier rig and shipbuilders, require a simple, accessible and productive lone worker safety monitoring solution
- KOM need is driven by government safe site regulations and compliance with COVID safe workplace protocols

Solution

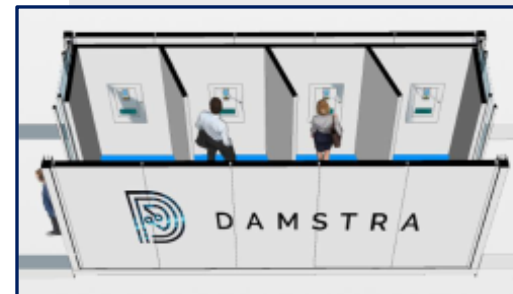
- Wearable has been deployed to 7.5k workers so far in the initial phase.
- The ability to track and monitor individual workers enables incident management, fall detection, and productivity & performance analytics

Impact

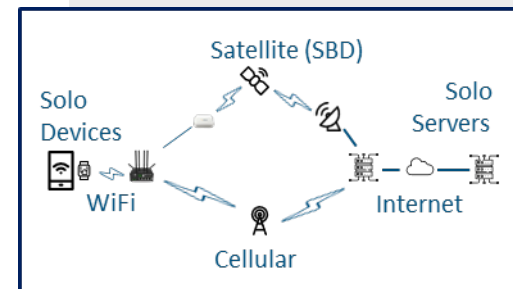
- Reduction in site risk following deployment, with higher levels of staff engagement and improved client throughput experienced
- Ability to isolate a COVID outbreak via contact tracing minimized a recent shutdown to 20% of the workforce for 2 days, versus a complete workforce 14-day shutdown



- Damstra piloted a transportable, container-housed fever detection solution at this year's Melbourne Cup Carnival
- It allows large crowds to be quickly assessed and granted or denied access as appropriate. The solution will facilitate a return to attended events



- Damstra rapidly developed a Short Burst Data (SBD) Satellite connection system to solve mobile blackspot issues along some train lines
- The prototype solution enables continuous connection and tracking, monitoring and protection of rail drivers



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Rebased metrics for FY21

With the Vault transaction now complete, Damstra has reset its key financial and operating metrics



1. Includes Vault contribution from October 2020 completion

2. Relates to revenue that is earned over time

3. Calculated as prior year recurring revenue that is projected to be lost during FY21

4. Calculated as the forecasted sum of R&D expense per the pro forma income statement and capitalised development costs per the cash flow statement

Underlying structural growth and pipeline

Infrastructure construction vertical

- Certain client sectors have structural tailwinds, such as our infrastructure construction vertical, which grew 77% on an underlying PCP basis. Current user numbers within this vertical sit at ~67k¹
- We are seeing a structural uplift in growth due to sites returning to full staff deployment and new projects being activated
- 3 major projects are ramping up, each with user numbers >5k

Modular growth

- Modular growth strategy is a new core growth pillar for Damstra
- All the below individual modules are growing significantly:
 - Learning management, asset management, access control - fever detection, paperless and mobility via Solo
- Fever detection module: annualised revenue is now at \$800,000. In FY20 there was zero revenue from this module

Solo: new growth engine

- 30+ clients now using the product, annualised revenue now at \$1.5m pa
- >12,000 users
- User numbers are up >500% on a pcg basis
- ARPU² varies per user, subject to software only, or combined software/hardware offering

Clients

- In Q1 the combined business added 67 new clients
- Clients across various module and geographies
- Numerous Vault clients have been sold Damstra modules

1. As at the end of Q1 FY21
2. Average Revenue Per User

Recent commercial successes

Solo module

- Keppel Singapore's present revenue run rate is ~\$45k/mo. Potential for continued growth
- FY20 revenue for this client was immaterial
- Singapore is a global trading/energy hub – with this rollout, other commercial opportunities in ports, oil & gas, utilities and government sectors are open to Damstra
- Our strategy is to target Asian ports more broadly, with 9 of the top 10 ports globally located in Asia

China Light & Power (CLP)

- Large Chinese energy provider
- Original 3 year, ~\$700k contract has increased in scope by 30%+, due to uptake of additional Damstra modules
- This demonstrates our business model of adding and cross-selling new modules over time to existing clients
- FY20 revenue for this client was nil

Major Project Roads Victoria

- New contract win in October 2020
- Contract term is 4 years
- Reinforcing the general thematic of increased infrastructure investment by government bodies

NSW StateCover

- State Cover is the Mutual Insurer for NSW council, with an exclusive focus on the 133 local government entities located throughout NSW
- Currently, it has rolled out the enterprise EHS platform across 53 councils in NSW, with plans confirmed for a further 17 councils to be rolled out in the near future.
- ~14k users
- Trials of Solo utilising wearables are also underway, as well as Solo Drive being demonstrated utilising mobile technology.

MePACS (Peninsula Health)

- Aged care facility solutions provider
- Rollout of Solo product to facility residents continues, with ongoing weekly uptake
- Aged care strategically is a new vertical for Damstra

Paperless module

- Being trialed with a mining client at industrial scale, for potential rollout to all its mine locations
- One location is removing up to 50k paper movements per month
- Strategically positions the product as an ERP level solution

New fever detection module

- New module is experiencing continued success
- Presently, \$800k pa is contracted. Will be fully run rated by the end of Q2 FY21.
 - FY20 revenue for this module was nil
- This module is now being sold in various verticals, such as:
 - construction;
 - mining;
 - oil & gas; and
 - Education
- We recently piloted the solution with the Victorian Racing Commission (VRC) at Flemington racecourse for the Melbourne Cup Carnival
 - numerous discussions are being had with other sporting bodies and associated industries such as security

Oracle Partner Network

- Damstra has become part of the Oracle Partner Network
- Will participate in the Oracle Industries Innovation Lab in Sydney, which is a simulated worksite
- Damstra will be showcasing one of their site access solutions, which includes; integrated temperature testing, facial recognition, BAC testing and biometric finger scanning

Revenue growth

- Oct-20 revenue growth vs PCP: 62%

Underpinning base revenue growth

- FY20 recurring revenue¹ >90%
 - \$23m
 - FY21 contracted revenue² >85%
 - \$29m
 - Churn³ <0.5%
 - Contracts with large clients typically 3-5 years
- Structurally underpinned current revenue sits at \$28 - \$29m

1. Relates to revenue that is earned over time

2. Relates to revenue that is scheduled to be delivered in FY21 under an existing executed contract

3. Calculated as prior year recurring revenue that is projected to be lost during FY21

FY21 – guidance, revenue growth of 60-70%

Revenue guidance

- Revenue growth of **60 - 70%**¹
- Revenue target of **\$33 - \$35m**

EBITDA guidance

- FY21 EBITDA² range of **15-20%**
 - EBITDA² range of **\$5m - \$7m**
 - Operating cash conversion: **85-95%** of EBITDA²
- **Key message:** Vault will not change Damstra's financial business model

Revenue guidance explained

- Based on 19th October Vault acquisition completion date (Vault pro rated)
- Based on re-forecasted Damstra and Vault revenues, affirmed by the Board of Damstra
- Revenue going forward will be reported on Damstra-only basis, as the business is operating on a globally integrated basis

EBITDA guidance explained

- FY20 EBITDA² **23.4%**.
- Excludes one-off transaction costs³
- Vault prior to acquisition was operating as a cash and EBITDA negative business
- Synergies of **\$5m**⁴ will be **fully run rated** at the end of Q3 FY21. ~80% run-rated at the end of Q2 FY21

1. Includes Vault contribution from October 2020 completion
2. On an underlying basis, before share-based payments, income tax, finance expenses, transaction costs and one-off other income
3. Such as adviser costs, redundancy payments, director's insurance and other implementation and synergy realisation costs
4. Full annualised amount of costs to be removed

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