DAMSTRA

Protect Your World

FY21 Results Presentation

26 August 2021

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

www.damstratechnology.com

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1 **Results overview**

2 Products & technology

3 Business update

4 FY21 financial information

Key financial and operating metrics in FY21

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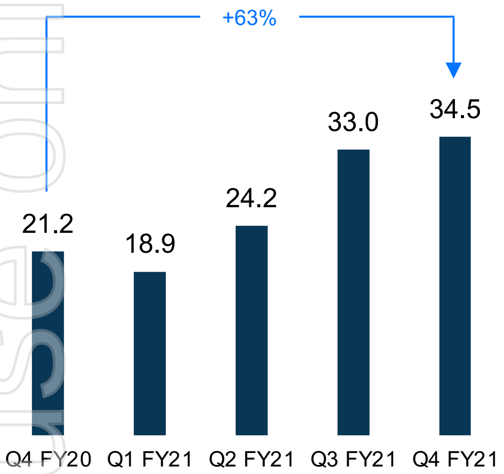
Strong performance delivering record revenue, cash receipts, client and user numbers

▲ **$27.4m** Revenue[1] 40% growth vs. FY20	▲ **$34.5m** ARR[2] vs. $21.2m at Jun-20	▲ **79%** Gross margin vs. 69% in FY20[3]	▶ **$6.6m** Pro forma EBITDA[4] vs. $6.8m in FY20
▼ **24%** Pro forma EBITDA margin[5] vs. 35% in FY20	▲ **$31.7m** Cash receipts vs.$20.8m in FY20	▲ **724** Clients vs. 279 at Jun-20	▲ **737k** Users vs. 423k at Jun-20

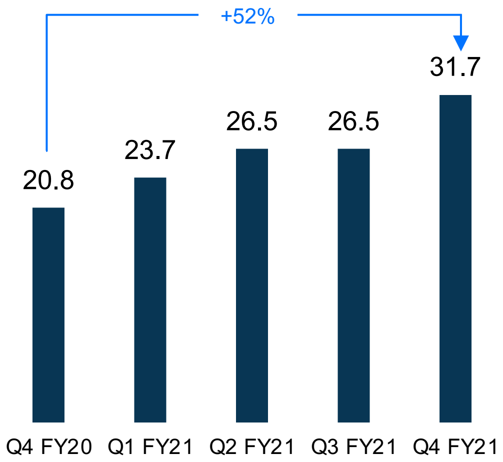
1. Includes $0.3m revenue share related to SkillPASS joint venture with Energy Skills Queensland
2. Annual Recurring Revenue. Recurring portion of exit month revenue on an annualised basis
3. On an underlying basis, excluding one-off other income
4. Earnings before IPO costs, share based payments, income tax, finance expenses and acquisition costs
5. Impacted by the pre-synergy orientation of the acquired Vault business

FY21 saw a continuation of growth across key metrics

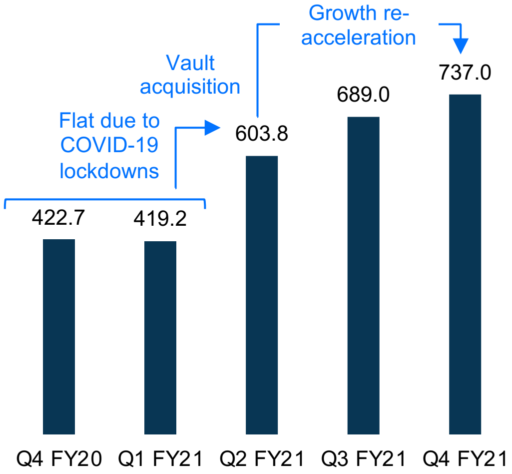
Increasing ARR ($m)



Increasing cash receipts (LTM $m)



Accelerating growth in users (thousands)



FY21 – a year of significant achievements

DAMSTRA

Growth

New customer wins

- Ended the year with 724 clients, an annual increase of 157[1] clients
- Global user numbers now stand at 737k, an annual of increase of 74%
- $34.5m ARR at Jun-21
- 87% recurring revenue
- Products now used in >20 countries
- Passed 90,000 users in the construction industry

Major Contracts

- Skanska in progress
- NBN resigned for a new 5-year agreement
- Newmont – operating under a new 3-year agreement
- Trial with a new global mining client

Products & technology

Enterprise Protection Platform (EPP)

- Strategic pivot to our EPP - reflecting the breadth, depth and integrated nature of our expanded product offering

Product momentum

- Increased R&D expenditure - 34% increase in total[2] R&D spend compared FY20
- Paperless form users now exceed 15,000, reflecting rapid growth

New products launched

- Numerous new products launched in the year; Damstra Safety, Satellite, integrated paperless forms and Solo on an increased range of wearable devices

Corporate

Board

- Appointment of Sara La Mela as a Non-Executive Director (NED) - she has previous held technology roles ay Twitter and Goggle and is presently a NED of Whispir
- North American Advisory Board established, the participants bring a strong background in technology, mining and energy

Debt refinanced

- Secured a new A$20m debt facility with Partners For Growth (PFG)

Increasing North American presence

- Continuing to invest in our North American resources, regional FTE is planned to exceed 30 in FY22

Strategic

Financial

- Record Q4 cash receipts of $10m and $32m for the financial year
- Gross Margin of 79%
- EBITDA Margin of 24%

Operating Cash & FCF

- Positive operating cash flow, with emerging path to FCF breakeven in FY22

Vault acquisition

- Acquisition completed in Oct-21, its technology is now fully integrated
- $6.2m annual synergies implemented, versus $4m target

Partners

- We now have >40 global partners and increased external recognition. This includes AWS Partner status, Verdantix recognition, US Security Executive Council accreditation and inclusion in the Oracle Innovation Hub

1. Excludes clients acquired in the Vault acquisition
2. Cost of sales plus operating expense plus capitalised costs

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Strategic pivot toward an Enterprise Protection Platform

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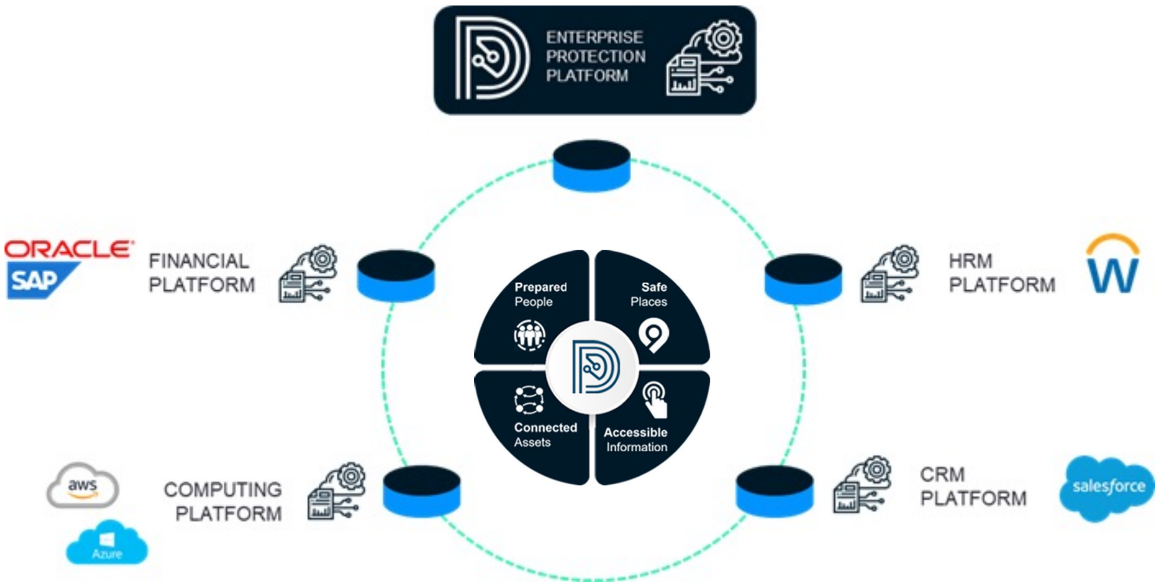
Reflects the increasing breadth, depth and integration of our various products. Driving a step change in reducing risk and increasing the protection of people, workplaces, assets and information.

Enterprise Protection Platform

- Protects organisations from unnecessary and unforeseen business risks
- Focus is on protecting human resources, workplace safety, asset investments and information
- Enabled through Damstra's resource orchestration solutions – qualify, monitor, improve and fuse
- Ensuring prepared people, safe workplaces, connected assets and accessible information
- Creating zero harm environments

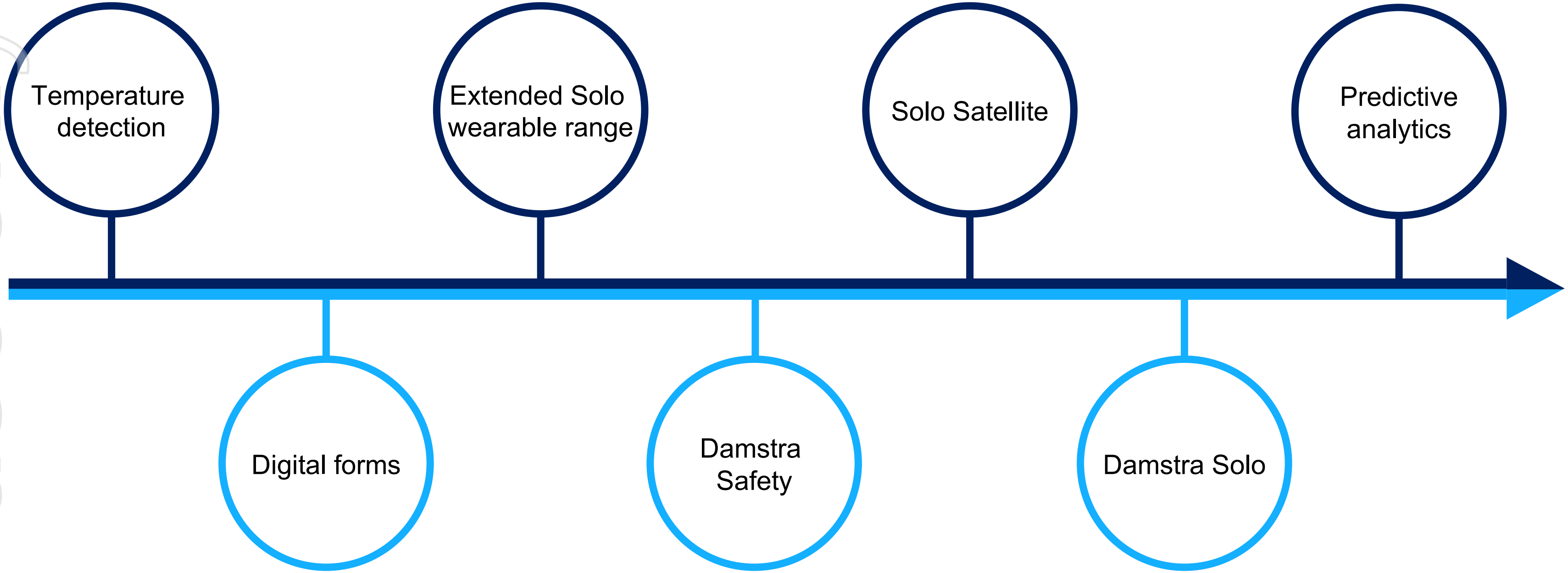
Positioned among the enterprise software stack



Deep integration of all EPP products and modules was achieved in FY21

EPP is creating a category and leading a global step change in enterprise risk reduction

Significant new product launches



Platform integrations – enhancing the client's experience

Intelligent workflows are the future of EPP

Integration of workflows and AI is driving the optimisation of critical health and safety processes

Intelligent workflows

- Robust workflow engine-driven natural flows and efficiencies between organizational layers to ensure the protection of organisations
- AI deployed at inflection points between organisational layers for increased efficiency and effectiveness
- Predictive safety analytics uncovers high-risk areas within the operating environment to take action to prevent incidents before they happen

Journey toward AI-driven protection

Increasing breadth of protection

INFORMATION	Enterprise reporting Metrics configuration	Forecast utilisation Scenario building	AI-based data loading Machine learning	OHS predictive metrics	Predictive AI workflow risk management
ASSETS	Asset tracking in real time Asset and people integration	Asset access optimisation RFID and Solo integrated	Diagnostics analytics Predictive Maintenance	Digital Twins And IoT	Predictive AI asset workflow optimisation
PLACES	Touchless sign-on / access Forms expansion	Touchless site access Seamless hardware / wearables	Audio/video distress Satellite	Movement tracking, productivity, location-based notification	Predictive workflows supporting geo-fencing
PEOPLE	Skill gaps analytics Worker scheduling	Predictive learning FIFO scheduling	Predictive fatigue management HRM functionality	AI-driven inductions Employee verification	Realtime predictive scheduling & training workflows

Increasing depth of protection

Case study: Predictive analytics

Client use case example, driving prediction and prevention of health and safety related incidents and injuries in the workplace, towards a zero-injury guarantee for all workers

Role of predictive analytics

- Artificial intelligence solution that transforms the way safety data is used
- Data analytics drives the identification of risks associated with people, workplaces, assets and information
- Allowing the visualisation of previously unforeseen risks

Client example of unforeseen safety risks identified

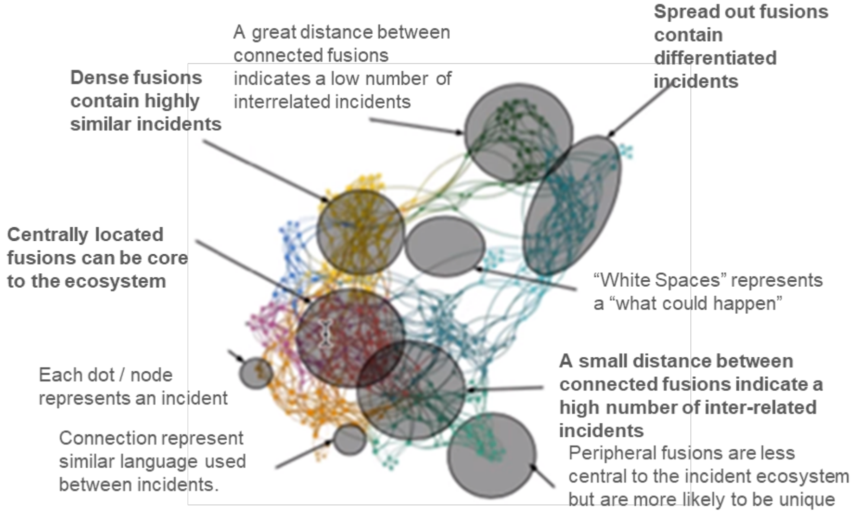
- Culture of non-compliance
- Insufficient information for root cause analysis
- Regular interactions between workers and vehicles in motion
- Misalignment of incidents with safety initiatives

Safety actions implemented as a result of identification

- Driver safety program initiated to improve situational awareness
- Hazard detection and audit program focused on off-site driving and interactions with the public

Example visualisation

Created from the combination of standard incident and observation safety data plus AI-driven natural language processes. Visualisation of data and text clusters drives a new level of insight



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Damstra is a global provider of enterprise protection solutions

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Serving the mining, construction, energy, utilities, government, education, food and beverage, aviation, sports, retail, healthcare and waste industries around the world.

~20
countries[1]

724
clients

737k
registered licences[2]

■ Continents in which Group operates ● Group office locations ● Damstra headquarters

12
offices

~200
employees

~90
R&D staff

1. Countries where Damstra products are used
2. Estimated as at 30 June 2021

Growth Strategy

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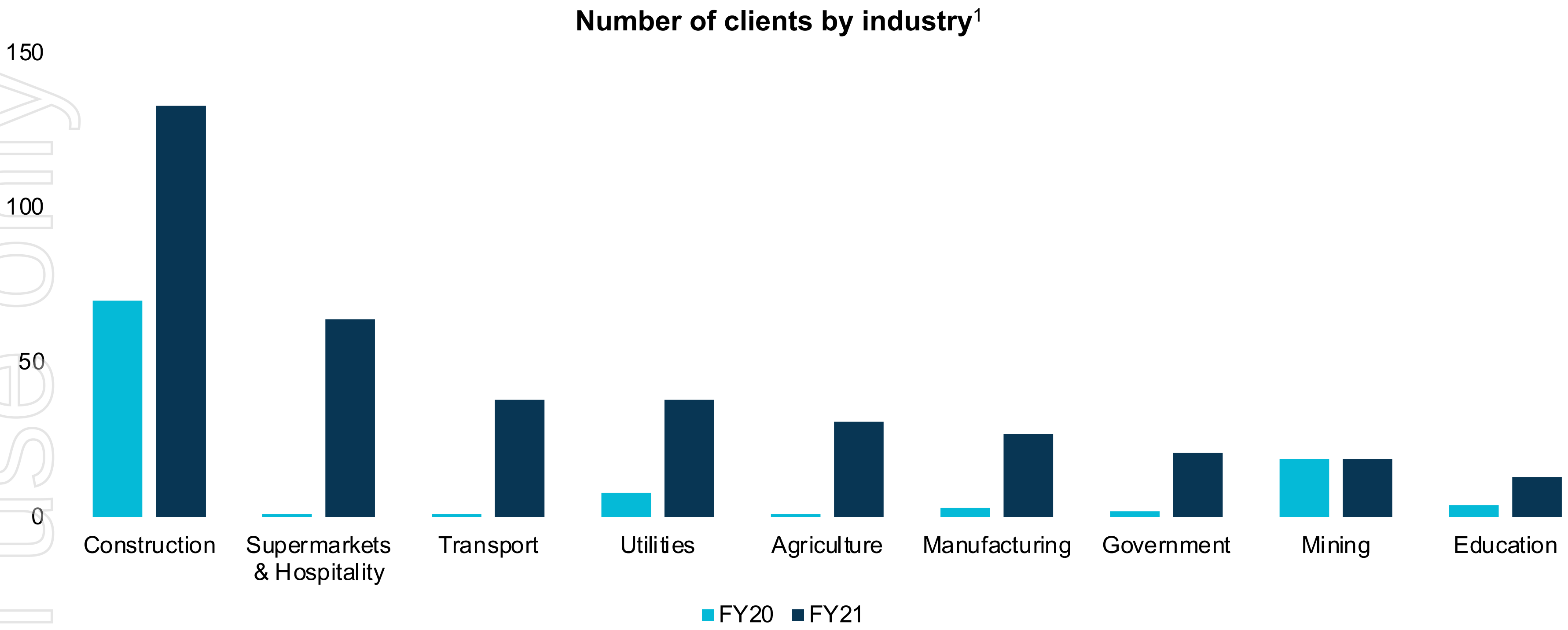
Multiple growth options driven via tailored strategies and routes to market.

Geography	**North America** Key growth pillar, continue to scale up the North American business	**UK** Build out the UK business	**Users** Continue to build user numbers, via product cross sell and increased client penetration
Vertical	**Healthcare & Aged care** Scaling up the mobility channel, new available client opportunities	**Smaller clients** Increasing product uptake	**Channel partners** Continue to leverage partner channels
Product & Channels	**Workflows** Rolling out paperless forms/workflows across major clients	**Data analytics** New frontier with our clients	**EPP** Continue to build out our EPP proposition. People, workplaces, assets, and information

Client growth is coming from an increasingly diverse range of industries

Opens up new sources of revenue growth and reduces sector-specific macroeconomic risk



1. Select, as at 30 June 2020 and 30 June 2021

Multiple channel and partner routes to market have been established

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Channels

Channel	Description
Referral agents	Long term customer relationships
Advisory board members	Software industry and vertical market expertise
Business analyst community	Verdantix
Structured partner relationships	Deep integrated solutions, e.g. SkillPASS, Tech1
Resellers	Zivaro, Mission First, M1
Solution extension partners	Microsoft, AWS, Oracle
Vertical industry SI/Other	Health and aged care

International partners

Partner	Strategy
Frostbyte Consulting	EHS expertise in North America, EMEA and Australia
Mission First Consulting	US Government buying vehicles
SEC	Comprised of 4k+ safety/security executives globally
VERDANTIX	Industry thought leaders
ZIVARO	Commercial & Government presence & buying vehicles
aws	Partner, focus on mining
m1	Singapore telecommunications

Domestic partners

Partner	Strategy
ADT	Security monitoring solutions
energyskills queensland	Joint venture work safety platform branded SkillPASS
technologyone	Learning solution integrated into ERP offering
MePACS	Health and aged care solutions

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Financial results summary for FY21

Income statement ($m)	FY19[1]	FY20	FY21
Total revenue	**15.3**	**19.6**	**27.4**[2]
Gross profit	**9.6**	**17.0**	**21.6**
Research and development	(1.6)	(2.2)	(2.9)
Sales and marketing	(2.4)	(3.2)	(5.3)
General and administration	(3.8)	(4.7)	(6.7)
Pro forma EBITDA[3]	**1.8**	**6.8**	**6.6**

Key financial metrics	FY19[1]	FY20	FY21
Revenue growth vs. pcp (%)	*45.7%*	*28.0%*	*39.7%*
Gross margin (%)	*63.0%*	*68.5%[4]*	*78.9%*
Total[5] R&D as a % of revenue	*(19.0%)*	*(29.1%)*	*(23.5%)*
Total[5] S&M as a % of revenue	*(28.5%)*	*(29.1%)*	*(28.7%)*
Total[5] G&A as a % of revenue	*(45.1%)*	*(26.8%)*	*(29.6%)*
Pro forma EBITDA[3] margin (%)	*12.0%*	*34.8%*	*24.3%*

1. Includes pro forma reallocation within operating expense to align with FY20 cost allocation
2. Includes $0.3m revenue share related to SkillPASS joint venture with Energy Skills Queensland
3. Before IPO costs, share based payments, income tax, finance expenses and acquisition costs
4. On an underlying basis, excluding one-off other income
5. Cost of sales plus operating expense; R&D does not include capitalised expenses

FY21 highlights

- Strong financial performance delivering record revenue, margin expansion and sustained EBITDA, demonstrating the benefits of our scalable platform and operating leverage:
  - Revenue growth of 39.7% vs. FY20. Driven by deepening relationships with existing clients and new client additions in the period
  - Gross margin up 1,037bps on FY20:
    - This represents a structural shift and demonstrates the attractive unit economics of our business
  - EBITDA result in FY21 was consistent with the prior year. This performance comes post-acquisition of the previously loss-making Vault business, with margin remaining above 20%.
    - Demonstrates our ability to improve the financial profile of our acquired businesses, by efficiently integrating and capturing synergies
    - Annualization of implemented Vault synergies will occur in FY22. This is expected to be partially offset by further investments in FTE resources to drive the next leg of growth

FY21 financial results

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Pro forma income Statement ($m)	FY20	FY21	Movement $	Movement %
Total Revenue	**19.6**	**27.4**[1]	**7.8**	**40%**
Gross profit	**17.0**	**21.6**	**4.6**	**27%**
Research and development	(2.2)	(2.9)	(0.7)	(32%)
Sales and marketing	(3.2)	(5.3)	(2.1)	(63%)
General and administration	(4.7)	(6.7)	(2.0)	(42%)
Pro forma EBITDA[2]	**6.8**	**6.6**	**(0.2)**	**(3%)**
D&A	(6.2)	(11.8)	(5.6)	(91%)
EBIT	**0.6**	**(5.1)**	**(5.8)**	**(896%)**
Interest expense	(0.6)	(0.6)	(0.1)	(11%)
PBT	**0.1**	**(5.8)**	**(5.8)**	**(6,445%)**
Income tax refund/(expense)	1.3	1.8	0.5	41%
NPAT	**1.4**	**(3.9)**	**(5.3)**	**(381%)**
Add: acquisition amortisation	4.6	6.7	2.2	47%
NPATA	**6.0**	**2.8**	**(3.2)**	**(53%)**
Gross profit margin	*68.5%[3]*	*78.9%*	*10.371ppt*	*15.1%*
Pro forma EBITDA[2] margin	*34.8%*	*24.3%*	*(10.530)ppt*	*(30.3%)*

1. Includes $0.3m revenue share related to SkillPASS joint venture with Energy Skills Queensland
2. Before IPO costs, share-based payments, income tax, finance expenses and acquisition costs
3. On an underlying basis, excluding one-off other income

FY20 vs. FY21 Movement

Total revenue and other income

- Revenue growth of 40%, driven by increase in software-related revenue from deepening client relationships and new client additions

Gross profit

- Significant gross margin expansion demonstrating the scalable nature of our platform and inherent operating leverage, resulting in efficient revenue delivery

Pro forma EBITDA[2]

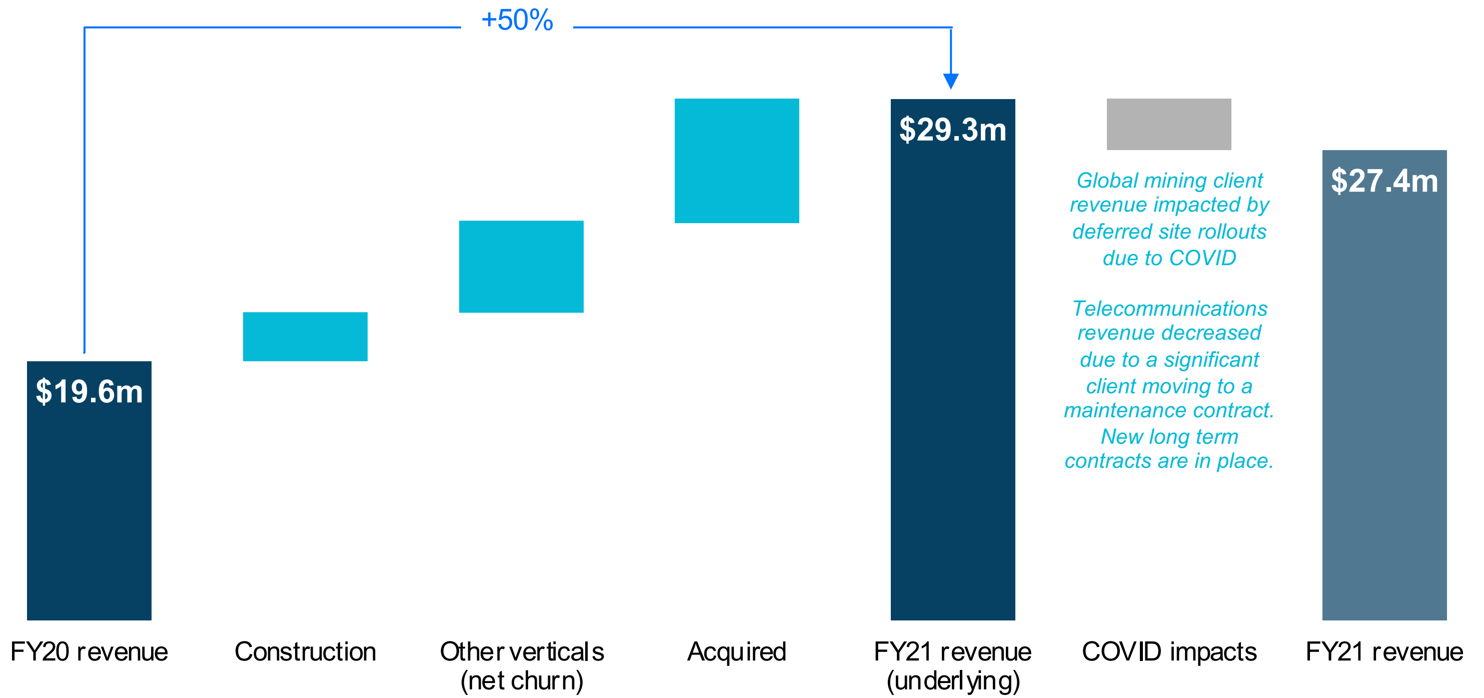
- EBITDA result was consistent year over year, with margin remaining above 20%. This result has been achieved following the combination with the previously loss-making Vault business
- Sustained pro forma EBITDA and margin above 20% demonstrates how we efficiently integrate and remove duplicate/surplus costs from our acquisitions

NPATA

- FY21 decrease versus FY20 driven by higher D&A expense

50% underlying revenue growth, impacted by COVID delays

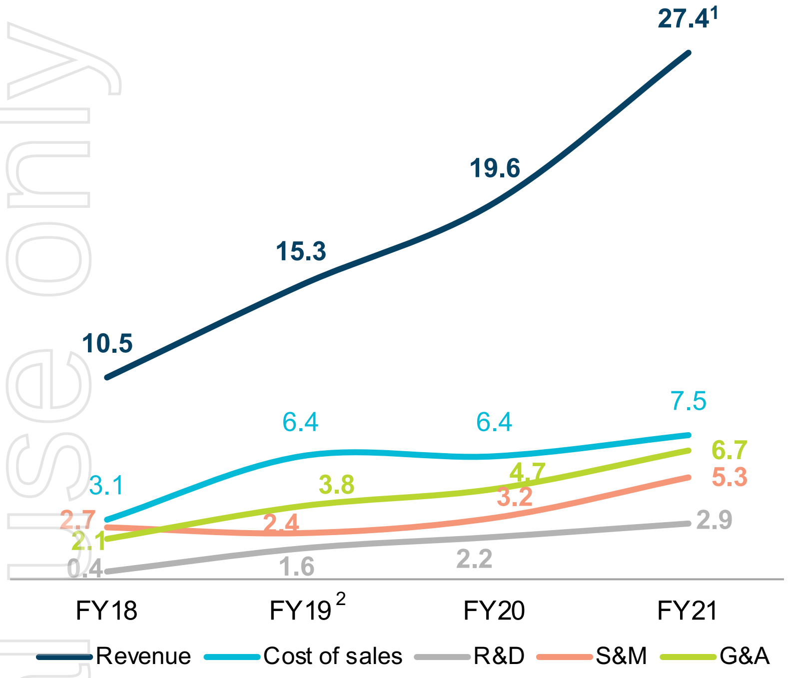
Underlying growth from core construction vertical, deepening relationships in other verticals and acquired revenue



Increasing operating leverage

Revenue vs. Costs and Expenses ($m)

Pro Forma FY18 – FY21



Revenue

- Revenue has increased by $16.9m between FY18 and FY21. From $10.5m in FY18 to $27.4m in FY1.

Cost of sales

- Gross margin expansion and slower cost of sales growth relative to revenue growth (16% versus 40%) reflects the scalability and efficiency gains from utilising global support teams and cloud-based platform architecture.

Operating expenses

- Increasing cost leverage evident in the greater increase in revenue relative to the increase in operating expenses
- Sustained EBITDA and margin >20% demonstrates leverage from an increasingly fixed cost base relative to revenue increase
- Leverage is reinforced by the successful extraction of synergies from acquisitions. Particularly from the previously loss-making Vault business (annualisation of implemented synergies will occur in FY22)

1. Includes $0.3m revenue share related to SkillPASS joint venture with Energy Skills Queensland
2. Includes pro forma reallocation within operating expense to align with FY20 cost allocation

Continued investment in R&D capability

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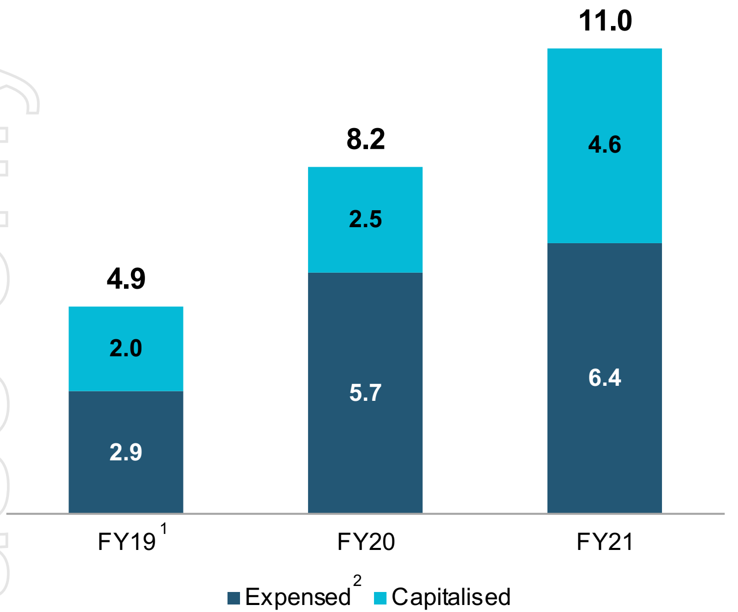
Total R&D spend ($m)

Pro Forma FY19 – FY21



% of Revenue	**31.2%**	**42.0%**	**40.3%**

Increasing investment in innovation

- Increasing $ investment being made in R&D – to maintain innovation leadership
- There has been a 34% increase in total R&D spend ($11.0m in FY21 versus $8.2m in FY20), commensurate with the y-o-y increase in revenue
- Total R&D spend as a % of revenue has remained consistent in FY21 with FY20 (c40%). This reflects the continuing strategy to invest in new product leadership and deliver benefits to our clients
- Executing on our vision to create and lead a new enterprise software category - EPP

1. Includes pro forma reallocation within operating expense to align with FY20 cost allocation
2. Cost of sales plus operating expense

Positive operating cash flow

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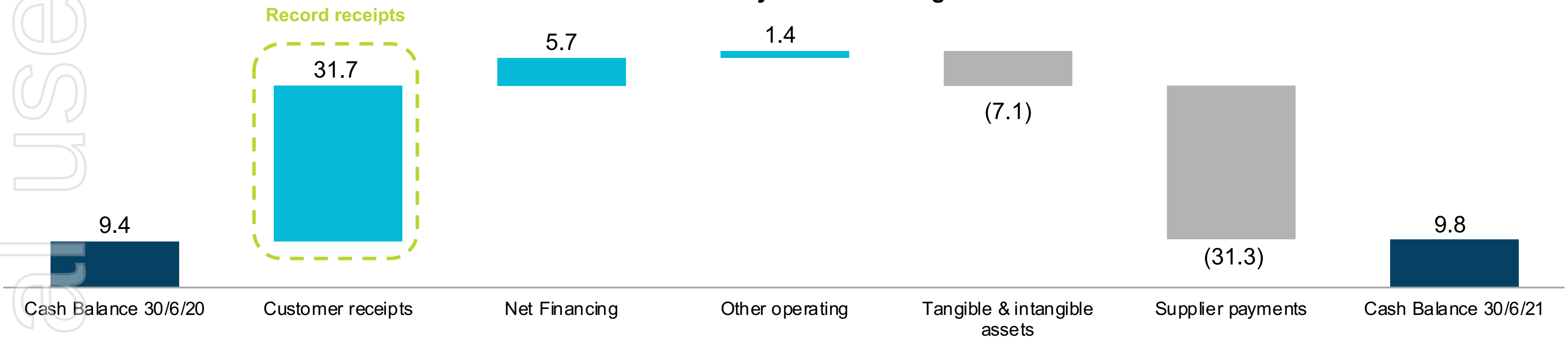
Operating cash flow

- Record customer receipts received in FY21 - $31.7m versus $20.8m receipts in FY20 (52% increase). Driven by continued new product additions and partner channel sales
- Positive operating cashflow achieved in FY21, following the combination with the previously cash burning Vault business. This demonstrates our ability to quickly remove surplus costs and realise synergies from acquisitions
- Annualisation of implemented Vault synergies in FY22 will produce higher operating cash flow going forward

Net change in cash

- Business is operating cash flow positive and is making considered investments to drive future growth
- Liquidity position is strengthened by $6.1m in trade receivables at 30 June 2021, with minimal credit losses expected
- Cash position bolstered by new flexible $20m loan facility with Partners For Growth to drive future growth

FY21 statutory cash flow bridge



A path to free cash flow breakeven is emerging in FY22

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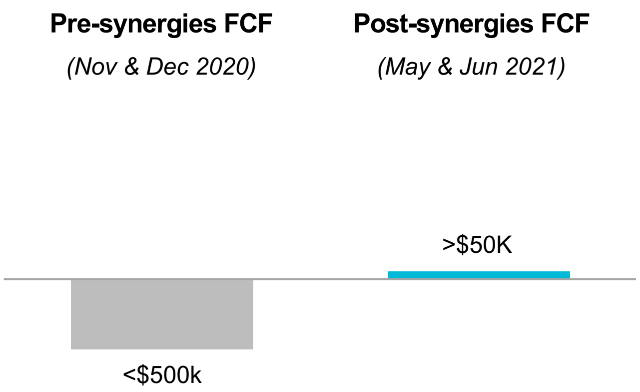
FCF post-implementation of Vault synergies demonstrates a positive trend



FY22 FCF Assumptions

- This analysis is provided for illustrative purposes only and should not be considered FCF guidance
- Assumptions are based on a higher revenue base and full-year run-rated cash synergies from the Vault acquisition
- Supported by the operating leverage inherent in the business – each $ increase in revenue is not met with an equivalent cost increase, due to the scalable nature of the platform and its relatively fixed cost base

FY21 pro forma to statutory income statement reconciliation

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Income statement ($m)	FY21	
Pro forma EBITDA	**6.6**	
Share based payments	(3.2)	1
Acquisition costs	(1.5)	2
Statutory EBITDA	**1.9**	

Income statement ($m)	FY21	
Pro forma NPATA	**2.8**	
EBITDA adjustments	(4.7)	3
Acquisition amortisation	(6.7)	4
Statutory NPAT	**(8.6)**	

1. Non-cash expense related to allocation of share-based payments to employees
2. Expenses associated with acquisitions made during the period
3. Share-based payments and acquisition-related costs
4. Non-cash, tax-effected amortization of acquisition-related intangible assets

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