Damstra Technology

FY22 Results Presentation

25 August 2022

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

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RESULTS OVERVIEW

1

Key financial and operating metrics in FY22

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▲ **$29.3m** Revenue[1] — 18% growth vs. FY21[2]; 25% growth H2 FY22 vs H1 FY22[2]	▲ **$29.0m** ARR[3,4] — Vs. $27.8m as at December 21	▲ **108%** Net client retention[5,6] — Vs. 100% in FY21, 108% in H1 FY21	▲ **2.0%** Client revenue churn[5,7] — Vs. <1.0% in FY21, 2.2% in H1 FY21
▼ **70%** Gross Margin — Vs. 79% in FY21	▼ **1.7%** EBITDA[8] — Vs. 24% in FY21, (1.6%) in H1 FY22	▼ **$1.2m** Q4 Operating & Investing cash outflow[3] — Vs. $3.4m average Q1-3 FY22[3]	▲ **$10.1m** Cash balance[3] — Vs. $9.8m in FY21[3]

1. Includes $0.3m of revenue associated with equity accounted joint venture (2021: $0.3m)
2. Presented on a proforma like-for-like basis, excluding Newmont revenue (2022: $0.7m, 2021: $3.1m)
3. As at 30 June 2022 or 30 June 2021, as applicable
4. Annual Recurring Revenue. Recurring portion of exit month revenue on an annualised basis
5. Calculation excludes Newmont
6. Calculated as the increase in revenue generated from the prior period cohort.
7. Calculated as prior year recurring revenue that was lost during the financial year. Includes Vault customers in 1HFY22 and FY22.
8. Before impairment of goodwill and other assets, share based payments, restructuring costs and acquisition and other costs.

FY22 Key Highlights

Major milestones

- ✓ Won several North American clients, opening up broad international rollout opportunities
- ✓ Cost optimisation project target upgraded to $8m on annualised basis. As of July-22, $5.8m has been achieved on a run-rate basis (73% of target)
- ✓ Material step-down in operating and investing cash outflow in Q4 to $1.2m. Average outflows in the previous three quarters were $3.4m
- ✓ Pathway to free cash flow positive emerging in H2 FY23
- ✓ H2 FY22 revenue 25% up on H1 FY22

Client trends

- ✓ Construction vertical growth continues; transition to renewable energy is a growing opportunity
- ✓ Client wins in new Facilities Management vertical
- ✓ Net client retention[1] 108%
- ✓ Client churn[1] ~2%
- ✓ 953 clients at Jun-22 vs 724 at Jun-21
- × Partner strategy - significant opportunities exist, which we are yet to exploit fully

Technology

- ✓ Strategic module integration achieved across the Enterprise Protection Platform (EPP) platform
- ✓ Self-configuration being rolled out to clients
- ✓ Damstra Insights product completed and being rolled out to all clients
- ✓ EPP now available in 15 different languages
- ✓ Product pipeline focus:
  - – New company portal integration between modules
  - – Suppler prequalification v1 implemented, essentially a new product
  - × Integrated PTW, SWMS & plant offering. These are core workflows solutions with strong client demand

Future catalysts

- ✓ Accelerate international growth via recent North American clients wins
- ✓ Converting Asian opportunities to create another growth corridor
- ✓ Full integration of legacy systems into the EPP will lead to further lowering of our cost base and the removal of associated maintenance overhead
- ✓ Unlocking the synergistic opportunity of Safety, Learning and Forms modules working together in an integrated fashion
- × TIKS short term performance has been below expectations, but there remains significant upside in the Permit to Work solution and new vertical expansion.

1. Excluding Newmont

FY22 has been a year of transition

Executing on the turnaround story - narrowing cash burn in Q4 with pathway to positive FCF emerging in H2 FY23

- ✓ Negative impact of COVID is now behind us. Revenue was up ~25% in H2 FY22 vs H1 FY22
- ✓ Organic growth is now returning. The loss of Newmont in FY21 will have a reduced impact going forward (Revenue: FY21 $3.1m, FY22 $0.7m)
- ✓ Acquired 117 new clients in FY22, including organic growth and those acquired via the TIKS acquisition
- ✓ Net client retention ratio has returned to positive territory

- ✓ The US business now has anchor clients, investment in the region is paying dividends. The pathway to cash flow breakeven is clear
- ✓ International underperformance has been rectified. The UK business has been closed, now focusing on North America and Asia
- ✓ TIKS acquisition has underperformed short term revenue expectations, but recent client cross-sell demonstrates the value of the product and new vertical exposure
- ✓ Pathway to resolution of two legacy Vault contractual issues – one resolved and new arrangements in place, the other subject to a continuing claim

- ✓ Clear pathway to cash flow breakeven in H2 FY23
- ✓ Operating leverage returning with increased revenue
- ✓ Aggressive cost optimisation project in place, annualised target of $8m. Present annualised run rate $5.8m has been achieved (73% of target)
- ✓ Technology investment resulting from prior acquisition integration has peaked, with R&D as % of revenue expected to fall in the future

BUSINESS UPDATE

2

Damstra Group is a global provider of enterprise protection solutions

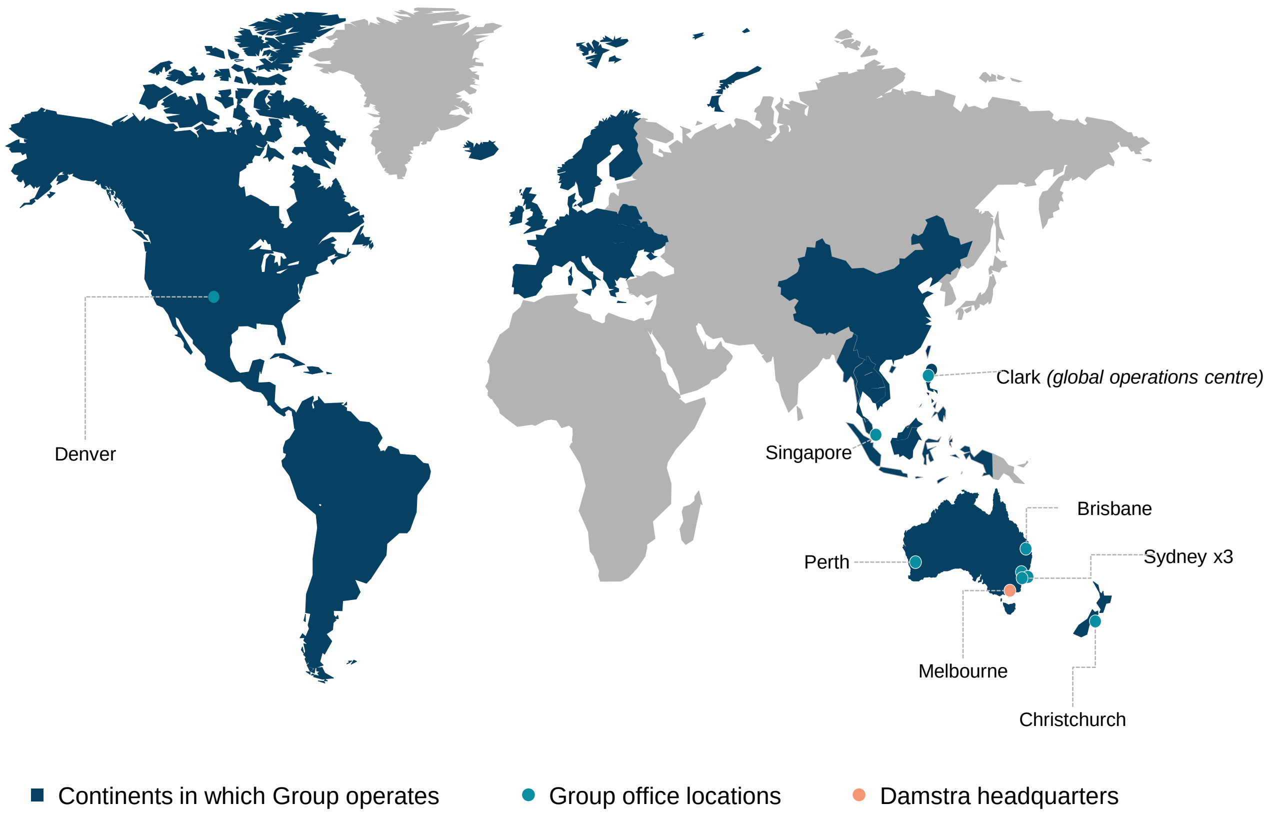
Our business profile in last 12months has changed and will continue to evolve

Achieved year-on-year growth…

>20
countries[1]
(FY21: ~**20**)

953
clients
(Jun-21: **724**)

~800k
licences[2]
(Jun-21: **~737k**)



…with greater efficiency and reach.

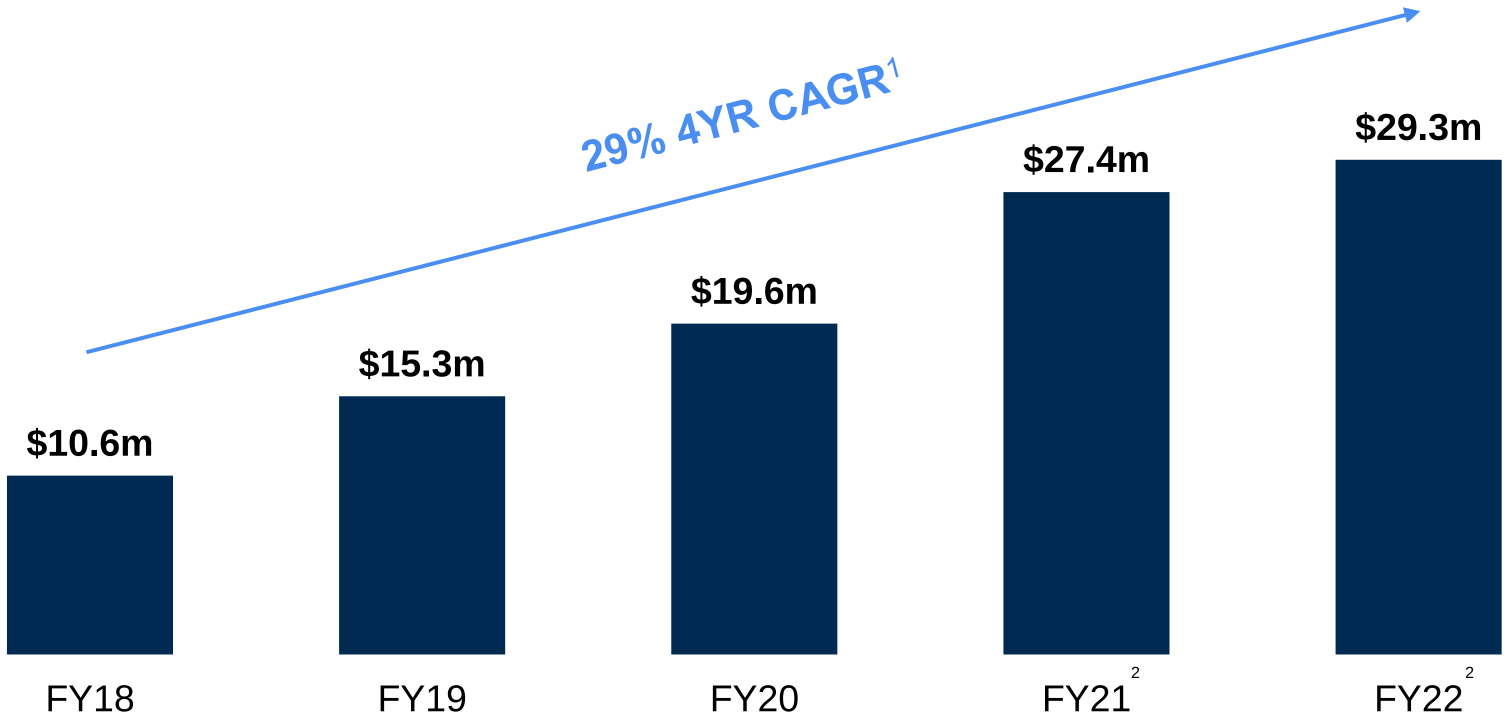
10
offices
(Jun-21: ~**12**)

~200
Employees
(Dec-21: ~**220**)

15
languages
(FY21: **1**)

1. Countries where Damstra products are presently used
2. Estimated as at 30 June 2022, excludes TIKS acquisition

Significant revenue growth since FY18



1. Compound Annual Growth Rate
2. Includes revenue associated with equity accounted joint venture (FY21: $0.3m, FY22: $0.3m)

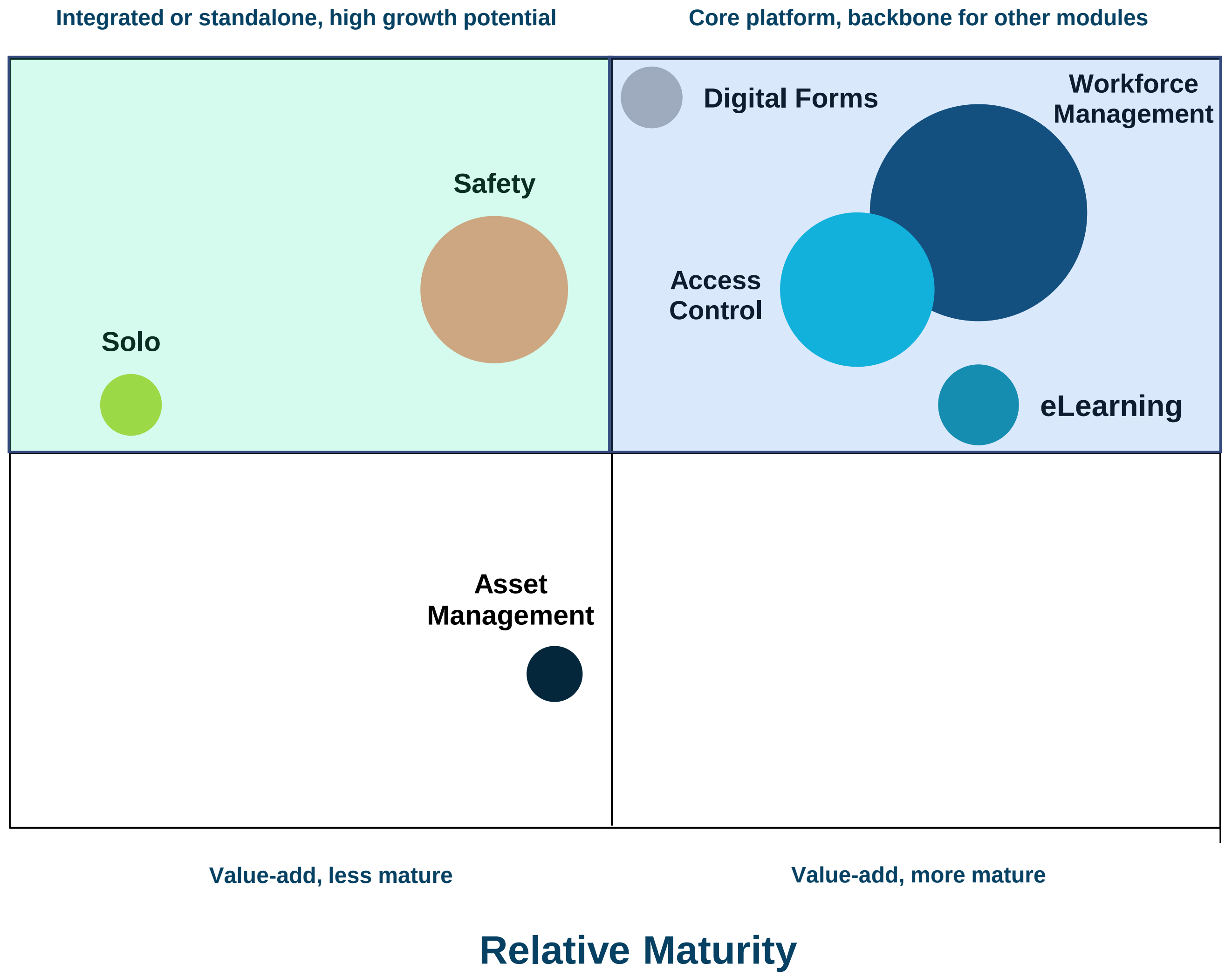
New go-to-market strategy to drive FY23 revenue growth

Bundling core product modules to simplify adoption and introducing value add-on modules

Product Extensions

- Insights
- Safety workflows: Work packs, SWMS, Permits, Pre-starts,
- Supplier prequalification
- Data Science
- ESG

Growth Focus



EPP workflow bundles:

1. **Protection:** WFM + Access + Learning + Forms + Safety
2. **Safe Places:** WFM + Learning + Forms + Safety
3. **Prepared People:** WFM + Learning + Forms

Growth strategy

Core strategy for FY23 focuses on these 12 areas

Geography	**North America** Implement new clients and continue to grow, heading towards cash flow positive	**Asia** Material client opportunities exist - intent to make Asia a growth corridor	**Users** Construction clients are accelerating across the business and continue to expand. The macro energy transition is a real opportunity
Verticals	**New verticals** Facilities Management opportunities exist globally and significant progress is being made	**Smaller clients** Cross-sell opportunities exist in Forms, Safety and Learning modules	**Partners** Local and global partnerships continue to evolve
Product	**New Products** New initiatives underway, such as company portal, digital cards. Reconfiguring/integrating PTW, SWMS & plant.	**Unlocking value** Consolidating our platform by retiring legacy platforms and fully integrating continuing products into EPP	**EPP** EPP proposition offering deeper functionality while increasing usability
Financial	**Free Cash Flow** Pathway to Free cash flow in 2H FY23	**Cost optimisation** Full run rate target of $8m to be achieved by the end of Q2 FY23	**Operating Leverage** EBITDA and cashflow expands with increased revenue and achievement of cost savings

PRODUCT & TECHNOLOGY UPDATE

3

We are positioning ourselves as a leading integrated solution

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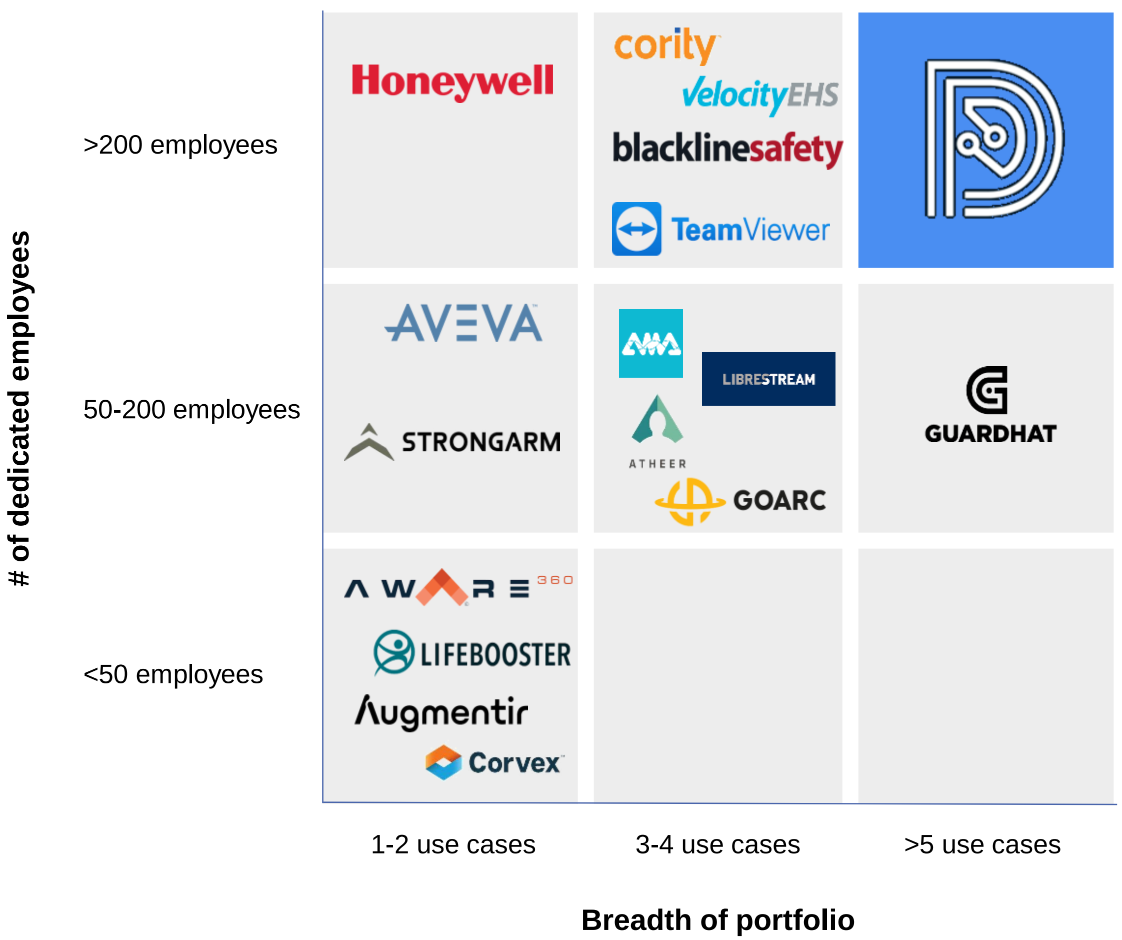
Breadth and scale of our offering has been recognised by industry research firm Verdantix

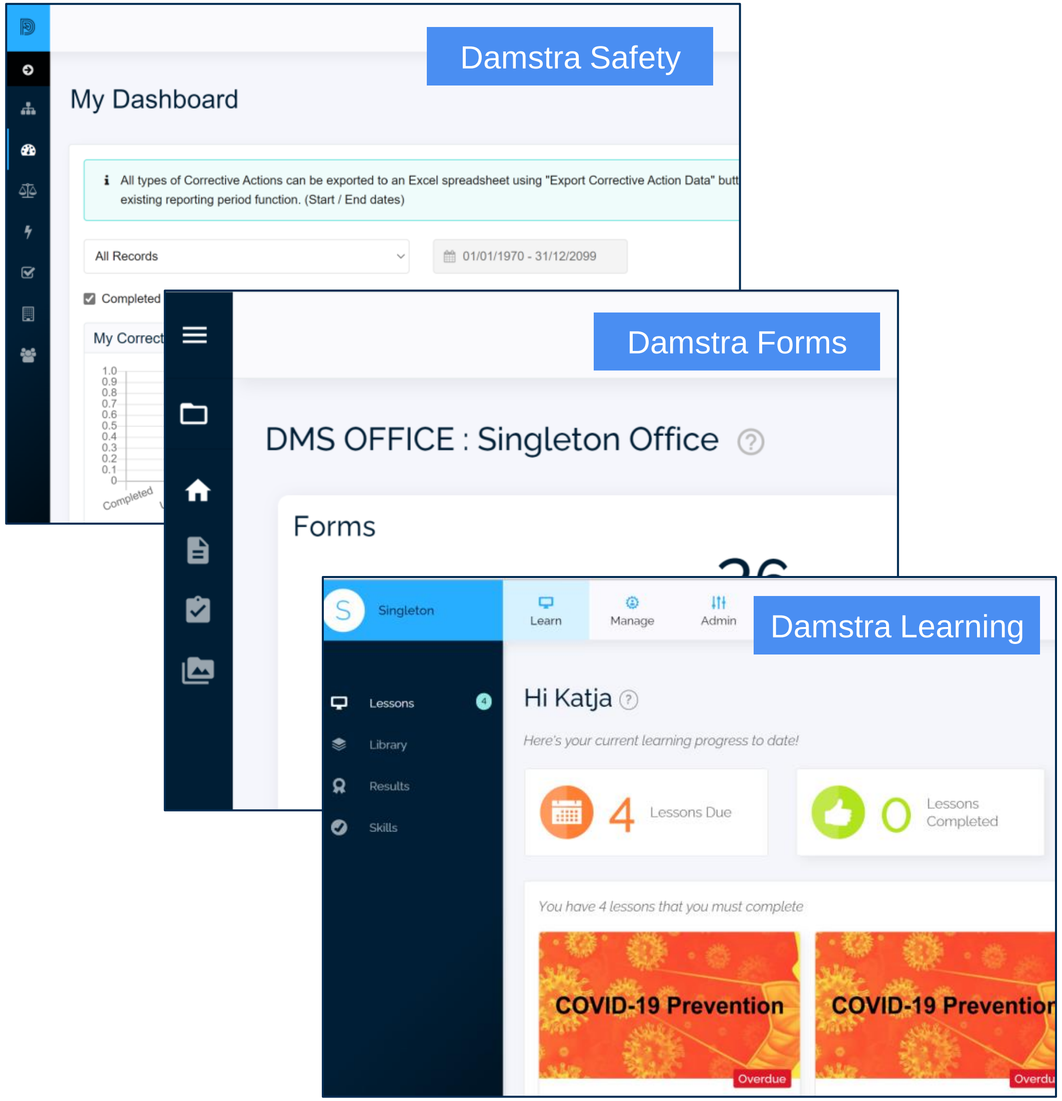
Global Leaders in Connected Worker Solutions[1]



"Damstra's experience in infrastructure, ports and mining make it a good fit for firms dealing with heavy machinery and busy worksites" – Verdantix[2]

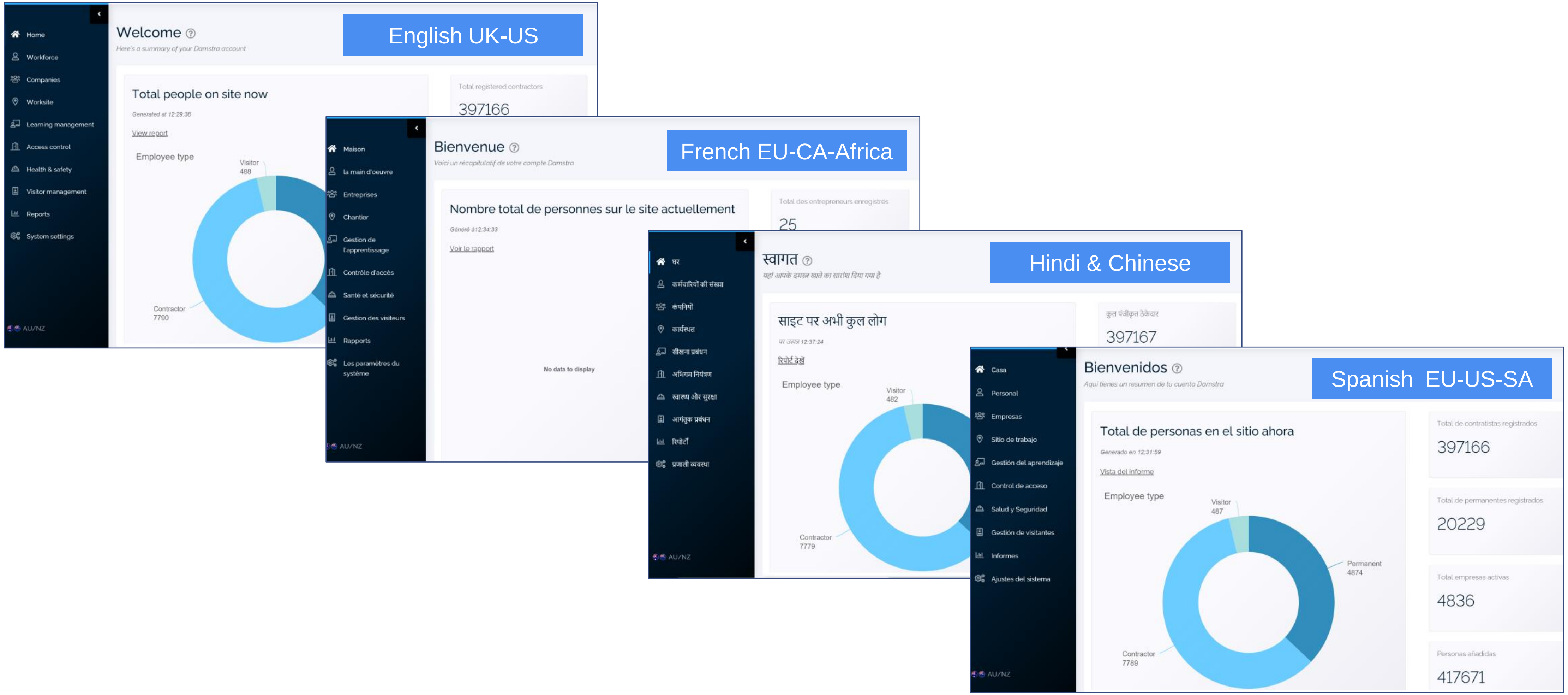
1. Source: Commissioned strategic insights report (August 2021)
2. Source: '10 Exciting Connected Worker Solution Providers To Watch in 2021' report (May 2021)

FY23 focus is on monetising the integrated and modular EPP



EPP is now a truly global platform, supporting 15 languages world-wide

Smart language editor can roll out new languages in a matter of hours

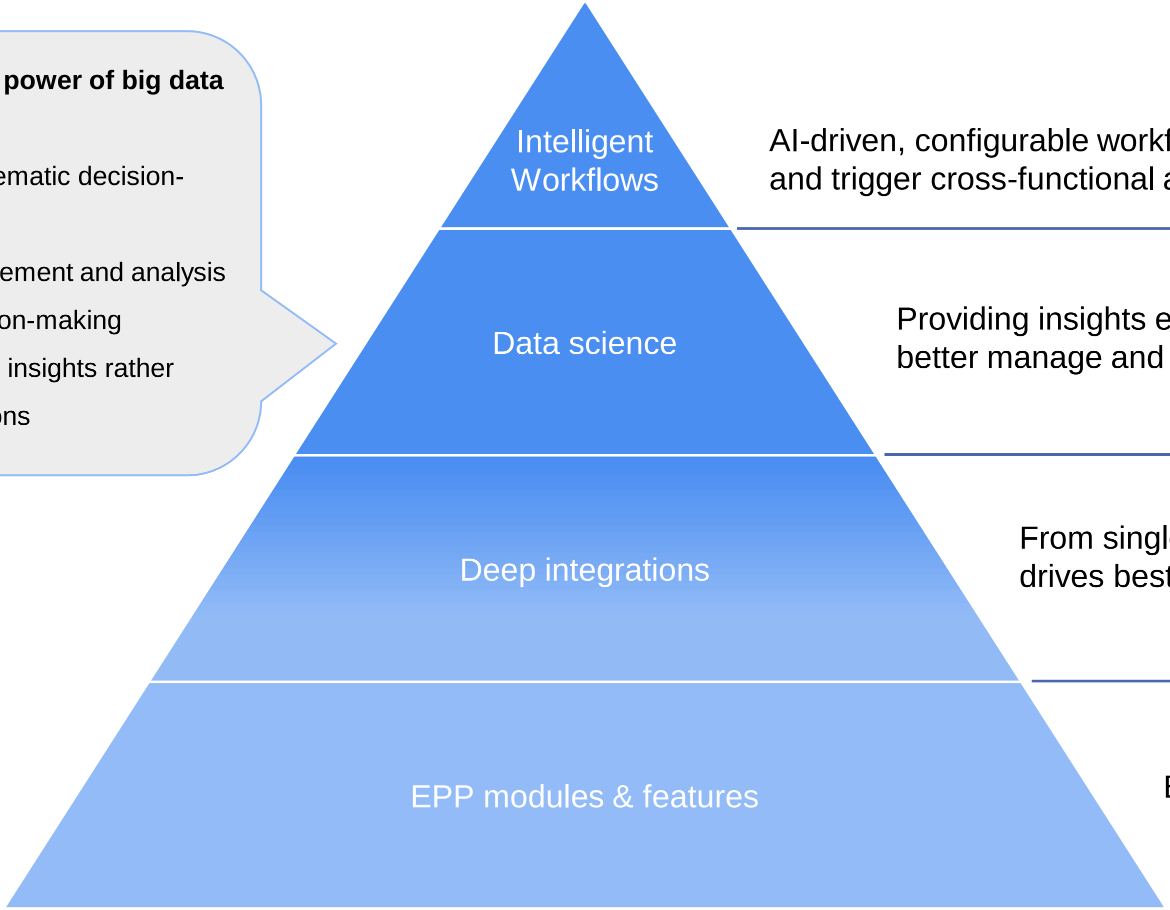


FY23 product development focused on commercialising data & AI

Data Science and Intelligent Workflows

Harnessing the power of big data

- Enabling systematic decision-making
- Using measurement and analysis to drive decision-making
- Promotes real insights rather than perceptions



AI-driven, configurable workflows that predict risks and trigger cross-functional actions to mitigate risks

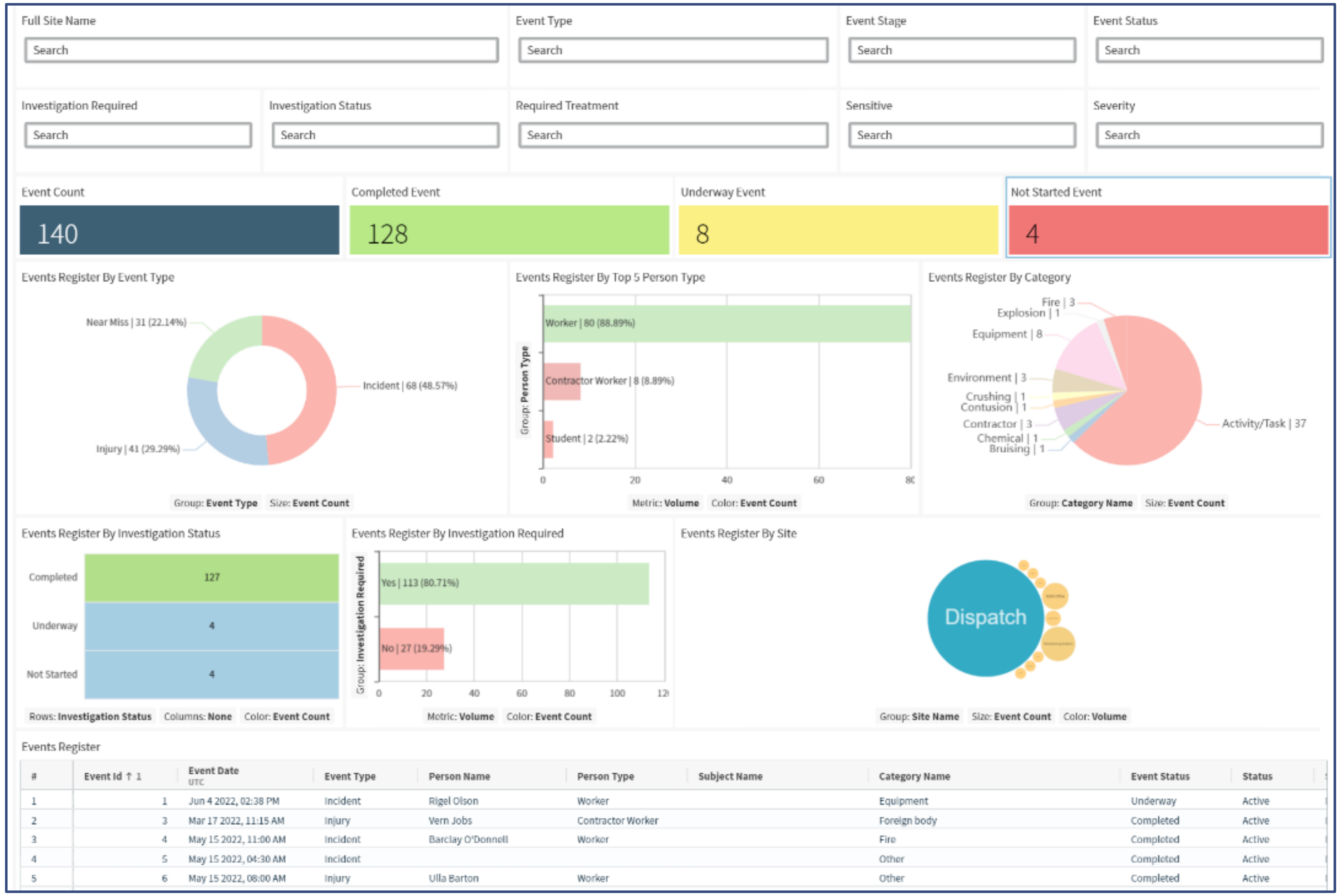
Providing insights enabling data-driven decisions to better manage and mitigate business risks

From single sign-on to deep module integration that drives best-practice protection

Building blocks and tools to protect organisations

Damstra Insights harnesses and demonstrates the power of data

Through data visualisations, live dashboards and real-time insights



#	Event Id ↑ 1	Event Date UTC	Event Type	Person Name	Person Type	Subject Name	Category Name	Event Status	Status
1	1	Jun 4 2022, 02:38 PM	Incident	Rigel Olson	Worker		Equipment	Underway	Active
2	3	Mar 17 2022, 11:15 AM	Injury	Vern Jobs	Contractor Worker		Foreign body	Completed	Active
3	4	May 15 2022, 11:00 AM	Incident	Barclay O'Donnell	Worker		Fire	Completed	Active
4	5	May 15 2022, 04:30 AM	Incident				Other	Completed	Active
5	6	May 15 2022, 08:00 AM	Injury	Ulla Barton	Worker		Other	Completed	Active

- **Live dashboard visualisations** brings data to life
- **Standard visualisations** are available out-of-the-box
- **Analytics** can be **customised** from standard dashboards
- Users can create their own **dashboards** and **visuals**
- **Smart dynamic visuals** are built-in

FY22 FINANCIAL INFORMATION

4

Financial results summary for FY22

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Income statement ($m)	FY20	FY21	FY22	H1 FY22	H2 FY22
Total revenue[1,2]	**19.6**	**27.4**	**29.3**	**13.3**	**15.9**
Gross profit	**17.0**	**21.6**	**20.3**	**9.7**	**10.6**
Research and development	(2.2)	(2.9)	(2.1)	(1.1)	(1.0)
Sales and marketing	(3.2)	(5.3)	(9.0)	(4.6)	(4.4)
General and administration	(4.7)	(6.7)	(8.8)	(4.2)	(4.6)
Pro forma EBITDA[3]	**6.8**	**6.6**	**0.5**	**(0.2)**	**0.7**

Key financial metrics	FY20	FY21	FY22	H1 FY22	H2 FY22
Revenue growth vs. pcp (%)	*28.0%*	*39.7%*	*18.0%*	*16.8%*	*19.0%*
Gross margin (%)	*68.5%*	*78.9%*	*70.0%*	*73.4%*	*67.2%*
Total[4] R&D as a % of revenue	*(29.1%)*	*(23.5%)*	*(27.5%)*	*(27.7%)*	*(27.4%)*
Total[4] S&M as a % of revenue	*(29.1%)*	*(28.7%)*	*(30.4%)*	*(33.6%)*	*(27.8%)*
Total[4] G&A as a % of revenue	*(26.8%)*	*(29.6%)*	*(39.2%)*	*(42.9%)*	*(36.2%)*
Pro forma EBITDA[3] margin (%)	*34.8%*	*24.3%*	*1.7%*	*(1.6%)*	*4.4%*

FY22 highlights

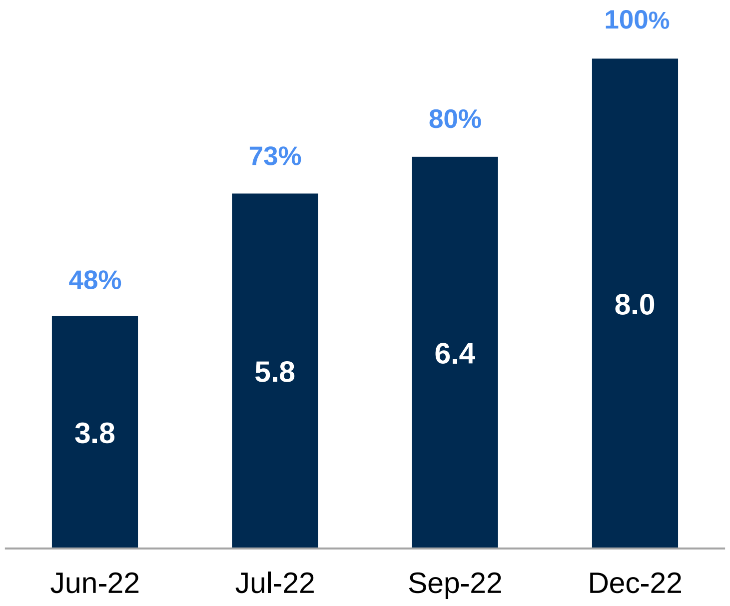
- Revenue growth of 7% vs FY21
  - 18% growth excluding Newmont
  - 25% growth 2HFY22 vs 1HFY22
- Gross margin 70%, impacted by lower TIKS customer margins
  - Expected to increase over time from cost optimisation project and leverage benefit from higher revenue
- Expense categories impacted by cost bases of acquired businesses at various points across the two years
  - Focus is on delivering $8m of cost savings (direct and indirect costs). July annualised run rate at $5.8m (73% achieved).
- Improved results in 2HFY22 vs 1HFY22
  - Revenue up 25% (excluding $0.7m residual Newmont revenue in 1HFY22)
  - EBITDA positive in 2H
  - Gross margin lower due to mix but expected to improve in FY23
  - 2H costs lower as a % of revenue

1. Includes $0.3m of revenue associated with equity accounted joint venture (2021: $0.3m)
2. FY22 excludes Newmont (2022: $0.7m, 2021: $3.1m)
3. Before impairment of goodwill and other assets, share based payments, restructuring costs and acquisition costs and other costs;
4. Cost of sales plus operating expense; Does not include capitalised R&D expenses

Cost optimisation project on target

Cost savings (annualised run-rate) ($m)

Pro Forma Jun-22 – Dec-22



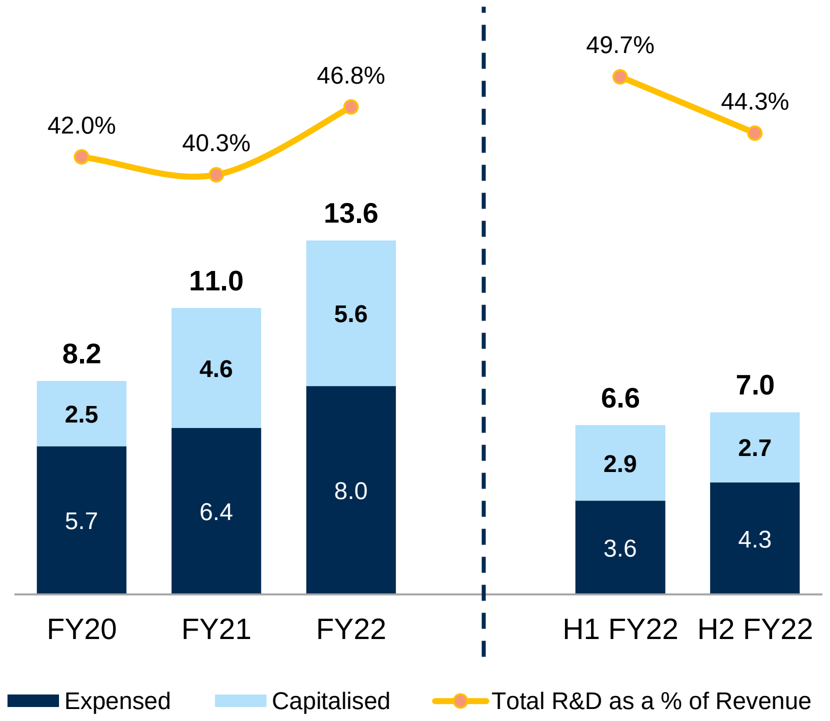
Cost optimisation project

- Starting cost base assumption as at February 2022;
- Total cost savings target $8m p.a.;
- At the end of June 22, $3.8m or 48% of the cost savings delivered;
- At end of July 2022, $5.8m or 73% delivered;
- Full run rate of $8m annualised expected at end of December 2022;
- Cost savings include infrastructure optimisation, hosting costs, software optimisation, office rationalisation, client self-configuration and organisational right sizing
  - $8m target is inclusive of staff salary increases in FY23

R&D to reduce as a % of revenue

Total R&D as a % of Revenue ($m)

Pro Forma Jun-22 – Dec-22



R&D to reduce as a % of revenue

- R&D $ costs to stabilise following a period of capital expenditure following acquisitions and development of EPP;
- FY22 spend reflects development to enhance cross-platform functionality and maintain product differentiation advantage;
- FY22 total R&D spend as a % of revenue higher than FY21, but 2H lower than 1H, notwithstanding increased developer salary costs;
- As revenue increases, R&D spend is not expected to increase at the same rate providing a leverage benefit. Subject to the extent of revenue growth, future R&D spend is likely to reduce to <40% of revenue.

Significant reduction in cash outflow in Q4FY22

FY23 focus on free cashflow (before acquisitions & funding)

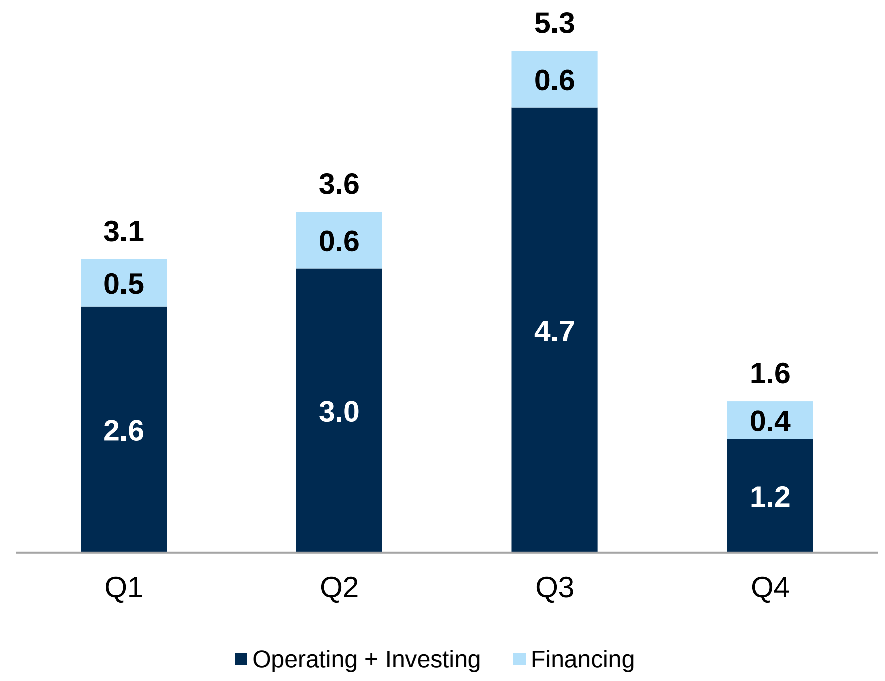
- Defined as operating, investing, and financing activities but excluding acquisitions, drawdown/repayment of debt and other funding transactions.

FY22 Cash Flow by Quarter ($m)	Q1	Q2	Q3	Q4	FY22
Operating + Investing	(2.6)	(3.0)	(4.7)	(1.2)	(11.4)
Financing	(0.5)	(0.6)	(0.6)	(0.4)	(2.2)
Free cashflow (before acquisitions & funding)	**(3.1)**	**(3.6)**	**(5.3)**	**(1.6)**	**(13.6)**
Acquisition costs	--	(2.2)	--	--	(2.2)
Equity raising	--	18.9	(0.3)	--	18.6
Borrowings	(0.1)	(1.0)	(1.2)	(0.2)	(2.5)
Total Cashflow	**(3.2)**	**12.1**	**(6.8)**	**(1.8)**	**0.3**
Opening Cash	9.8	6.7	18.7	11.9	9.8
Closing Cash	**6.7**	**18.7**	**11.9**	**10.1**	**10.1**

Q4FY22 cash outflow better than flagged at the end of Q3

- Greater visibility and better control over cash flow outcomes
- Clear pathway exists to cashflow positive in 2HFY23

FY22 Cash Outflow before acquisitions & funding by Quarter ($m)



FY22 pro forma to statutory income statement reconciliation

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Income statement ($m)	FY21	FY22	
Pro forma EBITDA	**6.6**	**0.5**	
Impairment of goodwill and other assets	--	(42.3)	1
Share based payments	(3.2)	(1.6)	2
Restructuring costs	--	(0.3)	3
Acquisition costs and other	(1.5)	(0.5)	4
EBITDA	**1.9**	**(44.2)**	

1. Impairment of goodwill and other assets. Equates in quantum to the additional goodwill of $40.5m recognised from the Vault acquisition in 2021 from the increase in share price from date of announcement to date of completion;
2. Non-cash expense related to allocation of share-based payments to employees;
3. Restructuring costs incurred to achieve cost savings;
4. Includes expenses associated with acquisitions made during the period.

FY23 OUTLOOK

5

FY23 outlook

Revenue guidance of $32m - $34m

FY23 Guidance	
Revenue	$32m - $34m
EBITDA Margin	14% – 18%
Free Cash Flow[1]	($2.5m) – ($0.5m)

Key Assumptions

- No material change in market conditions (such as the re-emergence of COVID restrictions);
- Cost optimisation project of $8m is delivered as planned;
- Client retention % and client churn % no worse than FY22;
- No deterioration in working capital efficiency.

1. Defined as operating, investing, and financing activities but excluding acquisitions, drawdown/repayment of debt and other funding transactions.


THANK YOU