



D A M S T R A

Damstra Technology

Acquisition of Vault Intelligence

8 July 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 today 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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This presentation contains certain financial information in relation to Damstra and Vault.

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Vault Information and Combined Information

All information contained in this presentation regarding Vault or any of its related bodies corporate or their respective businesses, operations, assets or affairs has been sourced from Vault or from public sources (including the announcement in relation to the Acquisition made by Vault today) ("Vault Information"). The Vault Information includes all financial information relating to Vault and all Combined Information (as defined below) to the extent such information is based on Vault Information. The Vault Information has not been independently verified by Damstra.

To the extent that this presentation contains financial and other information of the merged group ("Combined Information"), such information has been prepared on a pro forma basis assuming the Acquisition was completed prior to 1 July 2020. Combined Information is provided for illustrative purposes only and is based on Vault Information (see above). For example, the pro forma revenue of the merged group in FY21 is calculated by aggregating Damstra's standalone revenue in FY21 (as projected by Damstra) and Vault's standalone revenue in FY21 (as projected by Vault). Combined Information does not constitute a forecast, estimate, guidance, projection, prediction or indication of future performance, and should not be relied upon as such (or for any other purpose). It should also be noted that Damstra and Vault will continue to operate on a separate and independent basis until the Acquisition is completed, which is scheduled for November 2020 (subject to the satisfaction of the conditions set out in the scheme implementation deed separately released to the market). Therefore, if the Acquisition is completed, Damstra's financial results for FY21 will only include for the part of FY21 following completion of the Acquisition where Vault is under Damstra's ownership.

Important notice and disclaimer cont'd

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Date

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Agenda

- 1 Transaction summary
- 2 Vault overview
- 3 Combined Group
- 4 Damstra FY20 trading update
- 5 Appendix



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



Strengthens and expands Damstra's modular, integrated product range

Providing future organic growth



Highly attractive financial profile

Acquiring Vault-guided \$8m FY21¹ revenue and 350 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

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

Transaction summary

Offer	<ul style="list-style-type: none"> • Damstra to acquire 100% of the issued capital of Vault Intelligence Limited (ASX: VLT) ("Vault") by way of scheme of arrangement unanimously recommended by the Vault Board ("Scheme") ("Acquisition") • Vault shareholders will receive 1 Damstra share for every 2.9 Vault shares held • The Offer values Vault at an implied 46.4 cents per share¹ • This represents a 36.5% premium to the undisturbed Vault closing price²
Vault overview	<ul style="list-style-type: none"> • Leading SaaS provider of workforce performance and protection technologies, delivered via enterprise-level software, mobile and IOT wearable solutions • Vault's technologies provide significant productivity benefits to organizations, while managing the risk, safety, security and protection of their workers
Strategic Rationale	<ul style="list-style-type: none"> • The Acquisition will create a larger, more diversified, workplace management company of greater scale and with an expanded and complementary product range • Complementary products are expected to enable cross-selling opportunities between the respective client bases • The merged entity will accelerate product innovation, including fever detection, facial recognition, remote, mobile and lone workforce solutions • This expanded product suite is expected to enable fast tracking of opportunities in the COVID-19 environment, within Australia and New Zealand and also in international markets • Damstra and Vault Management teams have jointly undertaken significant work to substantiate operating and cost synergies
Financial Impact	<ul style="list-style-type: none"> • Vault are guiding \$8m revenue contribution in FY21³ • Total projected annual pro forma synergies of \$4.0m per annum • Operational synergies expected to be achieved within twelve months of Acquisition completion

1. Based on Damstra (ASX: DTC) share price of \$1.345 and a Vault share price of \$0.34 at the market close on 6 July 2020

2. Compared against a Vault closing price of \$0.34 on 6 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"

Transaction summary cont'd

Ownership Impact	<ul style="list-style-type: none">Existing Damstra shareholders will own approximately 75% of the merged group on completion
Vault CEO	<ul style="list-style-type: none">David Moylan, CEO and Founder of Vault, will remain with Damstra, with a focus on developing and expanding global channel partnerships for DamstraHe will operate with and report directly to Christian Damstra (Damstra CEO)
Unanimous Vault Board recommendation	<ul style="list-style-type: none">The Vault Board unanimously recommends that its shareholders vote in favour of the SchemeVault Directors intend to direct any share they own or control in favour of the schemeThe above recommendation and voting intention are subject to a superior proposal emerging and to an Independent Expert concluding that the Scheme is in the best interests of Vault shareholders (and not changing that conclusion)
Protections	<ul style="list-style-type: none">Customary deal protections, including “no shop”, and “no talk”, and “no due diligence”, as well as notification and matching rights in relation to competing proposalsReciprocal break fees of \$500,000 payable in certain circumstances
Timing	<ul style="list-style-type: none">The Acquisition is expected to complete in November 2020, subject to satisfaction of all condition precedents including approval by Vault shareholders at the Scheme meeting

Agenda

- 1 Transaction summary
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- 5 Appendix

Introduction to Vault Intelligence

Vault at a glance

- SaaS provider of workplace performance and protection technologies
- Vault's platform consists of its legacy Enterprise workforce management suite and Solo individual/lone worker solutions.
- Solo was introduced in 2018 to capitalize on the increasing macro trend toward real-time connected IoT solutions
- Solo introduction is driving current revenue acceleration through significant new contract wins and strategic partnerships
- 92% of FY20E revenue is recurring SaaS fees. Client base is generating \$4.8m ARR¹ at Jun-20E. Less than 1% client churn experienced in FY20E

150k+

Workers protected³

350+

Clients

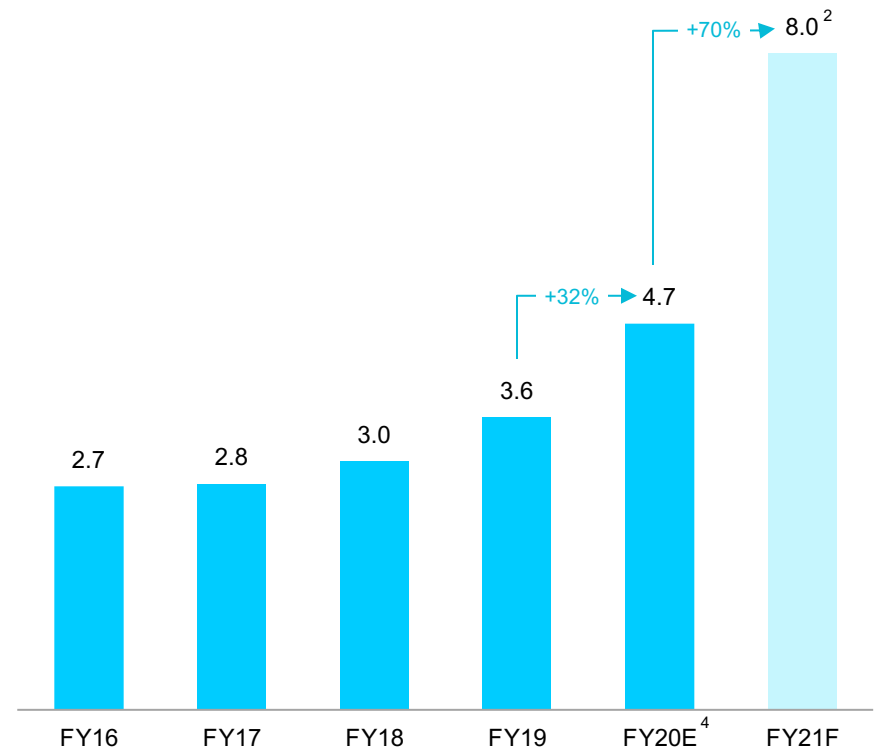
30+

Industries served

8

Countries

Revenue (\$m)



1. Annually recurring revenue from clients that have begun solution implementation
2. Vault FY21 guidance
3. Number of licences paid in the last period
4. FY20 unaudited

Complementary to existing
Damstra product suite

Vault Enterprise

EHS Enterprise Platform

Managing governance, health, safety and risk for enterprise workforces

Vault Enterprise



Vault Notify



Vault Audit



Vault Check



Contractor Management



New addition to Damstra product suite

Vault Solo

Solo

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



Solo Drive

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

Wearable



Mobile



Platform



Mobile



Platform



Agenda

- 1 Transaction summary
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- 5 Appendix

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 → 850
- User numbers: 400k → 550k
- **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

- **Vault Solo:** Enhances Damstra's module suite with addition of mobile, remote and lone worker solutions
- 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

- Creates an attractive financial profile. Combined FY21 revenue guidance of \$33-35m²
- >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% pre-combination
- Operating leverage – \$4m annual run-rate synergies expected
- Increased scale and market relevance



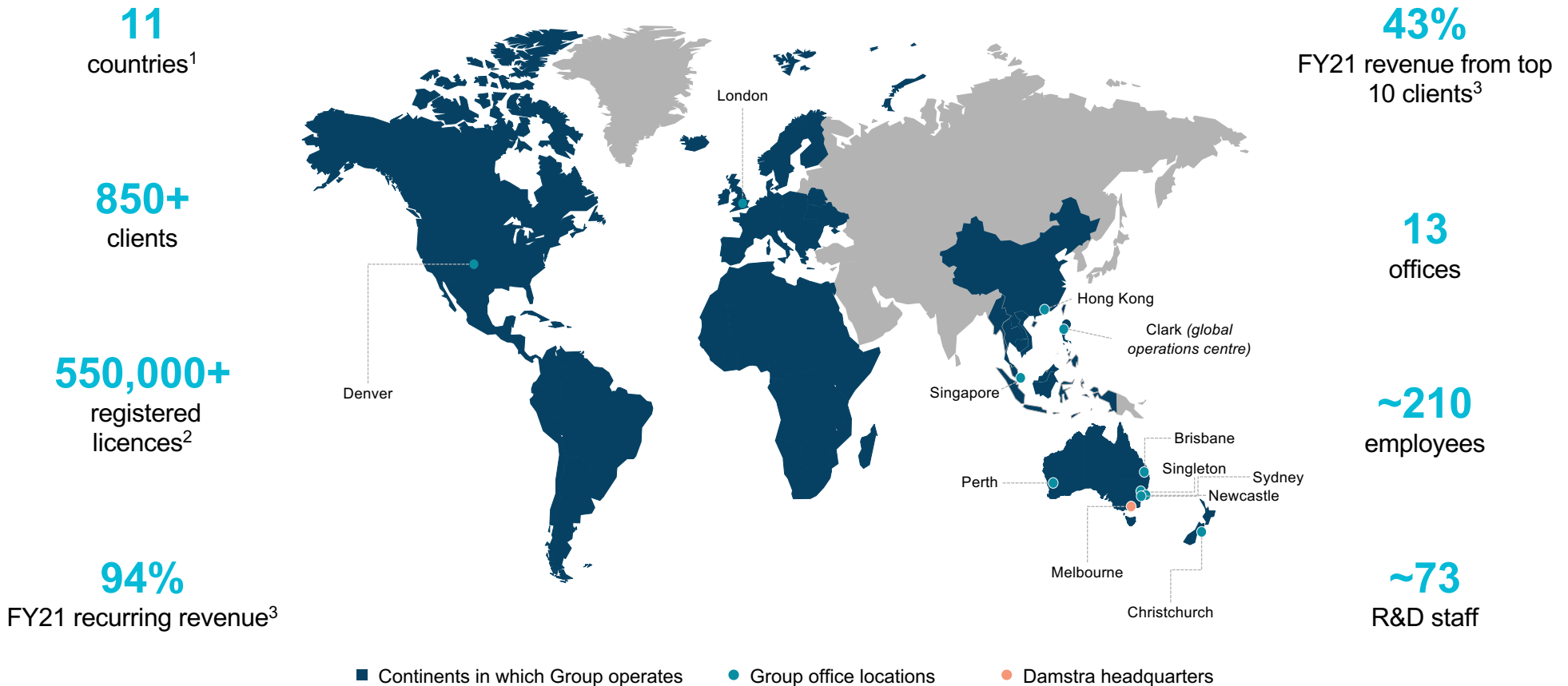
Innovation

- 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 page 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

Combined Group footprint

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.



1. Countries where Damstra and Vault products are used

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"

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 Telstra-branded retail and B2B outlet operator. Partnership to sell into large enterprises. ASX-listed



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.

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

1

FY21² Revenue

- Revenue range of \$33 - \$35m³
- Damstra revenue in FY21 is estimated to be 30-40% above FY20 unaudited results
- >90% of group revenue is projected to be recurring
- Revenue generated from an 850+ client base
- Historical revenue churn <1%

2

FY21 EBITDA

- Projected annual run-rate synergies of \$4m⁴
- Synergies expected to be fully achieved within 12 months of Acquisition completion date

3

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

Agenda

- 1 Transaction summary
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- 5 Appendix

1 FY20 Revenue

- Revenue and other income of \$22.1m
- Represents a 39% growth rate on FY19 result
- Underlying Revenue and other income, excluding one-off gains of \$20.9m
- Represents a 31% growth rate on FY19 result

FY21 Guidance

- FY21 growth rate projected to be similar to FY20 – 30-40%
- Underpinned by ~85% of secured contracted revenue
- Of which 94% is recurring licence and hardware revenue

2 FY20 EBITDA

- FY20 EBITDA on unaudited basis is expected to be \$5.5m
- Materially ahead of guidance and prospectus forecast
- Reflects delivery of attractive unit economics and strong operating leverage

FY21 Guidance

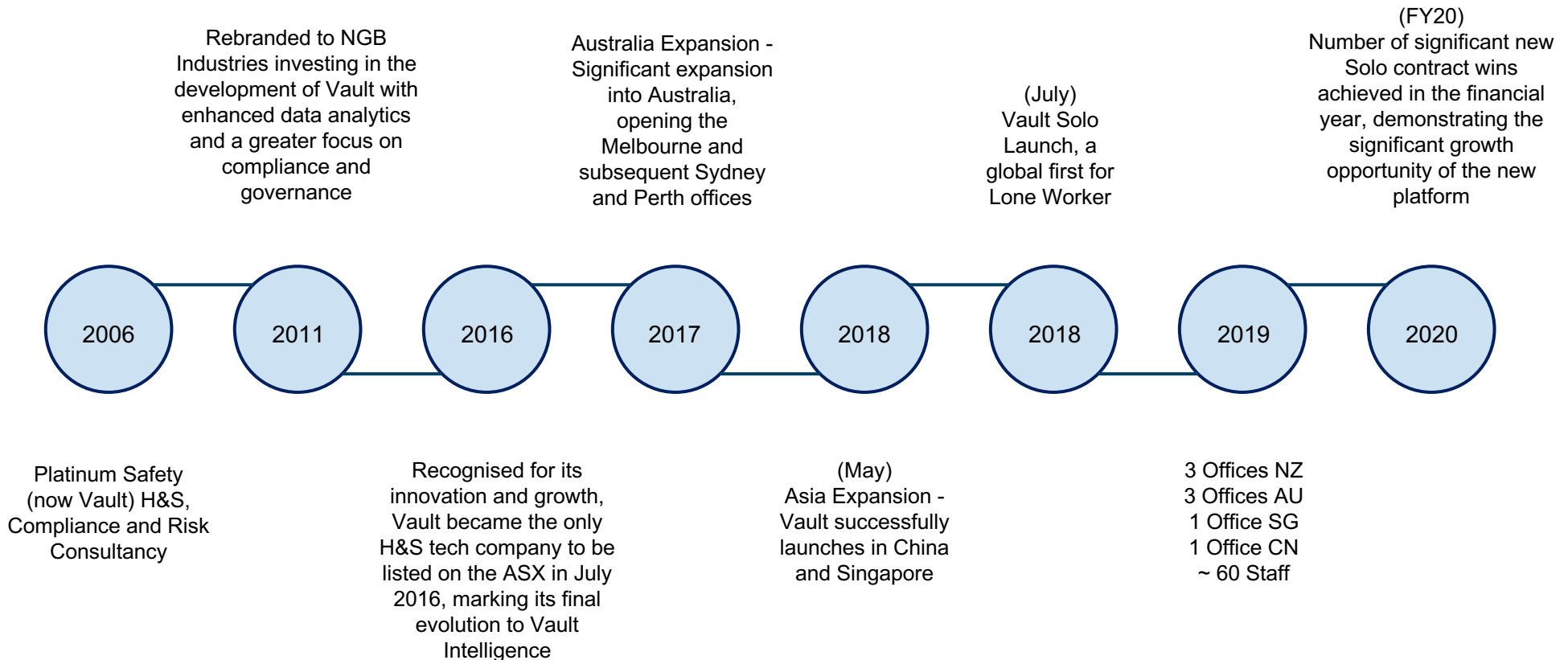
Agenda

- 1 Transaction summary
- 2 Vault overview
- 3 Combined Group
- 4 Damstra FY20 trading update
- 5 Appendix

Summary of Implementation Deed

Overview	<ul style="list-style-type: none"> Damstra and Vault have entered into a scheme implementation deed ("SID") which governs the terms on which Vault will propose and implement a Scheme of Arrangement ("Scheme") with its shareholders
Conditions of the Scheme	<ul style="list-style-type: none"> Implementation of the Scheme is subject to a number of conditions including without limitation: <ul style="list-style-type: none"> (a) approval of the Scheme by Vault shareholders and the Court; (b) the independent expert opining that the Scheme is in the best interest of Vault shareholders and not changing this opinion; and (c) there being no "material adverse change" or "prescribed occurrences" in relation to either Damstra or Vault
Vault Board's Recommendation and Voting Intention	<ul style="list-style-type: none"> Vault Directors recommend that Vault shareholders vote in favour of the Scheme ("Recommendation") in the absence of a "Superior Proposal" and subject to the independent expert concluding that the Scheme is in the best interests of Vault shareholders and not changing that conclusion Subject to those same qualifications, each Vault Director has confirmed that it intends to vote the shares they control in favour of the Scheme ("Voting Intention")
Exclusivity	<ul style="list-style-type: none"> Vault is subject to customary exclusivity restrictions, including no shop, no talk, no due diligence, notification of a competing proposal and matching rights. The no talk and no due diligence restrictions are subject to a "fiduciary out"
Break Fee	<ul style="list-style-type: none"> Vault must pay a break fee of \$500,000 to Damstra if: <ul style="list-style-type: none"> (a) a Vault Director changes their Recommendation or Voting Intention (other than where the independent expert has concluded that the Scheme is not in the best interests of Vault shareholders and that conclusion is not due to the existence of a competing proposal); (b) a competing proposal completes, or an agreement to implement a competing proposal is entered into, within 12 months of that competing proposal being made; or (c) Damstra terminates the SID as a result of an unremedied material breach of the SID by Vault Damstra must pay the same break fee to Vault if Vault terminates the SID due to an unremedied material breach of the SID by Damstra
Termination Rights	<ul style="list-style-type: none"> Either party may terminate the SID in certain cases if the other party commits a material unremedied breach of the SID or due to a condition to the Scheme not being satisfied or waived in accordance with its terms by the specified time Damstra may terminate the SID if a Vault Director changes their Recommendation or recommends or supports a competing proposal Vault may terminate the SID if a majority of Vault Directors change their Recommendation as permitted under the SID

Vault company history



Solo

+ Solo Drive

Wearable



Mobile



Platform



Mobile



Platform



Duress / panic alert



Interval check-ins



Visual metrics and notifications



Driver behaviour



Telematics



Fall detection



Geofence zones



Manage and view people anywhere



Vehicle collision alerts



Driver reports



Check-ins, messages, notifications



Biometrics



Instant alerts / escalations



Trip history



Business intelligence



Team & individual views



Reports / history



Defined safe / exclusion zones



Configurable profiles



Configurable profiles



Configurable profiles



Biometrics



Duress / panic alert



Individual and team messaging



Alerts, messages & notifications



Business rules to create profiles



Event / incident management



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