



CSE: \$DVN

# THE FUTURE OF RETAIL DIGITAL TECHNOLOGY, TODAY

FEBRUARY 2021

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# ABOUT DANAVATION (CSE: \$DVN)

- Canadian-based, IoT technology company providing commercially available, state-of-the-art Digital Smart Labels™
- Digital Smart Labels™ (micro e-paper displays) enable clients to automate labelling, pricing, product info and promotions in real-time
- Revenue generation and growth supported by established client base including retailers, grocery stores, convenience and big box stores across the US and Canada, as well as healthcare providers, manufacturing and logistics companies
- Continued growth to be driven by development of new proprietary products and services within retail and grocery segment
- Clear ESG commitment by advocating for environmental sustainability through significantly reduced paper use

Mission:

**Accelerate the adoption of IoT technology, automation and AI, driving the transition to smart retail, smart cities and Industry 4.0**

# INVESTMENT HIGHLIGHTS

- **High-growth, commercial-stage tech company**  
*Proven execution with blue-chip clients and growing pipeline of premier names*
- **Increasing annual recurring revenue (ARR)**  
*Driven by cutting-edge IoT automation technology + software  
Platform-as-a-Service (PaaS)*
- **Large market potential and rapidly-growing customer base**  
*Expansive U.S. market expected to drive ~80% of sales through 2026*
- **IP protection for proprietary software products**  
*At the patent application and examination stage*
- **Only North American-based provider of Digital Smart Labels™**  
*Strongly positioned as clients push for transparency, credibility and security*
- **Experienced management team aligned with shareholders**  
*30+ years of experience servicing top 500 retailers across North America; ~40% insider ownership*

**\$DVN offers excellent ROI, making client transition easy**

Select Dana Industries Customers

**MCKESSON**

**Longo's**

**Loblaws**

**Walmart**

**LCBO**

**CATALDI**  
*Fresh Market*

**Toys R Us**

**Rexall** Drugstore

**GLOBAL PET FOODS**  
*eat.play.love.*

**TSC TRACTOR SUPPLY CO**

**PUSATERI'S**

**CANADIAN TIRE**

# THE PROBLEMS

Traditional methods of changing price and product information at the shelf has limitations and challenges for retailers.



## High Labour Costs

Current method of updating product and pricing at the shelf is labour intensive



## Incorrect Prices

Pricing at the shelf is often times inaccurate, costing companies millions



## Low Productivity

Shelf label management involves long-term planning and slows operational efficiency



## Static Pricing

An outdated practice as it does not allow for a nimble pricing strategy and adapting offers to supply/demand and market trends in order to maximize revenue and profit margins



The Old Way  
of Doing Things



# The NEW Way Of Doing Things

## THE SOLUTIONS

Key benefits our platform offers customers



### Automation

Reduce labour requirements and deploy price and promo strategies with speed, agility, and consistency



### Omni-channel

Boost engagement and positive showrooming, and offer consistent web-to-shelf pricing and data that customers value such as competitors' prices, stock levels, and social reviews



### Increase Profitability

Digitize the shelf edge to automate workflows, boost basket sizes, and develop new income streams



### AI/Dynamic Pricing

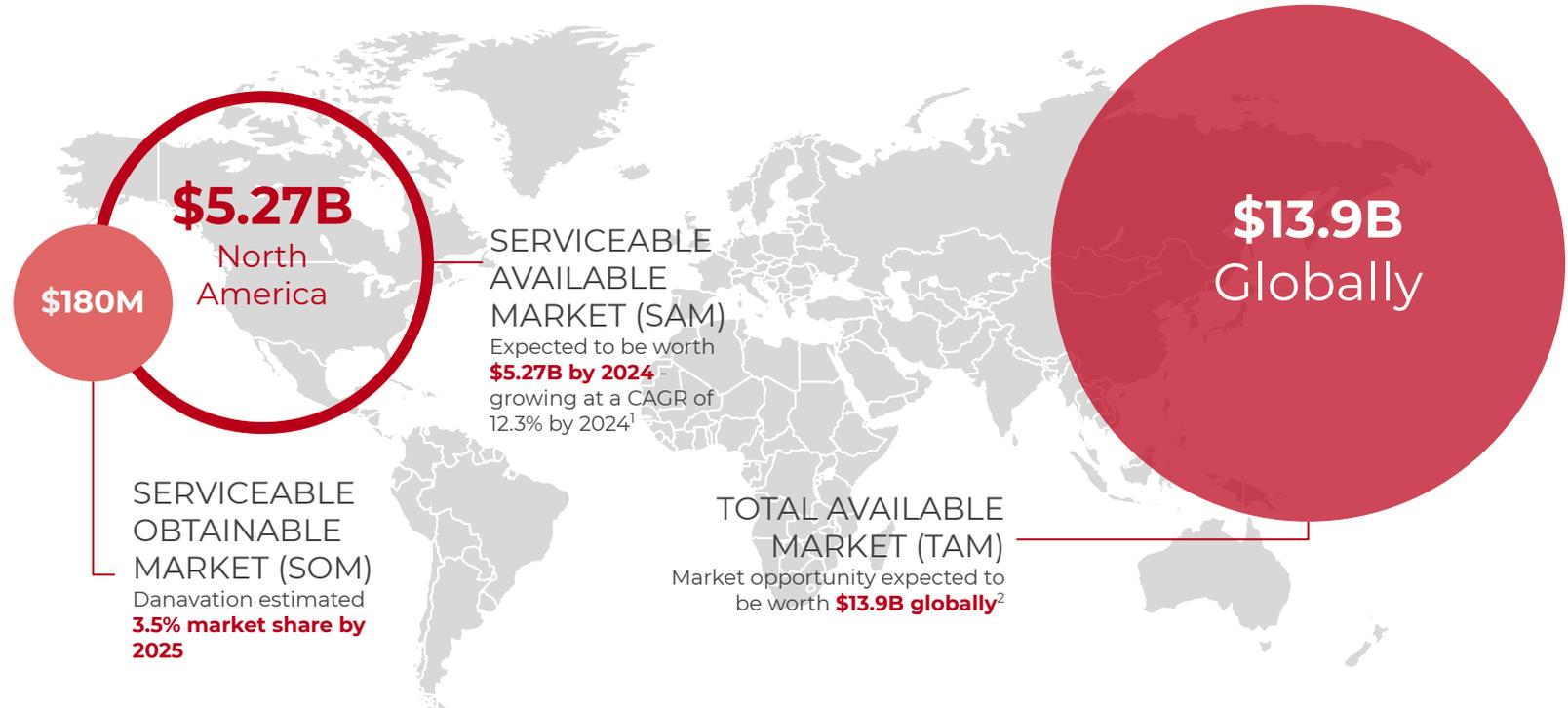
Leverage AI, big data, and machine learning to price products dynamically at the shelf based on sales velocity, weather conditions, current events, stock levels, and price elasticity of demand

# CASE STUDY: LCBO



# MARKET OPPORTUNITY

TAM, SAM, and SOM: Evaluation and validation of market potential



See notes regarding forward-looking statements

1. [RESEARCHANDMARKETS](#) -December, 2019 | 2. [BUSINESSINSIDER](#) -March 12, 2020

# TARGET MARKETS

## GROCERY

Sync your ERP/POS system for unprecedented speed and accuracy. Generate sales lift, cut costs, inform shoppers, profit from big data, and respond quicker to competitor activities.

## RETAIL

Change prices and promos for any product, on any shelf, in seconds and connect with today's tech-savvy consumers for a true omnichannel experience.

## HEALTHCARE

Modernize hospitals and long-term care facilities. Easily display patient information, allergies, health risks, diet, and other critical patient data – all in real time.

## WAREHOUSING/ DISTRIBUTION

Automate tedious workflow by displaying information digitally and operate with greater speed, accuracy, and agility.

## MILITARY SUPPLY CHAIN

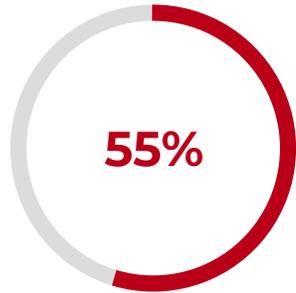
Simplify supply chains through central and remote visibility of inventory at department shops; live counts; and one-button picking and stocking updates. Significantly reduces the risk of human error and time spent picking and restocking items.

## ANIMAL SERVICES & SHELTERS

Digitize animal records to ensure information is kept in one place, making the adoption process easier.

# TARGET REVENUE MODEL

Long-term value creation for the company and our shareholders



## PLATFORM

Recurring revenue generated from the Platform as a Service (PaaS); includes the software, API, hardware, sub-systems, and management console



## SERVICES

Services include store assessments, on-site Installation, networking, infrastructure, software integration, data sync, and project management fees



## SOFTWARE

Premium add-ons such as private elastic cloud, virtual servers, analytics, inventory forecasting, promotional recommendations, and dynamic pricing



## SUPPORT

24/7 phone or on-site technical support, monitoring, training, and custom feature requests

# PLATFORM AS A SERVICE (PaaS) PRICING MODEL – GROCERY

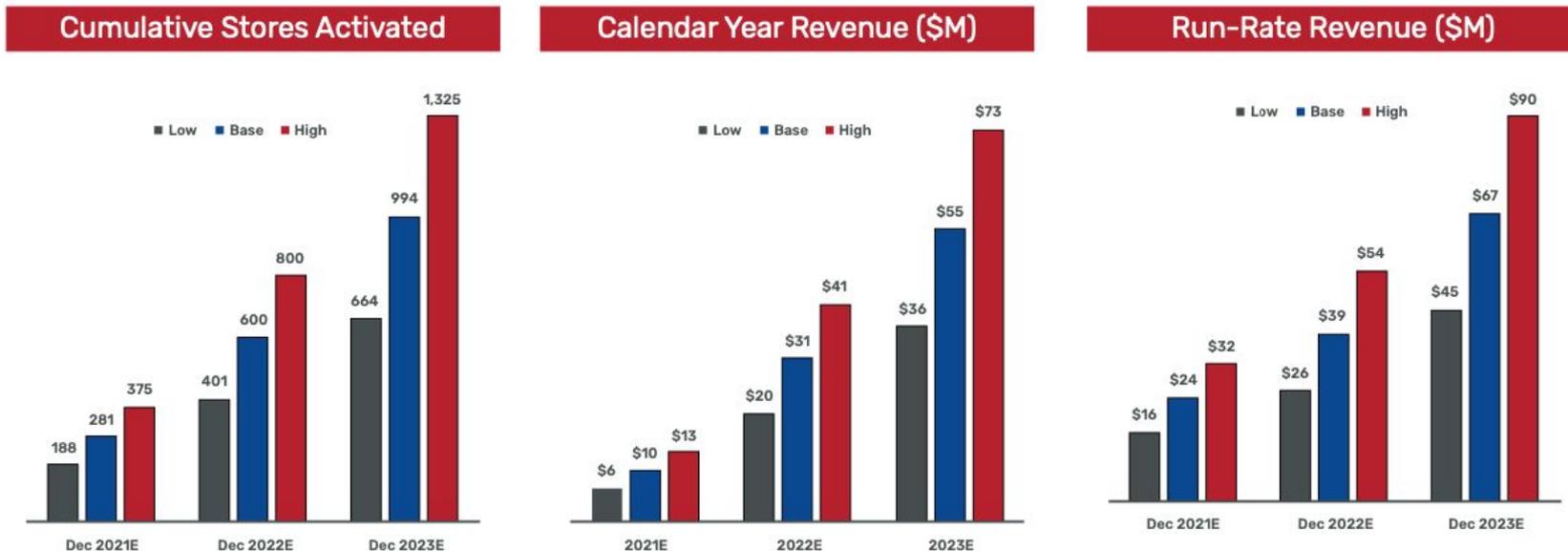
Monthly cost to operate based on average store size (35,000 – 40,000 sqft)



\*Based on a finance charge of 8%. 4 and 5 year contracts are available. Exclusive of, software integration, project management, and installation fees. Amounts are for reference only. Advanced store evaluation is required for more accurate quote. Subject to approval. Subject to taxes (if applicable).

# FINANCIAL FORECAST

3-year financial forecast based on a PaaS model

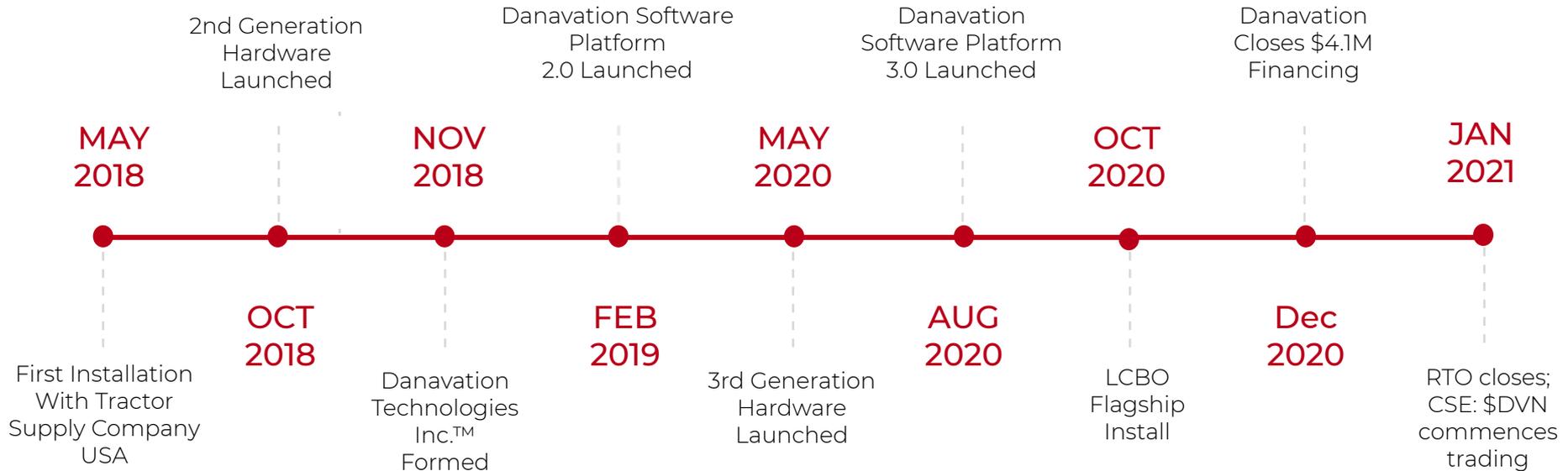


**Danavation is now commercialized and beginning its revenue ramp**

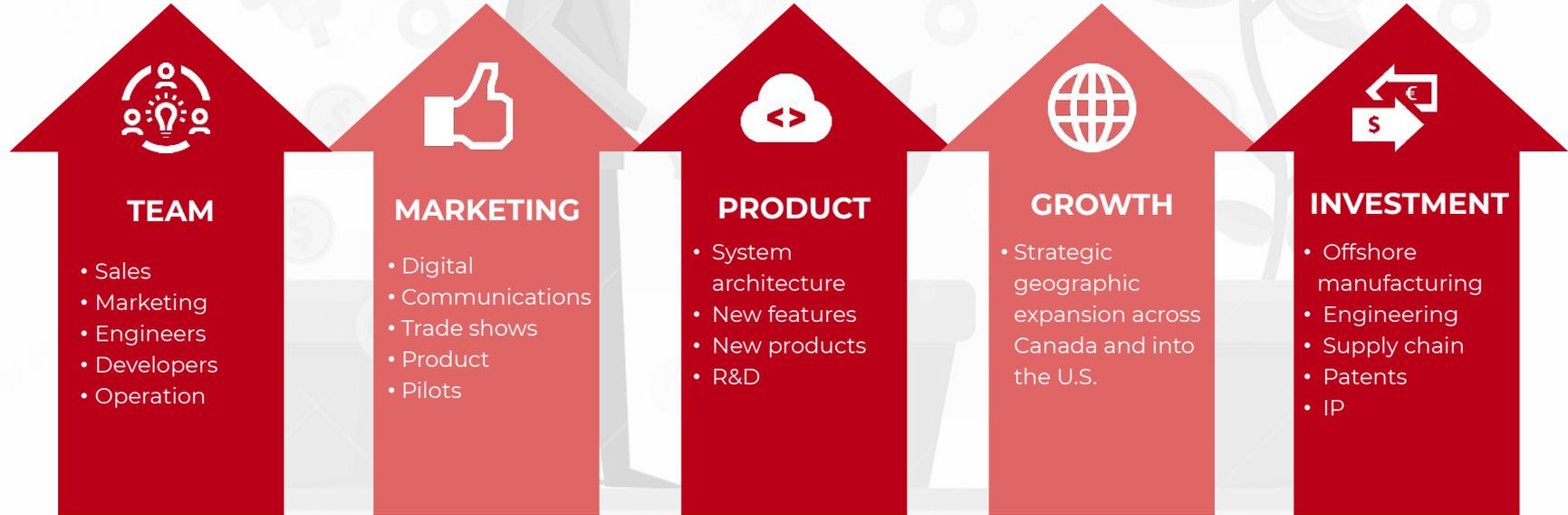
See notes regarding forward-looking statements

# MILESTONES

Danavation past, present, and future

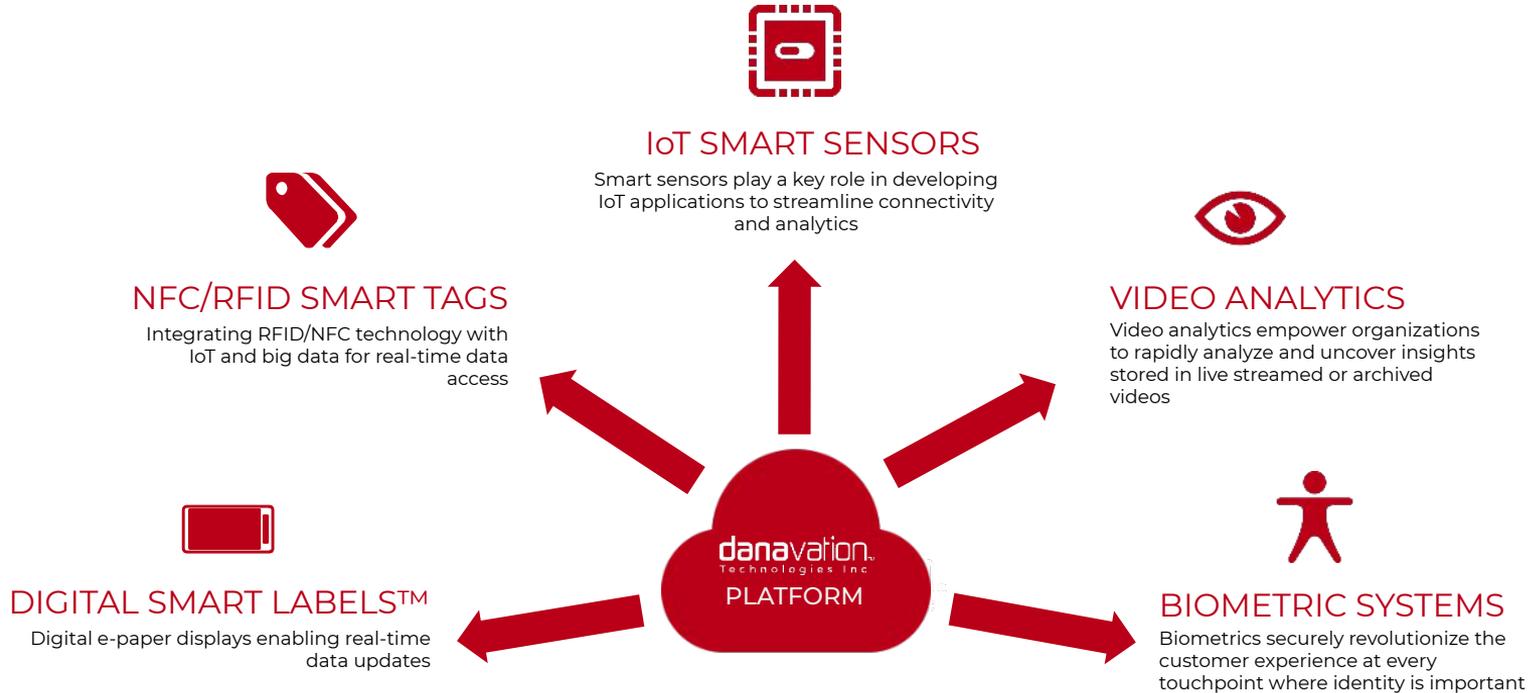


# FUTURE GROWTH STRATEGY



# FUTURE PRODUCT ROADMAP

Danavation's Platform-as-a-Service meets the needs of Industry 4.0



# CURRENT CAPITALIZATION TABLE

Common Shares Outstanding <sup>1</sup>	102,183,386
Warrants Outstanding	8,245,000
Broker Warrants Outstanding	1,272,000
Options Outstanding	4,660,000
Recent trading price (Feb 01/21)	\$0.335 / share
<b>Market Capitalization</b>	<b>\$34.2M</b>
Current cash position <sup>2</sup>	\$3.4M

**~40%**

of shares outstanding  
held by DVN management

<sup>1</sup> As at Jan 11/21. Approximately 40% of the shares outstanding are subject to an escrow agreement, with escrowed shares to be release in tranches every 6 months for a period of 36 months from the listing date (Jan 15/21). See the Company's Form 2A – Listing Statement dated January 11, 2021 filed on SEDAR for a complete escrow schedule.

<sup>2</sup>As at Jan 20/21

# BOARD OF DIRECTORS



**John Ricci**  
President & CEO, Director

John is the co-founder of Danavation. His vast experience in Retail Marketing has allowed him to advance Danavation as a market leader.



**Michael Della Fortuna**  
Independent Director

Michael is the Chief Executive Officer of Nexeya Canada – a global provider of mission critical products and solutions for space, aviation and transportation applications. Previous to Nexeya Michael held VP and Director level roles in engineering, operations and sales & marketing for General Electric, SPAR Aerospace, Husky Injection Molding and the Mircom Group of Companies, in addition to start up experience through Compass Capital, where he is a partner. Michael is currently on the board of Drone Delivery Canada.



**Frank Borges**  
Vice President, Director

Frank Borges is the co-founder and VP of Danavation. Driven by his passion and perseverance, Frank's 25+ years in the retail industry helps him connect and build trusted relationships with many of the worlds largest retailers.



**Tom Loberto**  
Corporate Finance Advisor, Director

Tom has held numerous executive positions with such organizations as IBM, Ford Motor Company, Rogers and Bell Canada. He has an extensive background in Customer Experience, Finance, Technology and Private Equity.



**Mark Di Vito**  
Independent Director

Mark has over 25 years of experience in the building products sector and currently serves as Partner and General Manager of Vision Profile Extrusions, the leading vinyl extruder in North America for the window and door industry. Mark is a CPA, having begun his professional career at Price Waterhouse where he worked with several Canadian blue-chip clients in the finance and manufacturing sectors.



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# STAY CONNECTED

For additional information  
please contact:

## LOCATION

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Toronto, ON, M9W6Y1

## JOHN RICCI, CEO

JRICCI@DANAVATION.COM  
647-500-3603

## CONTACT US

HELLO@DANAVATION.COM  
883-733-6398

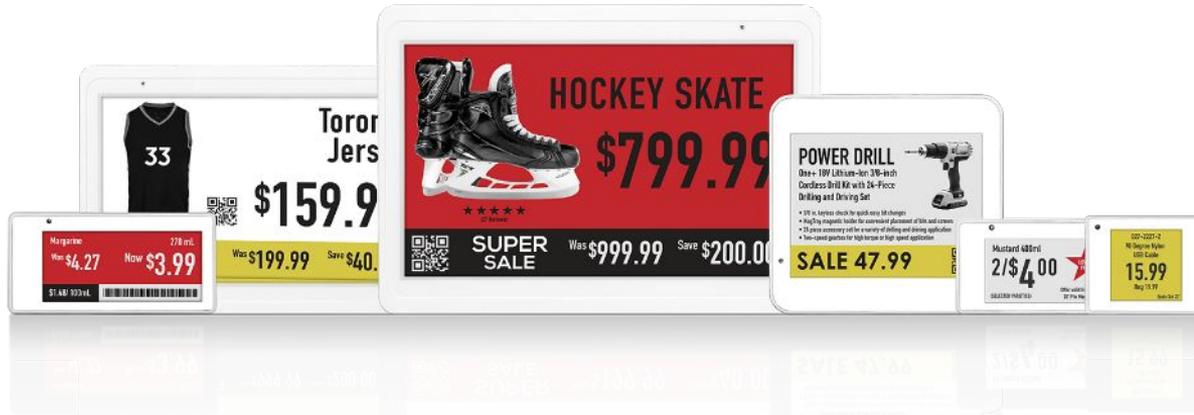
# APPENDIX: OUR SOLUTION

Watch to learn more



# GROUND BREAKING DIGITAL E-PAPER DISPLAYS

Modern looks. Designed to enhance.



**Our Digital Smart Labels™ offer a class-leading high resolution, high contrast, wide-viewability, and vibrant colour display** – designed to enhance the in-store shopping experience. Offered in white or charcoal black housing as standard with custom colour options also available.

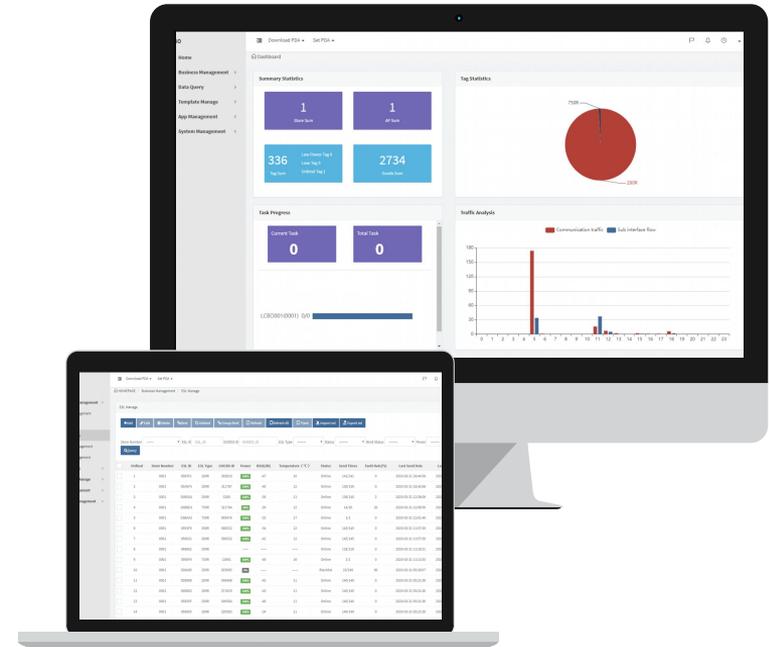
## Features:

- Strong polycarbonate housing is lightweight, strong, shatterproof, and scratch resistant
- Multi-colour displays available in black, white, red, and yellow
- Optional NFC/BLE to boost promotions and increase engagement
- Dot matrix display allows for flexible design templates combining both text and graphics
- 5 colour LED built for click & collect, stock replenishment and warehouse operations

# DANAVATION PLATFORM-AS-A-SERVICE (PaaS)

Our Digital Smart Label™ & IoT cloud computing platform delivers advanced software, hardware, analytics, and intelligence tools for a complete plug-n-play deployment.

- ① **Dynamic Cloud**
  - Public/private elastic cloud for central management and enterprise scalability
  - Military grade AES encrypted software
- ② **Advanced Engineering**
  - High-resolution e-paper display utilizing leading edge embedded systems technology
  - Engineered for ultra low power/long life
- ③ **Superior Network Scalability**
  - Highly secure end-to-end connectivity with unparalleled industry coverage, over-the-air (OTA) updates, and zero interference with Wi-Fi networks
- ④ **Artificial Intelligence & Analytics**
  - Intuitive management provides analytics and mission critical data
  - Inventory optimization, forecasting, management, and product allocation



# UNDER THE HOOD



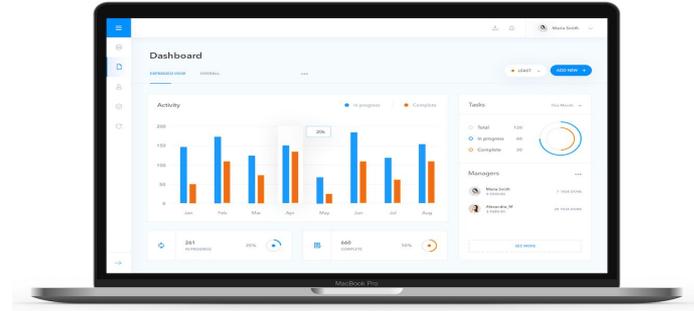
## Basestation 2.0

Our Basestation 2.0 utilizes advanced sub-1GHz RF delivering secure, highly scalable, and cloud-integrated solutions for small business or enterprise-level network applications.

Each sub 1GHz Basestation can be installed in new or existing WLANs, combined with our intelligent “one touch” integration, promises rapid deployment and simple operation.

### Features:

- Low interference
- Penetration through walls and other obstacles
- Auto-roaming mesh network
- Power over Ethernet
- Load balancing



## Centralized Command Centre

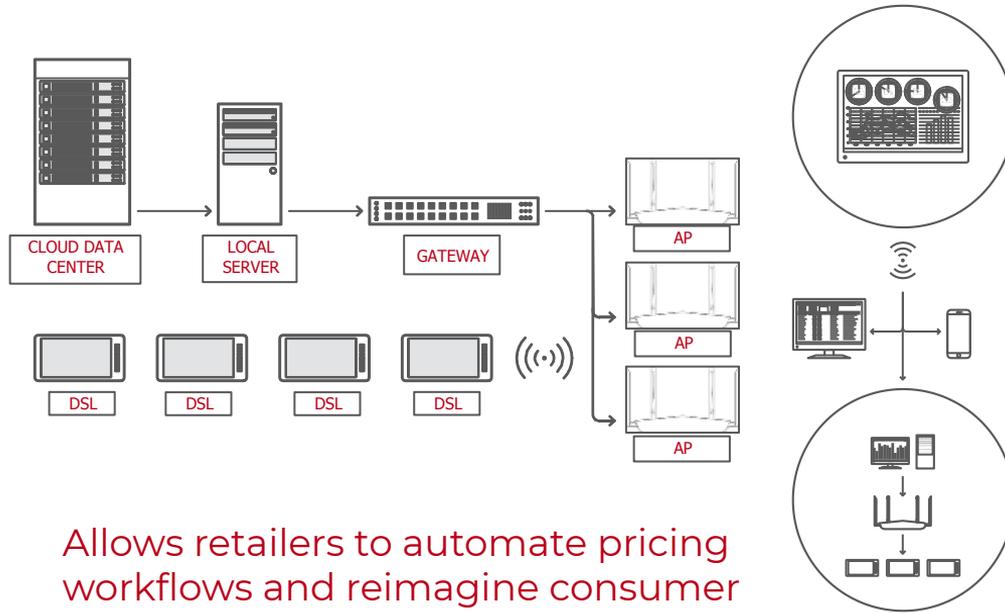
Our eRetail 2.0 software is simple, powerful, intuitive and quick to deploy.

Our server and cloud-based options deliver secure, highly scalable, and POS/ERP-integrated solutions for small business or enterprise-level applications.

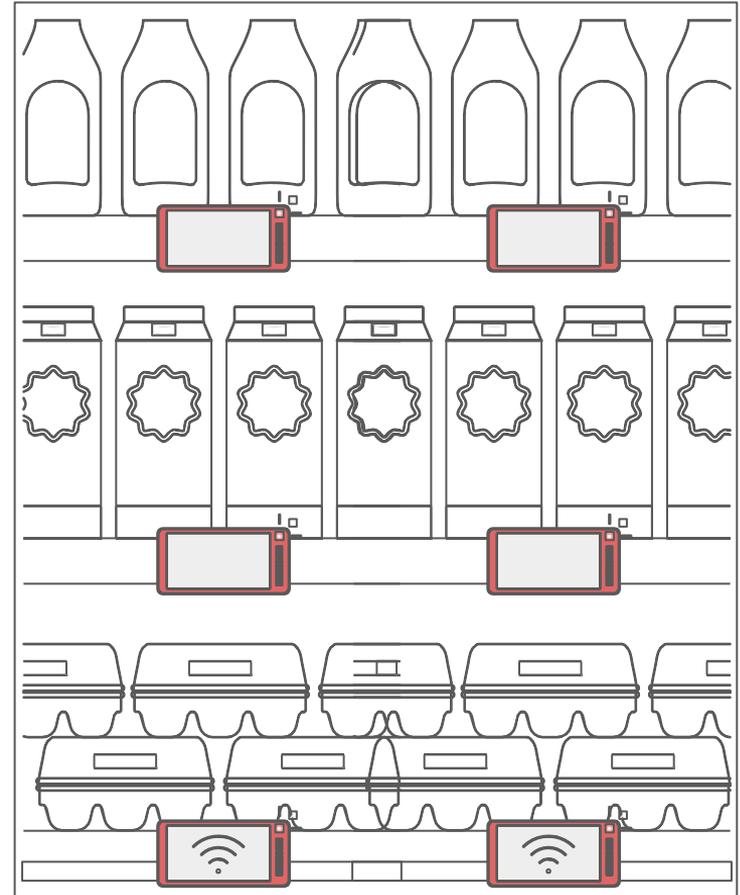
### Features:

- Flexible ERP/POS agnostic for seamless integrations
- Plug-n-play API, Web service, DB, and FTP for quick deployment
- Private/public cloud infrastructure for high performance and infinite scalability
- 24/7 support and real-time monitoring

# Danavation's Digital Smart Labels™ & IoT Software Platform (PaaS)



Allows retailers to automate pricing workflows and reimagine consumer experiences at the point of purchase.



# WHY CLIENTS CHOOSE DANAVATION

The only North American-based provider of pricing automation solutions. Backed by founders with over 30 years of experience in the retail industry, our deep understanding of our clients and the retail landscape allows us to build powerful solutions that are well-engineered, highly scalable, and the most cost-effective in the industry.



## 1. Proprietary technology

- Sub 1Ghz (433MHz) frequency, resistant to interference from nearby radios (Bluetooth, Wifi, cell phones, etc.)
- Bi-directional wireless communicators with over 100+ foot range
- Ultra low power, with battery life up to ten years

## 2. Cost-effective system

- Cloud based platform removes the capital expense of costly on-premise hardware and minimizes IT resources
- Integrates with any existing software

## 3. Premium services

- In-house software and engineering team
- 24/7 access to tech support
- Disaster recovery management

# ROI ANALYSIS & STORE ASSESSMENT

Monthly cost comparison and ROI on CapEx\*

	Printing labels cost	Printer Hardware cost	Total labour cost	Total cost per year
<b>Traditional in-store paper labels</b>	\$7,446.00	\$7,500.00	\$73,000.00	\$87,946.00

Approximate monthly cost using <b>traditional in-store paper labels</b>	\$7,328.83
Approximate monthly cost for <b>Danavation automation</b>	<b>\$4,205.76</b>

\*This is an estimate only. An advanced project evaluation is required for accurate ROI analysis. Pricing is based on an average label cost, and excludes installation, basestation, software, and additional accessories (5 year contract). Based on a finance charge of 8%. 4 and 5 year contracts are available. Exclusive of, software integration, project management, and installation fees. Amounts are for reference only. Advanced store evaluation is required for more accurate quote. Subject to approval. Subject to taxes (if applicable). See Appendix for ROI calculation. See notes regarding forward-looking statements.

# HISTORY & BACKGROUND

Through Dana Industries—John Ricci & Frank Borges' founding company (circa 1993)—Danavation's founders have built strong relationships with top North American retailers for over 30 years.

## Danavation Technologies Corp.™

- Danavation was launched by the principals of Dana Industries in 2018 to meet the changing needs of retailers and tech-savvy consumers by reimagining the retail experience and digitizing it at both store and shelf level.
- Our mission is to accelerate the adoption of IoT technology, automation, and AI driving the transition towards smart retail, smart cities, and industry 4.0, and advocate for environmental sustainability by significantly reducing paper use.

## Founder Backgrounds

- John Ricci, CEO/President, and Frank Borges, Vice President founded Dana Industries in August 1993 in Toronto, Ontario.
- John and Frank met working in sales in 1984, and their extensive sales and customer service experience allowed them to become privy to the needs of their clientele first-hand.
- For nearly 30 years, Dana Industries was a leader in producing shelf signage, clear packaging, data strips, and the best engineered shelf-talkers for many top Fortune 500 brands across North America.

