

A large, stylized, lowercase letter 'd' in a dark red color, positioned on the left side of the page. It has a thick, rounded stroke and a white rectangular cutout in the center.

# THE FUTURE OF RETAIL DIGITAL TECHNOLOGY, TODAY.

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MAY 2021

CSE: DVN

**danavation**<sup>™</sup>  
Technologies Corp.

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# WHERE WE CAME FROM

**Through Dana Industries, Danavation's founders have built strong relationships with North American retailers for 30+ years**

## **Danavation Technologies Corp.™ Formed in 2018**

- Launched by the principals of Dana Industries 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
- Developed Platform-as-a-Service (PaaS) model with IoT cloud computing platform to deliver advanced software, hardware, analytics, and intelligence tools for a complete plug-n-play deployment
- Our Digital Smart Labels™ (micro e-paper displays) enable clients to automate labelling, pricing, product info, and promotions in real time

## **Founder Backgrounds**

- Dana Industries was founded in August 1993 in Toronto, Ontario
- Founders 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



# WHY INVESTORS CHOOSE DANAVATION

- **Commercial-stage tech company**  
Proven execution and growing pipeline of premier names
- **Increasing annual recurring revenue (ARR)**  
Driven by cutting-edge IoT automation technology + PaaS model
- **Experienced management aligned with shareholders**  
30+ years of experience servicing leading retailers across North America; ~40% insider ownership
- **North American-based provider of Digital Smart Labels™**  
Clients push for transparency, credibility and security
- **Large market potential & 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

CASE STUDY

## LCBO



# WHY CLIENTS CHOOSE DANAVATION

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

**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-1 GHz (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

# 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

# GROUNDBREAKING 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

# BEYOND RETAIL: OTHER APPLICATIONS

## Digital Smart Labels™ have application across multiple industries

Electrophoretic displays (aka ‘e-paper’) mimic the appearance of ink on paper, are easier to read, and much more energy efficient than LCD screens. They reflect light like paper to offer high resolution and contrast, wide-viewability, and a vibrant colour display that can even be read in direct sunlight.

### Healthcare Facilities



Store, display and access patient information such as allergies, health risks, diet, etc.

### Wine / Spirits & Retail



Inform shoppers, display product details, change prices and promotions for any product in seconds



### Logistics / Manufacturing



Automate tedious workflows and operate with greater speed, accuracy, and agility

# 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

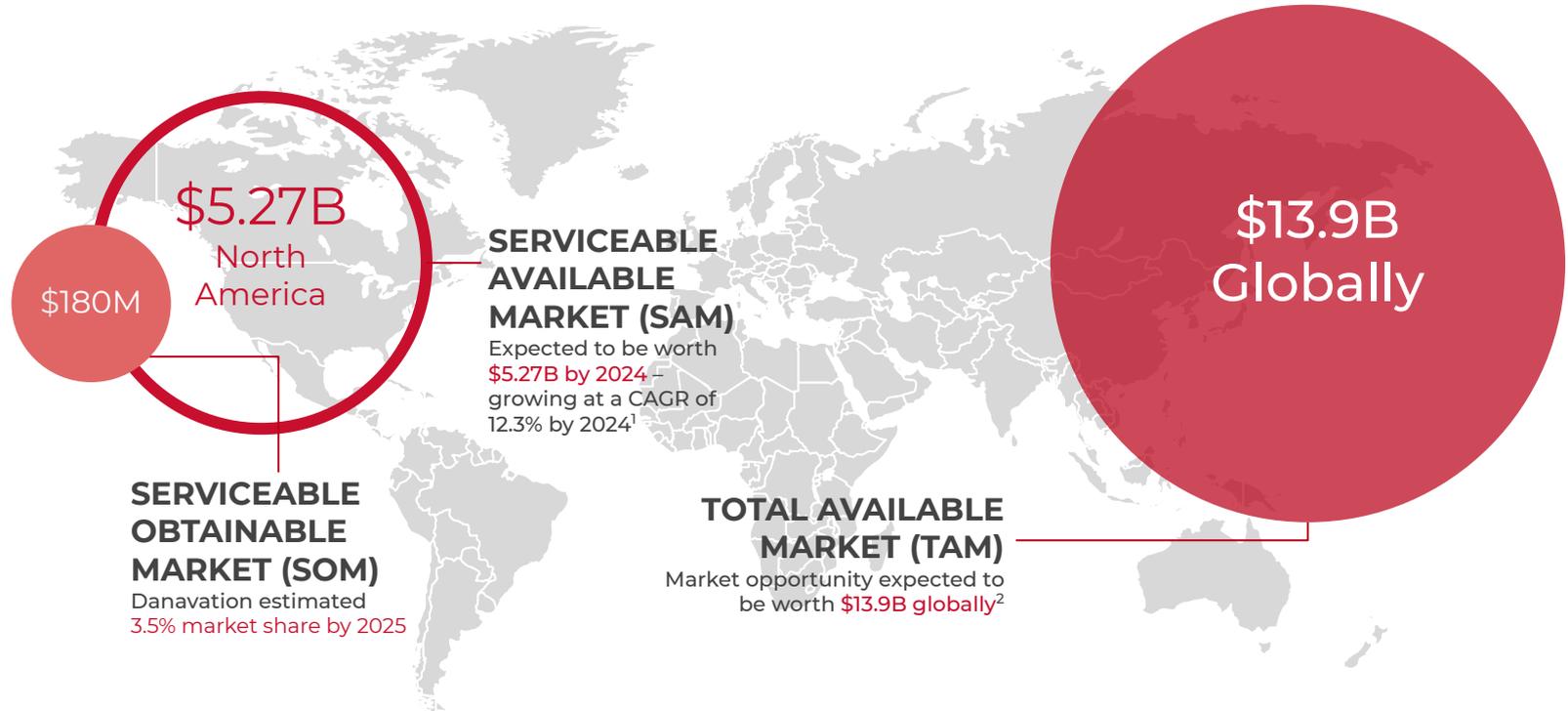
Simplify supply chains through central and remote visibility of inventory at department shops; live counts; and one-button picking and stocking updates. Significantly reduces the risk of human error and time spent picking and restocking items.

## ANIMAL SERVICES & SHELTERS

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

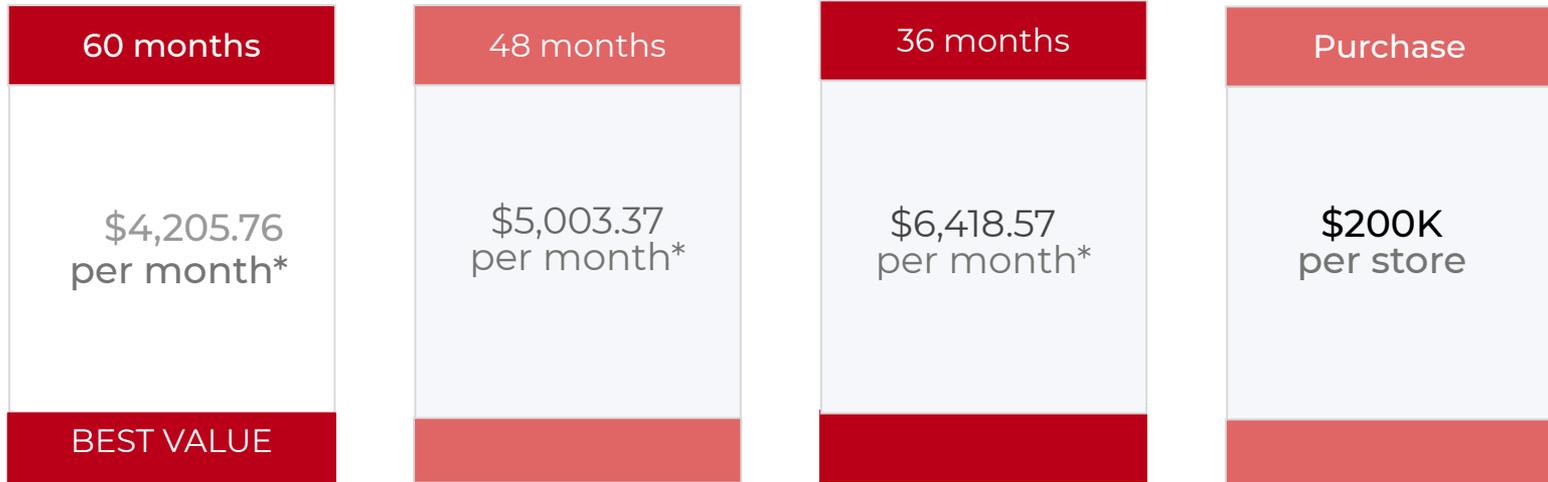
# MARKET OPPORTUNITY

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



# 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).

# ROI ANALYSIS & STORE ASSESSMENT

## Monthly cost comparison and ROI on CapEx\*

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

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

# 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



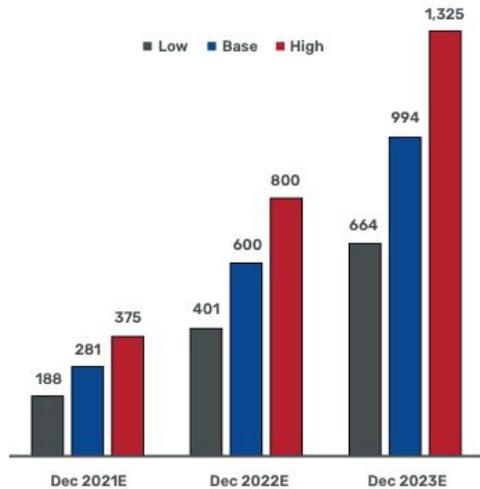
## SUPPORT

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

# FINANCIAL FORECAST

3-year financial forecast based on a PaaS model

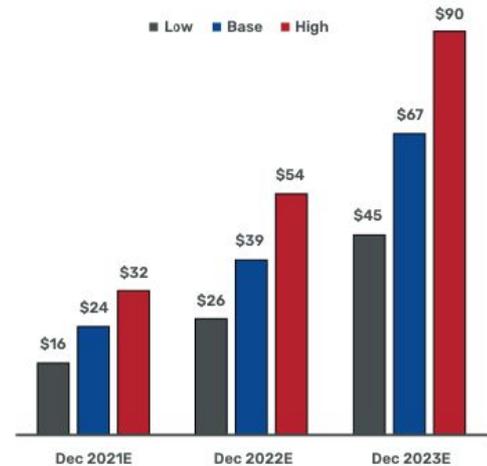
### Cumulative Stores Activated



### Calendar Year Revenue (\$M)



### Run-Rate Revenue (\$M)

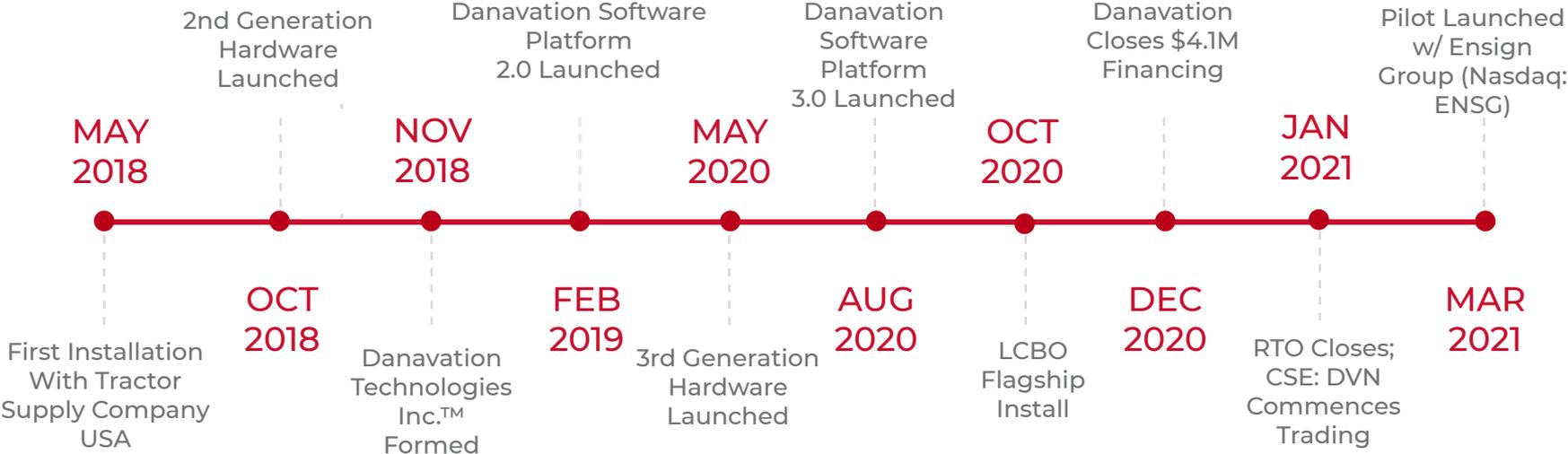


**Danavation** is now commercialized and beginning its revenue ramp.

See notes regarding forward-looking statements.

# MILESTONES

Danavation: Past > Present > Future



# 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 (Apr 28/21)	\$0.405 / share
Market Capitalization	\$41.4M
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 released 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, Franks 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.



**Dan Matlow**  
Independent Director

Dan brings more than 30 years of expertise in software vendor management combined with an entrepreneurial vision. Currently, he serves as the President & CEO of publicly-traded Vitalhub, and has previously led several software sales teams that successfully drove substantial increases in revenue. Early in his career, Dan also established and built an IT training and education business.

# DANAVATION SUMMARY (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

# APPENDIX: **OUR SOLUTION**

Watch to learn more





# UNDER THE HOOD



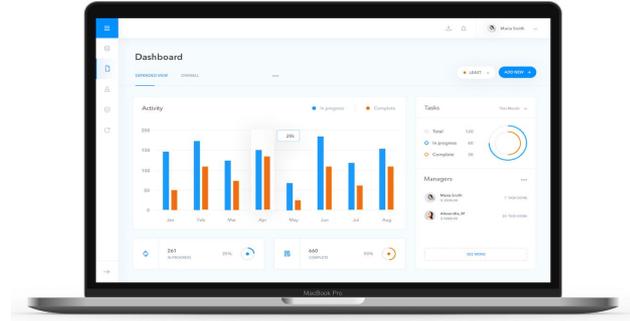
## Basestation 2.0

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-1 GHz 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

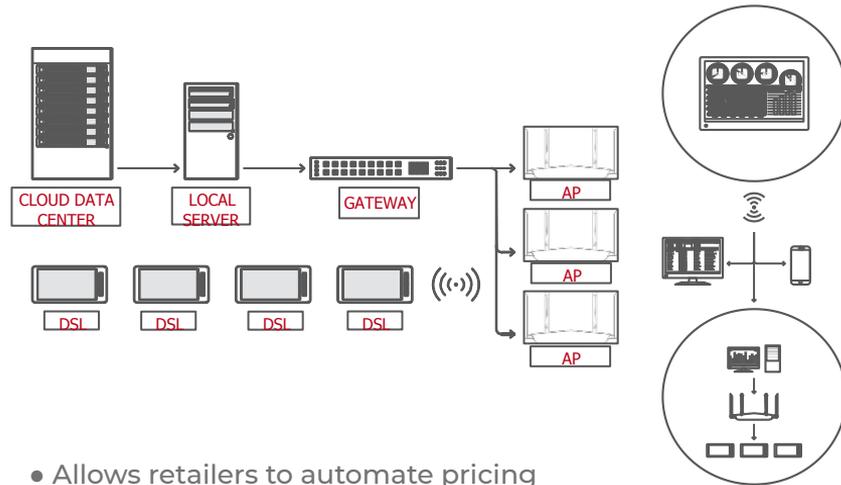
Our eRetail 2.0 software is simple, powerful, intuitive and quick to deploy.

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

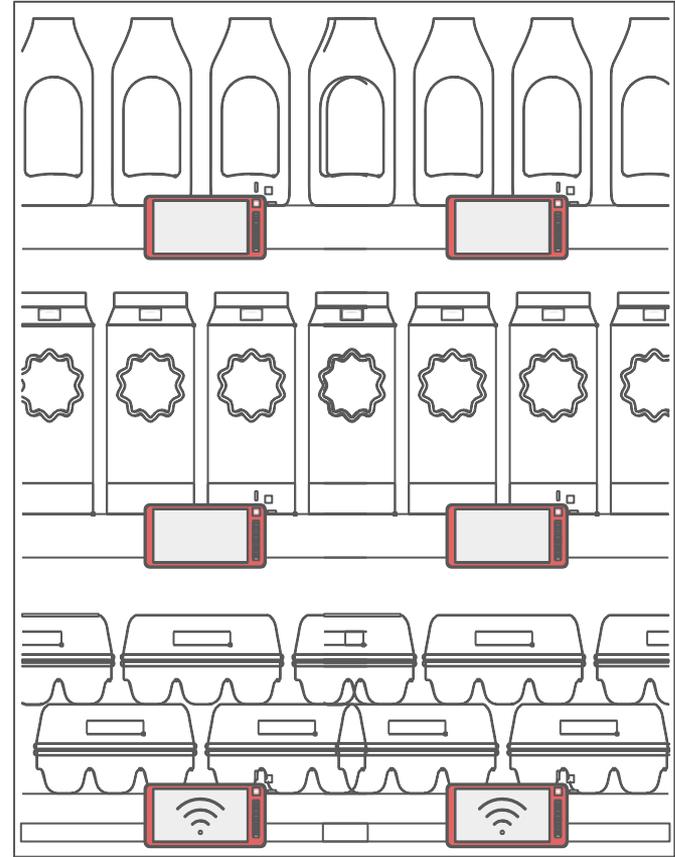
### Features:

- 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)

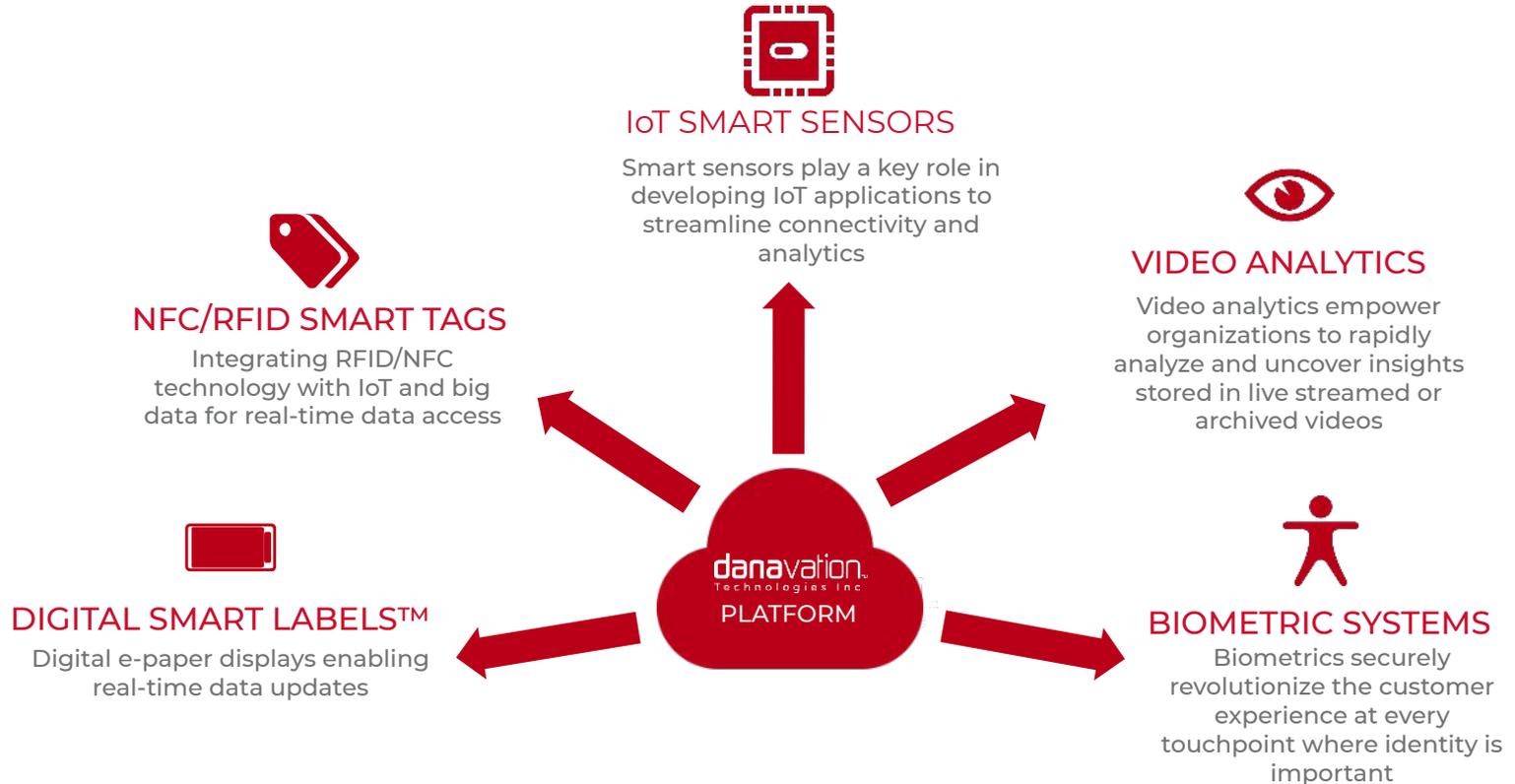


- Allows retailers to automate pricing workflows and reimagine consumer experiences at the point of purchase



# FUTURE PRODUCT ROADMAP

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





**danavation**<sup>TM</sup>  
Technologies Corp.

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## STAY CONNECTED

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