



D A M S T R A

12 December 2019

### **Damstra to acquire Scenario Advantage Workforce**

Damstra Holdings Limited (**Damstra** or the **Company**, ASX: DTC), an Australian-based provider of integrated workplace management solutions, today announces that its wholly owned subsidiary, Damstra Technology Pty Ltd (**Damstra Technology**), has entered into an asset sale agreement to acquire the Scenario Advantage Workforce business (**Scenario**) from the Projection Group<sup>1</sup> (**Transaction**).

Scenario provides workplace management solutions to the mining and utility industries, predominantly on the east coast of Australia. The business has 21 clients across 54 operating locations; including Anglo-American, New Hope Mine, Stanmore Coal, Adani Ports, CS Energy and Energy Australia. It also has an emerging presence in Hong Kong and the Philippines on two power generation sites.

There are presently 29,000 individuals using the Scenario product offering across these operating locations.

The Transaction is consistent with Damstra's strategy to pursue acquisitions that provide entry into new markets, consolidate markets, establish new client and cross selling opportunities, and build out technology and organisational capability.

Damstra's CEO, Christian Damstra commented: "Scenario is a natural fit for Damstra, that reinforces our leadership position within the mining industry in Australia. Its clients are all long-life mines sites or operating facilities.

"There will also be scope to cross sell Damstra's other functionality to existing Scenario clients. The Scenario technology stack integration task will not be a complex task.

"The business is based in Brisbane with a development team located in the Philippines. These teams will be integrated with existing Damstra operations in these locations, increasing our capability in these geographical areas."

Total consideration of \$4m will be funded from Damstra's existing cash reserves. Scenario currently generates unaudited annual recurring revenue of approximately \$1.3m, the EBITDA

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<sup>1</sup> Under the asset sale agreement, the Projection Group comprises Projection (Australia) Pty Ltd (ABN 53 089 751 708), Projection International Limited (a company incorporated under the laws of the British Virgin Islands as entity incorporation number 392782) and Projection (HK) Limited (a company incorporated under the laws of Hong Kong as entity incorporation number 0535343). The Projection Group's core business is the provision of construction ERP management software. Damstra Technology is acquiring the Projection Group's workplace management solution.

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impact of the acquisition, after accounting for transaction costs, is expected to be consistent with Damstra's forecast EBITDA margin for FY20. Damstra expects further operating synergies will deliver an enhanced EBITDA margin contribution from Scenario from FY21 onwards.

Damstra's Prospectus forecast for FY20 did not include any contribution from acquisition-driven growth initiatives. Completion is expected before end of December 2019.

## Ends

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## About Damstra

Damstra 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 of utmost importance. These solutions assist Damstra's clients to better track, manage and protect their staff, contractors and their organisations, and to reduce the risks associated with worker health, safety and regulatory compliance.

The Company has been operating since 2002 and has grown from providing an Australian mining contractor management solution to an integrated workplace management solution provider with a growing client base in international markets. Damstra has approximately 350 clients across eight countries with over 330,000 registered licences (as at 30 June 2019). Operations are maintained in Australia, New Zealand, the United States, the United Kingdom and a global operations centre in the Philippines.

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- assumptions regarding the Company’s financial position, business strategies, plans and objectives of management for future operations and development and the environment in which the Company will operate; and
- current views, expectations and beliefs as at the date they are expressed and which are subject to various risks and uncertainties.

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