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ASX Release

2 December 2021

Damstra Launches Fully Underwritten Capital Raising

Highlights:

- Damstra to raise approximately \$20m in new equity funds via:
 - a fully underwritten institutional placement at A\$0.34 per share to raise approximately \$10m, supported by existing and new investors; and
 - a fully underwritten 1 for 6.75 accelerated non-renounceable Entitlement Offer to raise approximately \$10m at \$0.34 per share.
- Funds raised to support growth in sales capability and resources, especially in the North American market, ensure availability of funds for TIKS deferred consideration payment, further invest in development of Damstra's Enterprise Protection Platform and for the Company's general working capital purposes.

Damstra Holdings Limited ("**Damstra**" or the "**Company**", ASX: DTC), an Australian-based provider of integrated workplace management solutions, is pleased to announce a \$20 million capital raise, consisting of a fully underwritten institutional placement of new fully paid ordinary shares ("**Shares**") to raise approximately \$10 million at \$0.34 per Share ("**Placement**") and a fully underwritten accelerated pro rata non-renounceable entitlement offer ("**Entitlement Offer**") to all eligible security holders to raise approximately \$10 million at \$0.34 per share ("**Offer Price**"). The Entitlement Offer comprises an accelerated offer to eligible institutional Shareholders, and an offer to eligible retail Shareholders, on the basis of 1 new Shares for every 6.75 Shares held on the Record Date.

The Offer Price represents a:

- 15% discount to the last close on 1 December 2021 of \$0.40 per share;
- 23.7% discount to the 5 day VWAP for the period ending on 1 December 2021, being \$0.4454 per share;
- 12.0% discount to the Theoretical Ex-Rights Price of \$0.3888.

The funds raised will be used to support growth in sales capability and resources, especially in the North American market, ensure availability of funds for TIKS deferred consideration payment, further invest in development of Damstra's Enterprise Protection Platform and for the Company's general working capital purposes. Further information on the use of funds raised can be found at slide 31 of the Investor Presentation released to ASX today.

Both the Placement and the Entitlement Offer are underwritten by Shaw and Partners Limited ("**Underwriter**").





Placement

The Placement to sophisticated and institutional investors, will utilise the Company's existing placement capacity under ASX Listing Rule 7.1 and will result in the issue of approximately 29.4m new Shares at an issue price of \$0.34 per Share to raise approximately \$10 million (before costs). Settlement of the Placement is expected to occur on 9 December 2021. Participants in the Placement will not be eligible to participate in the Entitlement Offer, except to the extent they are existing eligible Shareholders, in which case they can participate to their relevant pro-rata proportion of shares held on the record date.

Institutional Entitlement Offer

Eligible institutional Shareholders will be invited to participate in the institutional component of the Entitlement Offer ("**Institutional Entitlement Offer**"), which opens on 2 December 2021 and is expected to close on 3 December 2021, with settlement occurring on 9 December 2021.

Under the Institutional Entitlement Offer, eligible institutional Shareholders can choose to take up all, part or none of their entitlement. New Shares in relation to entitlements not taken up under the Institutional Entitlement Offer, or new Shares in relation to entitlements that would otherwise have been offered to ineligible institutional Shareholders, will be offered to eligible institutional investors and other institutional investors at the offer price through a bookbuild process. Any Shares not placed through the institutional bookbuild process will be subscribed for by the Underwriter. The Company has been placed in a trading halt while the Institutional Entitlement Offer and Placement is undertaken. It is expected that the trading halt will end at market open on Monday, 6 December 2021.

Retail Entitlement Offer

Eligible retail Shareholders with a registered address in Australia or New Zealand as at 7pm on 6 December 2021 ("**Eligible Retail Shareholders**") will have the opportunity to take up their entitlement of new Shares at the offer price and on the terms and conditions outlined in the Offer Booklet to be dispatched on 7 December 2021 ("**Retail Entitlement Offer**"). The Retail Entitlement Offer will open at 9.00am on 7 December 2021 and is anticipated to close at 5pm on 16 December 2021. New Shares offered under the Retail Entitlement Offer are expected to be issued on or around 23 December 2021.

Eligible Retail Shareholders can choose to take up all, part, or none of their entitlements. Furthermore, the Retail Entitlement Offer will include a shortfall facility under which Eligible Retail Shareholders who take up their Entitlement in full may also apply for additional shares that were not taken up by other Eligible Retail Shareholders ("**Top-up Shares**"), up to a maximum of 50% of the Eligible Retail Shareholder's Entitlement. There is no guarantee that applicants under the shortfall facility will receive all or any of the Top-up Shares for which they apply. Further details regarding the allocation and scale back policies will be set out in the Offer Booklet.

Eligible Retail Shareholders who have elected to receive electronic communications from the share registry on the Record Date will receive an email communication with information





relating to the Entitlement Offer and how to access the Offer Booklet and their personalised Entitlement and Acceptance Form.

The Company understands that the current delays in the postal system may impact the delivery of the Entitlement Offer Booklet and personalised application form when sent by post. The Company strongly recommends that all Eligible Retail Shareholders who have not already registered to receive email communications update their communication preferences online at www.computershare.com.au/easyupdate/dtc or www.investorcentre.com/au by no later than 5:00pm AEDT on Monday, 6 December 2021, in order to receive the details of the Entitlement Offer as quickly as possible.

An electronic copy of the Offer Booklet, along with information with respect to applying for your entitlement under the Retail Entitlement Offer, will be accessible on ASX's website (<https://www2.asx.com.au/markets/company/dtc>), or via the website established by the Company's share registry (<https://damstra-offer.thereachagency.com>), where Eligible Retail Shareholders can also access their personalised Entitlement and Acceptance Form. To access the share registry site with the Offer Booklet and personalised Entitlement and Acceptance Form, Eligible Retail Shareholders will need their SRN or HIN.

Indicative key Dates for the Placement and Entitlement Offer

Request trading halt and announce Placement and Entitlement Offer with Appendix 3B and cleansing statement to ASX	Thursday, 2 December 2021
Placement and Institutional Entitlement Offer conducted while in trading halt	Thursday, 2 December 2021
Placement and Institutional Entitlement Offer closes	Friday, 3 December 2021
Announce results of Placement and Institutional Entitlement Offer	Monday, 6 December 2021
Trading halt lifted	Monday, 6 December 2021
Trading of DTC shares resumes ex-entitlement	Monday, 6 December 2021
Record Date for eligible participants in Retail Entitlement Offer (Record Date)	7.00pm AEDT on Monday, 6 December 2021
Entitlement Offer Booklet despatched to shareholders and lodged with ASX	Tuesday, 7 December 2021
Opening Date for Retail Entitlement Offer (Opening Date)	Tuesday, 7 December 2021
Settlement of Placement and Institutional Entitlement Offer Shares (Institutional Settlement Date)	Thursday, 9 December 2021
Lodge Appendix 2A for Placement and Institutional Entitlement Offer Shares and issue cleansing statement for Placement Shares	Thursday, 9 December 2021
Placement and Institutional Entitlement Offer Shares commence trading (Institutional Issue Date)	Friday, 10 December 2021
Final day to extend Retail Entitlement Offer	Monday, 13 December 2021
Closing Date for Retail Entitlement Offer (Closing Date)	5.00pm on Thursday, 16 December 2021
Settlement of Retail Entitlement Offer (Retail Settlement Date)	Wednesday, 22 December 2021
Announce results of the results of the Retail Entitlement Offer and issue Retail Entitlement Offer Shares and lodge Appendix 2A for Retail Entitlement Offer Shares	Thursday, 23 December 2021
Retail Entitlement Offer Shares issued and commence trading	Friday, 24 December 2021





Dates and times in the above timetable are indicative only and may be subject to change. All times are in AEDT. The Company reserves the right, subject to the Corporations Act, ASX Listing Rules and other applicable laws, to withdraw or vary the dates and times set out above without notice. In particular, the Company reserves the right to extend the closing date of the Entitlement Offer, accept late applications, either generally or in particular cases, or withdraw the Entitlement Offer at any time, in each case without prior notice.

Advisers

Shaw and Partners Limited (“**Underwriter**”) has been appointed as lead manager and underwriter to both the Placement and Entitlement Offer. A summary of the Underwriting Agreement between the Company and the Lead Manager is set out on slide 43 of the Investor Presentation.

Coghlan Duffy + Co Lawyers has acted as the Australian legal adviser to the Company in respect of the Placement and the Entitlement Offer.

Cleansing notice

This notice is given by the Company under section 708AA(2)(f) of the Corporations Act, as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 (“**ASIC Instrument 2016/84**”).

As per section 708AA(7) of the Corporations Act, the Company advises that:

- (a) approximately 29,453,797 Shares will be issued under the Entitlement Offer (“**Entitlement Shares**”) without disclosure under part 6D.2 of the Corporations Act, as notionally modified by the ASIC Instrument 2016/84;
- (b) this notice is given under section 708AA(2)(f) of the Corporations Act, as notionally modified by ASIC Instrument 2016/84;
- (c) as at the date of this notice, the Company has complied with:
 - i. the provisions of Chapter 2M of the Corporations Act as they apply to the Company; and
 - ii. section 674 of the Corporations Act;
- (d) as at the date of this notice, there is no excluded information of the type referred to in sections 708AA(8) and 708AA(9) of the Corporations Act, as notionally modified by the ASIC Instrument 2016/84; and
- (e) the potential effect that the issue of the Entitlement Shares will have on the control of the Company, and the consequences of that, is set out below.

So far as the Company is aware, and based on substantial holding notices that have been lodged prior to the date of this notice, there are no Damstra Shareholders with voting power of 20% or more in the Company, and the Entitlement Offer is not expected to have an effect on control of the Company.

The potential effect that the issue of Entitlement Shares will have on the Company is as follows:

- (a) if all eligible Shareholders take up their entitlements under the Entitlement Offer, the issue of Entitlement Shares will have no material effect on the control of the Company and shareholders will retain the same percentage interest in the Company, subject only to minimal changes resulting from ineligible Shareholders being unable to participate in the Entitlement Offer; or





- (b) if a Shareholder does not take up their full entitlement, their interest will be diluted relative to those eligible Shareholders who do take up their entitlements and relative to those who apply for, and are issued, Top-up Shares under the shortfall facility. Acceptance of entitlements or the placement of any of the shortfall facility may also result in existing Shareholders significantly increasing their interest in the Company or obtaining a substantial interest in the Company.

The aggregate percentage holding in Damstra Shares of Shareholders with registered addresses outside of Australia and New Zealand, and any other foreign jurisdictions in which the Company determines to not to make the Institutional Entitlement Offer, will be diluted as a result of the issue of the Entitlement Shares.

Although the issue of Entitlement Shares (in respect of entitlements that are not taken up by eligible shareholders under the Entitlement Offer) may increase the voting power of the Underwriter, or of eligible investors who may be allocated Entitlement Shares via the institutional bookbuild process, it is not expected to have a material effect on the control of the Company.

Ends

Authorised for release to ASX by the Board of Damstra Holdings Limited.

Enquiries

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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.

For more information, please visit

<https://www.damstratechnology.com/>

<https://www.linkedin.com/company/damstra-technology/>





Disclaimer

References to currency are expressed in Australian dollars unless otherwise indicated. All amounts provided in this announcement are unaudited.

Nothing contained in this announcement constitutes investment, legal, tax or other advice. You should seek appropriate advice before making investment decisions.

This announcement contains “forward-looking statements.” These can be identified by words such as “may”, “should”, “anticipate”, “believe”, “intend”, “estimate”, and “expect”. Statements which are not based on historic or current facts may be forward-looking statements. Forward-looking statements are based on:

- 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.

Actual results, performance or achievements of the Company could be materially different from those expressed in, or implied by, these forward-looking statements. The forward-looking statements contained within the presentations are not guarantees or assurances of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of the Company, which may cause the actual results, performance or achievements of the Company to differ materially from those expressed or implied by forward-looking statements. For example, the factors that are likely to affect the results of the Company include general economic conditions in Australia and globally; exchange rates; competition in the markets in which the Company does and will operate; weather and climate conditions; and the inherent regulatory risks in the businesses of the Company. The forward-looking statements contained in this announcement should not be taken as implying that the assumptions on which the projections have been prepared are correct or exhaustive. The Company disclaims any responsibility for the accuracy or completeness of any forward-looking statement. The Company disclaims any responsibility to update or revise any forward-looking statements to reflect any change in the Company’s financial condition, status or affairs or any change in the events, conditions or circumstances on which a statement is based, except as required by law. The projections or forecasts included in this announcement have not been audited, examined or otherwise reviewed by the independent auditors of the Company.

You must not place undue reliance on these forward-looking statements.

This announcement has been prepared for publication in Australia and may not be released to US wire services or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction. Any securities described in this announcement have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws

