

**ASX Announcement**

1 August 2023

Damstra Technology

(ASX: DTC)

Non-Executive Directors demonstrate commitment to Damstra

Damstra Holdings Limited (ASX:DTC) (**Damstra** or the **Company**), provides an update on Non-Executive Directors' and Executive Directors' salary sacrifice arrangement.

Highlights

- Annualised cash savings to Damstra of \$422,000
- All Non-Executive Directors (**NEDs**) to salary sacrifice all Board and Committee fees for Options
- Executive Directors (**EDs**) continue to salary sacrifice 5% of their salary for Options
- Commencing 1st August 2023

During FY22, as outlined in FY22 Annual report, and subsequently approved by shareholders at the annual general meeting on the 30th of November 2022, Damstra implemented a salary sacrifice scheme for NEDs and EDs for FY23.

At the recent annual internal review of the Board's composition and skills, there was unanimous agreement that the present Board was appropriate in terms of structure and capability to continue Damstra's turnaround and build upon recent business success. Most notably, Damstra achieved positive free cash flow generation in Q4 FY23¹.

To demonstrate their confidence and further commitment to the Company, the NEDs have agreed to sacrifice 100% of their Director's fees, including Board and Committee fees, and EDs have agreed to continue to sacrifice 5% of their salary, for equity in Damstra for a 12 months period from 1 August 2023, subject to obtaining all necessary shareholder approval's at the Company's 2023 annual general meeting.²

The salary sacrifice by Damstra's NEDs and EDs will result in cash savings for the company on an annualised basis of \$422,000. The NEDs and EDs will, in return, be issued zero-priced options exercisable into ordinary shares on a 1:1 basis (**ZEPOs**) in the Company under the Company's equity incentive plan (**EIP**).

The ZEPOs will be calculated on 1:1.2 basis. Accordingly, the number of ZEPOs to be issued will be determined by dividing 120% of the respective Director's remuneration for the relevant period by the volume weighted average price of shares over the 5 trading days on which trades occur immediately prior to the beginning of each 3-month period commencing on 1 August 2023, 1 November 2023, 1 February 2024 and 1 May 2024, respectively.³

Shareholders will be advised of further detail in the FY23 Annual report and will be able to vote on these arrangements at the next Annual General Meeting.

¹ ASX release 10th July 2023, titled "Damstra generates free cash flow in Q4 FY23"

² If shareholder approval is not obtained, fees will accrue and be payable in cash.

³ The ZEPOs will have a nil (\$0) exercise price and will expire 15 years from the date of issue. The ZEPOs will vest at 5pm (Melbourne time) at the end of the relevant 3-month period, provided that the Director remains a Director of the Company at that time and no notice of resignation has been given. As the ZEPOs will be issued under the EIP, the terms of the EIP will also apply. If engagement as a Director ceases prior to the relevant vesting date and the relevant Director is considered a Good Leaver under the EIP Rules, unless the Board determines otherwise, the relevant Director's ZEPOs will vest pro-rata to the proportion of the relevant 3-month period during which the Director was engaged.



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

Ends

Enquiries

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About Damstra

Damstra is a global leader in enterprise protection software. Its Enterprise Protection Platform (EPP) integrates an extensive range of modules and products that allows organisations to mitigate and reduce unforeseen and unnecessary business risks around people, workplaces, assets, and information.

Integral to the Damstra EPP, Damstra's Workforce Management, Learning Management and Connected Worker solutions combine to ensure Protected People. In creating workplaces that are Safe, Damstra's Access Control, Digital Forms and Safety Solutions are utilised. Assets are connected into operations, through integrated Asset Management enabling Asset mobilisation and offerings in RFID and IOT. And lastly Accessible Information, Reporting BI tools and Predictive Analytics are critical to ensuring customers are making the right decisions with the right information.

All monetary figures are provided in \$AUD and on an unaudited basis.

For more information, please visit <https://www.damstratechnology.com> or visit our LinkedIn page <https://www.linkedin.com/company/damstra-technology>



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