



**ASX Announcement**

17th August 2023

**Damstra Technology**

(ASX: DTC)

## **Damstra delivers \$2.8m in further cost savings**

Damstra Holdings Limited (ASX:DTC) (**Damstra** or the **Company**), today announces it has materially implemented its \$3.0m cost reduction initiative.

In our recent 4C/Q4 FY23 results<sup>1</sup> Damstra announced as part of continual cost discipline, during FY24 Damstra would implement further annualised cost savings of \$3m.

\$2.8m of these cost savings have now been implemented. The impact of these cost savings will be seen from Q2 FY24. Actions to implement the remaining savings are in progress, which will impact H2 FY24.

At a strategic level, the completion of this initiative has further underpinned Damstra's sustainable free cash flow generation. At an aggregate level, this is a ~10% reduction on the FY23 cost base.

A one-off restructuring charge of \$460,000 has been taken in August.

Damstra sees the business now as cash generative, underpinned by current revenue, recent contract success, our sales pipeline, and a cost based reduction of a further \$2.8m due to this initiative.

Damstra is strategically targeting a cost to revenue ratio in the low 80% range. It is important to note, with this metric costs as % revenue, includes all R&D costs, both expensed and capitalised.

These savings have been achieved via:

- Further product integration, reducing duplicate and overlapping resources
- The retirement of legacy systems
- Reduction of 3<sup>rd</sup> party R&D resources
- Closure of two offices
- Rationalisation of 3<sup>rd</sup> party software
- Reduction of business support costs
- Implementation of NED salary sacrifice<sup>2</sup>

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

**Ends**

---

<sup>1</sup> ASX announcement 24<sup>th</sup> July, 2023

<sup>2</sup> ASX announcement 1 August, 2023





## Enquiries

### Investors

Paul Burrows

+61 413 513 377

[p.burrows@damstratechnology.com](mailto:p.burrows@damstratechnology.com)

## 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.

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

### Forward-Looking Statements

This ASX release includes certain forward-looking statements that are based on information and assumptions known to date and are subject to various risks and uncertainties. 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 could be significantly different from those expressed in, or implied by, these forward-looking statements. Such forward-looking statements are not guaranteeing of future performance and involve known and unknown risks, uncertainties, and other factors, many of which are beyond the control of Damstra. These factors may cause actual results to differ materially from those expressed in the statements contained in this announcement.

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.

