

ASX Announcement

Financial Results 1HY21 ending 31 December 2020

Highlights

- 48% increase from 1HY20 in revenue to \$11.6m from ordinary activities (\$12.4m in total)
- 1,421% increase EBITDAⁱ to \$2.9m from 1HY20
- 351% increase in profit after tax to \$1.2m from 1HY20
- Net asset position increased to \$7.4m
- Leverageⁱⁱ reduced to 0.70x

Dynamic Drill and Blast Holdings Ltd (DDB or the Company) is pleased to announce its 1HY21 financial results for the period ending 31 December 2020.

The Company's Initial Public Offering (IPO) took place on 6 August 2020, with costs associated to the IPO being included during this reporting period. The additional new work and the successful execution of work in hand has resulted in a pleasing rate of growth for the Company.

DDB experienced a significant uplift in revenue for the period compared with 1HY20, as well as a considerable increase in EBITDA, NPAT, while reducing leverage and strengthening the balance sheet.

The Company has reduced customer concentration during the period, as well as diversifying the sectors which services are provided within to include gold, iron ore, lithium and controlled blasting civil construction work.

DDB has also on-boarded an experienced and capable core management team and Board of Directors, which provides the capacity for growth. Three additional drill rigs have been secured during the period and investments have been made preparing the assets for operation.

The Company has also purchased a Mobile Explosives Processing Unit (MPU), as well as additional light vehicles and ancillary items during the period, which has reduced margin leakage. DDB is focussing on owning rather than hiring assets required to carry out its service provision.

DDB Managing Director, Mark Davis said, "We are pleased to be diversifying our client base, adding longer term production projects, including the precious metals sector. These contracts complement our current operations, which include long term mining projects and specialised civil works, which will support the sustainable growth of the business. The strengthened balance sheet, stronger margins, larger fleet and bolstered internal resources allow DDB to continue on its strategic growth path.

I would like to take this opportunity to thank all of our employees, customers, suppliers and shareholders for their ongoing efforts and support".

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DDB continues discussions with various parties regarding further projects which are currently within the tender pipeline. The status of these discussions are at various stages and DDB will keep the market informed in accordance with its continuous disclosure obligations.

This announcement has been authorised by the Board of DDB.

-ENDS-

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About Dynamic Drill & Blast

DDB is a supplier of drilling and blasting services to clients in the mining and construction sectors in Western Australia. DDB has a highly experienced executive management team focused on quality service provision, employee safety and providing solutions. DDB focuses on mid-size mining and construction projects within a range of commodity sectors, including iron ore, lithium and gold, as well as construction projects throughout Western Australia.

DDB's project pipeline is based around medium to long term contracts. DDB also undertakes short term specialised drilling and blasting projects.

DDB is committed to business and quality management systems that provides the framework for its personnel to achieve its customer's measurable objectives, while using continual improvement initiatives to strive for best practice performance.

Since incorporation, DDB has comprehensive policies, procedures and processes that aid the safe, effective and efficient provision of services.

Forward-Looking Statements

This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning Dynamic Drill and Blast Limited's planned work and other statements that are not historical facts. When used in this document, the words such as "could," "plan," "estimate," "expect," "intend," "may", "potential", "should," and similar expressions are forward-looking statements. Although Dynamic Drill and Blast Limited believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual work will be consistent with these forward-looking statements.

ⁱ Operating EBITDA are non-IFRS metrics.

ⁱⁱ Net debt / Operating EBITDA