

ASX Announcement



4 November 2022

2022 Annual General Meeting and 1Q23 Update

Attached is a copy of the Chair's Address and the Managing Director/CEO's Address and Presentation to be made at the DDH1 Limited Annual General Meeting (**AGM**) commencing at 2.00pm (Perth Time) today.

Additional Information regarding the AGM is available in DDH1's 2022 Notice of Annual General Meeting, which is available at: www.DDH1.com.au/investors/

Teleconference Facility

Shareholders and other investors may listen to the AGM live using the following teleconference facilities.

Pre-Registration Link: <https://s1.c-conf.com/diamondpass/10025664-q9h4iu.html>

Following registration, participants will receive a calendar invite and conference call participation code.

This ASX announcement has been authorised for release by the Board of DDH1 Limited.

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About DDH1 Limited

DDH1 is a quality specialist global drilling company.

The company has four strong and well-established brands: DDH1 Drilling, Ranger Drilling, Strike Drilling and Swick Mining Services. Together they create a global scale mineral drilling company with operations throughout Australia, North America, and Western Europe.

The company has 185 rigs and one of the top five largest fleets globally (approx. 60% surface and 40% underground). DDH1 maintains a modern fleet with best-in-class technology to deliver optimal productivity, value, and safety for customers and employees.



The company offers a broad range of specialty drilling services across the mining value chain and has a reputation for quality and service delivery. Approximately 80% of DDH1's customers are repeat business.

The company's revenue is predominately derived from the production and resource definition phase, which is less cyclical. DDH1's drilling services are commodity agnostic, and the company has exposure to a diverse range including gold, iron ore, nickel, copper, and other critical metals. DDH1 has no exposure to coal.

DDH1 prioritises safety and is investing in automation and rigs of the future to minimise perceived high-risk operations and impact on the environment.

The company has an experienced leadership team and a best-in-class workforce. Together they maintain a quality-focused culture and are driving its organic and inorganic growth strategy to deliver sustainable returns for shareholders.

For more information, please visit <https://ddh1.com.au/>

DDH1 Limited 2022 AGM

Chairperson's Address – Diane Smith-Gander AO

Slide 1 – Cover

Good afternoon, everyone. Thank you for joining us today and welcome to DDH1 Limited's (DDH1) Annual General Meeting. I am Diane Smith-Gander and as Chairperson of DDH1, I will Chair today's meeting.

It is my pleasure to welcome shareholders and visitors who have joined in-person and by teleconference.

Acknowledgement to Country

Before formally opening the meeting, on behalf of DDH1, I would like to acknowledge the traditional custodians of the land we are meeting on, the Whadjuk Nyoongar (Perth region) people. We pay our respects to their elders past, present, and emerging, and acknowledge and respect their continuing culture and the contribution they make to the life of this city and this region.

In the spirit of reconciliation, we also acknowledge all other traditional custodians of country throughout Australia and their connections to land, sea, and community. We pay our respect to their elders past, present, and emerging and extend that respect to all Aboriginal and Torres Strait Islander peoples today.

Quorum

I am advised that we have a quorum present, and I now declare the 2022 Annual General Meeting for DDH1 open.

Slide 3 – What we Do

For those of you who are new to DDH1, this well-established company provides a complete range of surface and underground drilling services to its customers in key mining regions of the world. Its track record of performance and quality throughout all aspects of the business, enable attractive operating margins and cash generation.

Slide 4 – Our Board of Directors

Joining me today is the DDH1 Board of Directors. Our Managing Director & CEO, Sy van Dyk, and Non-Executive Directors, Andrea Sutton, Murray Pollock, Alan Broome and Byron Beath.

Slide 5 – Our Senior Management Team

Also with us today are a number of senior executives and employees, including CFO and Joint Company Secretary Ben MacKinnon, Joint Company Secretary Darryl Edwards and the founder of Strike Drilling Richard Bennett.

Unfortunately, Kent Swick and Matt Izett, the respective founders of Swick Mining Services and Ranger Drilling, are unable to join us and send their apologies.

This is the first AGM where Australia's leading underground diamond driller Swick Mining Service (**Swick**) is part of the group, and we extend a special welcome to Nick Rossides, GM of Operations, representing them today.

We have enormous respect for what Kent Swick and his team at Swick have delivered to their customers over the years and are very excited about their potential as they deploy their engineering innovations and services, which demonstrate a deep understanding of their customer requirements.

The acquisition of Swick has brought together two iconic drilling companies.

Welcome to former Swick shareholders who have joined us today for this meeting.

Auditors

We also have in attendance David Newman, Audit Partner from Deloitte Touche Tohmatsu, the company's Auditors, who is available to answer any questions on the audit and related matters.

Slide 6 – Overview

Procedural Matters and Poll Open

Moving now to the meeting overview and some procedural matters. Many of our shareholders have taken the opportunity to submit their voting instructions and questions through the online voting platform. We thank them for doing so in advance of this meeting.

All resolutions will be decided on a poll.

For shareholders and proxyholders joining us in person today, you are encouraged to complete your voting card during the meeting.

At the end of the formal business of the meeting, I will provide a reminder to submit votes before the poll is closed.

Where proxies have been given to me as Chair, I will vote proxy votes allocated to me in favour of that resolution, where no instructions have been given regarding a resolution.

Poll Open

Rod Somes from Computershare will act as the returning officer for the purposes of conducting and determining the results of the poll on each resolution and the results will be announced through the ASX company announcements platform later today and will also be available on the DDH1 website.

Questions on Business Items

I also confirm that after reading each resolution, shareholders will have the opportunity to comment or ask any questions relating to the relevant resolution. In the interests of all participants, please ensure that your questions are relevant to all shareholders.

When I call for questions, please show your green, or yellow card and provide your name. If you are representing an organisation, please state who you represent. In order to enable all shareholders a reasonable opportunity to be heard, if you have a number of questions on a particular item of business, please ask them together when you come forward.

Proxy Votes

Total proxy votes received by 2.00pm (Perth time) on Wednesday, 2 November 2022 equate to approximately 60% of the ordinary voting shares of the company.

Upon introduction of each resolution, I will advise you of the proxy votes for that resolution.

Notice of Meeting

The notice of the meeting was lodged with the ASX on 3 October 2022 and shortly thereafter, shareholders who elect to receive communications electronically would have received a link to the notice of annual general meeting and proxy form.

If there is no objection, I propose that the notice of meeting be taken as read.

Before moving to the formal business items, I would like to cover DDH1's highlights, together with our Board's focus areas for the coming year. I will then invite, Sy van Dyk, to provide a more detailed overview of the company's performance during FY22.

Slide 7 – Chairperson's Address

Commencing now with DDH1's operational highlights on slide 8.

Slide 8 – FY22 Proforma Operational Highlights

During the year, DDH1 continued its trend of strong financial performance, which is firmly grounded on operational excellence, technical leadership, and a quest for continuous improvement. Importantly, DDH1 delivered on its long-term strategy, which includes organic and inorganic growth, and continued to protect the wellbeing of its teams.

- Pleasingly, DDH1 enhanced its safety performance and improved its total recordable injury frequency rate by 21.4% to 8.65. This positive outcome reflects the company's strong safety culture, and the attention leadership places on maintaining best-in-class equipment, engaging quality people, and engineering out risk;
- Organic growth was recorded across all of our businesses. This growth was driven by increasing demand from our substantial customer base and by new business opportunities, resulting in higher rig utilisation;
- 14 drill rigs were added to the fleet, and a further 11 will be built or delivered during FY23 to meet demand;
- The number of shifts increased by 10.2%;
- Despite a tight labour market, the team increased by 258 people. This is a positive reflection of DDH1's strong employee value proposition; and finally
- DDH1 acquired Swick Mining Services Drilling. The acquisition has provided the company with growth opportunities while leveraging complementary services, common processes, and cost base to create long-term value for shareholders.

Slide 9 – Quote

DDH1 achieved record results during FY22, notwithstanding the ongoing impact of COVID and heightened macroeconomic pressures. Again, all members of the DDH1 team should be acknowledged for their contributions.

Slide 10 – FY22 Proforma Financial Highlights

Looking now at our FY22 financial performance on slide 10. I would like to focus on three highlights:

- Firstly, underlying FY22 EBITDA of \$113.6 million was up 10% on the prior year.
- Secondly, DDH1 continued to generate strong cash from operating activities and maintained a strong balance sheet; and finally
- The Board declared a final fully franked dividend of 2.65 cents per share representing a payout ratio of 42.5% of NPATA. This brings the total dividends to 5.16 cents per share for FY22.

These results are a testimony to how DDH1 operates and allow the company to continue to deliver on its growth strategy, whilst balancing long-term value creation with the distribution of sustainable dividends to our shareholders.

DDH1's strong financial position at the end of FY22 enabled it to announce on 1 July 2022, an on-market buy-back program of up to 34,280,468 shares valued at approximately \$28 million. DDH1 has been active in this program, and as at 3 November 2022, the company has acquired 13,760,030 shares at a total cost of \$11.5 million. The Board still perceives DDH1 as undervalued.

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Slide 11 – Board Priorities for FY23

Moving now to the Board's priorities on slide 11. During FY23, the Board will remain focused on:

- Its oversight of employee safety and wellbeing;
- Enhancing operational excellence and ensuring a best-in-class fleet;
- Pursuing DDH1's strategy with disciplined growth at the right pace; and
- Maturing as a listed entity where there is greater ESG disclosure and market recognition for the quality of the business model and consistent financial performance.

Slide 12 – ESG Approach

Looking more closely at our ESG priorities on slide 12. In addition to building on existing initiatives, including capability development, mental health awareness, diversity and inclusion programs, community support and investing in safer more sustainable rigs, our aim during FY23 is to:

- Formalise our ESG Policy;
- Determine the topics that are material to the business; and
- Release DDH1's first Sustainability Report.

The company's HSE & Sustainability Committee, which is chaired by Murray Pollock, will guide this process, and continue to embed additional initiatives into DDH1's day-to-day operations.

Slide 13 – Choose Respect Campaign

The Choose Respect Campaign featured on slide 13 is a DDH1 Drilling initiative and an excellent example of how the company is prioritising the total wellbeing of its people within each of its divisions.

Clear values and a strong positive workplace culture are essential to attracting, retaining, and engaging our teams for the long-term. Similarly, the ongoing training regarding respectful workplace behaviours and upholding DDH1's values, is central to providing a safe and positive workplace for all our people.

Before inviting Sy to speak, I would like to reiterate some of the comments I made in the FY22 Annual Report.

DDH1 is a very inclusive organisation. All of the Board members here today engage with the operational teams and hear directly from them. We see their attention to the economic drivers of our returns, and also their real values-based leadership. I am consistently surprised on the upside at their dedication, creativity and thoughtfulness to drive safety initiatives, operational improvements and long-term performance. On behalf of the Board, I express my sincere gratitude to Sy and his teams.

Thank you, Sy.

DDH1 Limited 2022 AGM

Managing Director & CEO Address – Sy Van Dyk

Slide 14 – MANAGING DIRECTOR & CEO'S ADDRESS

Thank you, Diane. Welcome everyone and thank you for your attendance. I confirm a copy of my presentation has also been lodged with the ASX this morning.

Slide 15

Before providing an overview of our business and operations, I would like to extend my sincere thanks to our teams and their families.

Everyone should be acknowledged for their tireless dedication to each other, our company and for delivering on our growth strategy. Our can-do culture and teams' willingness to meet the changing requirements of our broad customer base are exceptional.

SLIDE 16 – BUSINESS OVERVIEW

Commencing now with an overview of our business on slide 17.

Slide 17 – Our Leading Global Drilling Business

While DDH1 has only been listed since March 2021, our portfolio of well-established leading brands has a proven track record of performance and service delivery for multiple decades.

Together they form one of the largest drilling fleets globally and can deliver the best solution, service, and equipment to our clients at any stage of their projects.

Slide 18 – Our Services Across the Mining Value Chain

The graphic on slide 18 shows our full suite of specialised drilling services across the mining value chain.

We focus on production and resource definition contracts, which are less impacted by industry cycles. These contracts require a greater level of drilling activity and are typically longer term involving multiple rigs.

Our capability to provide services across the value chain enables us to leverage existing experience and understanding of site geology to continue to provide services as a project progresses. Mine operators benefit from the drilling efficiencies this provides. Extending services to existing clients is a key component of our growth strategy.

Complementing our strong presence in development and production, we have selective exposure to highly prospective greenfields exploration drilling.

Slide 19 – Our Diversified Quality Revenue Base

Turning now to slide 19 and our diversified quality revenue.

Starting with the graph on the left.

- We have a low-risk revenue profile with the large majority of our revenue generated from the production and resource delineation phase, which is typically less cyclical.
- As mentioned, our group generates its revenue via four leading brands, DDH1 Drilling, Ranger Drilling, Strike Drilling and Swick Mining Services, each delivering unique strengths and complementary capabilities. While our brands operate as autonomous businesses, they share best-practice drilling, industry insights and maintenance and engineering expertise. Importantly, by being part of the DDH1 group, significant corporate, operational and procurement savings can be achieved.
- We have developed long-term relationships with our customer base. Eight of our top ten clients during FY22 have been with our Company for more than five years, representing 56% of total revenue. This broad and loyal customer base is due to our investment in best-in-class drill rigs and our ability to attract and retain the most talented operational teams.
- Our services are commodity agnostic. Currently, our largest exposure is to copper, iron ore and gold. We have no exposure to coal.

Slide 20 – Our Global Scale

Moving now to our global operations on slide 20.

We are the largest drilling services provider in Australia by rig fleet size and have a significant and growing presence within global markets. As you can see from the graph on the right, we are currently the third-largest drilling services provider globally by revenue.

Our acquisition of Swick this year provides an excellent platform to extend our service offering and global footprint. Swick, a leading international underground diamond drilling provider, facilitates access to the highly prospective markets in North America and Western Europe, to expand our surface drilling operations.

Slide 21 – Our Strengths

To summarise this section, our key strengths are highlighted on slide 21.

- We are a well-established business with a presence in key mining regions, a broad customer base and 87% of revenue generated from production or resource delineation focussed activities.

- Our track record of strong financial performance and diligent management is demonstrated by our revenue CAGR of 13%, strong cash generation and a strong return on invested capital.
- Our reputation for being a quality specialist drilling provider across the mining value chain is due to our exceptional best-in-class workforce and investment in our modern fleet.

SLIDE 22 FY22 PERFORMANCE

Diane has covered some of the headline numbers, so I will provide a brief overview of our performance for FY22.

Slide 23 – Strong Revenue Growth

Commencing with revenue on slide 23.

We have a proven track record of strong financial performance and FY22 was no exception.

During the year we generated \$506.9 million of proforma revenue, which was a 14.0% uplift on FY21. This record result reflected the strong activity and demand for our comprehensive and quality service offering.

Proforma revenue per shift and average revenue per rig increased 3.4% and 6.9% respectively. This uplift reflected our ability to increase rates and achieve higher utilisation, notwithstanding the labour challenges during FY22.

Slide 24 – Strong Earnings Growth

Moving now to earnings on slide 24.

Our underlying proforma EBITDA of \$113.6 million was also a record result for our Company and 10.0% up on the previous comparative period.

As expected, we experienced some inflationary pressures, notably on wages, repairs and maintenance and consumables.

We are working diligently to offset input costs and have a history of successfully managing all aspects of our business.

Slide 25 – Strong Balance Sheet

Finally, our balance sheet on slide 25.

We have strong cash generation and maintain a healthy balance sheet.

At 30 June 2022, net debt was \$16.8 million, and we had \$61.7 million available in unused debt facilities. Our leverage is low at 0.15 times net debt to proforma underlying EBITDA.

Notably, our return on invested capital was particularly strong at 27%.

SLIDE 26 – GROWTH STRATEGY

Moving now to our strategy for growing our global business on slide 27.

Slide 27 – Our Strategic Focus

During FY22 we continued to drive our clear strategy for growth, which at a high level includes:

- Pursuing organic growth via fleet expansion and maximising rig utilisation;
- Building on our long-term and exclusive contracts across the mining value chain;
- Leveraging Swick’s underground drilling expertise and established international presence for further market expansion; and
- Pursuing disciplined and high-quality complementary acquisitions that bring further diversity and scale.

Slide 28 – Well Positioned to Increase Rig Utilisation

The graph on slide 28 illustrates the increasing number of rigs in our fleet, which has a combined 10-year compound annual growth rate of 8%. Again, this highlights our track record of performance.

At the close of FY22, we had 183 drill rigs available to service our growing markets. Our fleet size now totals 185 rigs, and we expect to take delivery of a further 7 rigs by the end of calendar 2022 and another rig in 1H23.

With ongoing strong demand, we anticipate utilisation rates to remain high.

Slide 29 – Focus areas for FY23

As set out on slide 29, during FY23 we will remain focused on executing our long-term strategy. More specifically we will concentrate on:

- Fleet utilisation, productivity, and rates;
- Cash flow generation;
- The integration of Swick and extracting synergies from the transaction;
- Being a leader at the forefront of the renewable transition given such a high correlation of our focused commodities and their criticality in the transition from fossil fuels; and
- Disciplined investing in any additional capacity.

SLIDE 30 – INDUSTRY & MARKET UPDATE

Moving now to an update on our industry drivers and market conditions.

Slide 31 – Strong Demand and Diminishing Reserves

The graph on slide 31 highlights how expenditure peaked in FY12 and significantly decreased in the following years. Today we are still some 37% off the previous high, notwithstanding a diminishing reserve and a lack of significant discoveries in recent years.

For resource companies to maintain production levels, further investment in the expansion of their existing projects or the discovery of new projects is needed. This of course requires additional drilling and is good news for our company.

Similarly, demand for battery metals, or metals required to support global decarbonisation targets, is increasing at a faster rate. Many of these metals can be found in abundance in Australia, where we have a well-established presence. Again, this is positive for DDH1.

Slide 32 – Commodity Prices Remain Relatively High

Looking briefly now at slide 32. While some commodity prices have softened recently, the graph illustrates that they remain relatively high and supportive of the ongoing investment and exploration needed.

Slide 33 – Clients are Well Funded

Moving to the final slide in this industry update. Slide 33 highlights that our customers have very strong balance sheets and remain well funded to maintain or increase their drilling programs.

We work closely with customers and have good visibility regarding their drilling programs. As we called out with the full year results, we have contracted or commitments for 80% of revenue for FY23.

The data on the right show positive global exploration trends during calendar 2022. Importantly, budgets still remain lower than the 2012 peak.

SLIDE 34 – 1Q23 UPDATE & OUTLOOK

I would now like to move to the final section of my presentation, which commences with our 1Q23 performance on slide 35.

Slide 35 – 1Q23 Performance and Update (unaudited)

Activity in all regions remained strong.

During 1Q23 we generated unaudited revenue of \$148.9 million, which is up 16.7% on the prior year, and our average revenue per rig was up 4.3%.

At the earnings level, our unaudited EBITDA result of \$34.7 million was up 9.5% on 1Q22.

Operationally, I would like to highlight five key areas:

1. Pleasingly, our recruitment drive has been successful building a quality team.
2. Rig utilisation remained very strong at 80.9% and our average number of shifts increased.
3. COVID related disruptions are significantly less and supply chain pressures, particularly freight times, are continuing to ease.
4. The integration of Swick is on track and we are now realising some of the cost efficiencies; and finally
5. Our EBITDA levels remain solid, despite the inflationary environment. As reported with our full year results, we are working hard to manage costs.

Slide 36 – Outlook Remains Positive

Turning now to slide 36. The outlook for the balance of FY23 is positive.

Despite the macroeconomic concerns that are currently impacting market sentiments, the fundamentals driving demand for DDH1's services remain compelling. Key long-term growth drivers include:

- The majority of DDH1 revenue is derived from production and resource definition drilling programs. In FY22 87% of revenue was generated from this segment;
- Exploration and resource companies remain well funded and have strong balance sheets to undertake drilling programs;
- There is a strong need for exploration to maintain diminishing mining reserves;
- There is increasing demand for battery metals, which require commodities that DDH1 drills for and are found in abundance in Australia; and
- The need for deeper drilling is resulting in larger drilling programs and an increasing demand for specialist drilling.

Furthermore, we expect to increase our fleet size by 11 rigs during FY23.

Exploration budgets remain strong, and our customers are reporting ongoing or increased drilling programs.

In summary, we are positive regarding the outlook for FY23 and drivers for the longer-term are compelling.

Slide 37 – Well Positioned to Deliver Sustainable Results

As summarised on slide 37, our company is in a strong position to leverage these industry growth drivers and provide sustainable returns to our shareholders.

- We have a strong core business with a consistent track record of leading service delivery.
- Our workforce is one of the best in the industry and we have an increasing modern fleet.
- We have quality recurring revenue with 87% from the production or resource definition drilling phase.
- Our cash generation is strong.
- We have a healthy balance sheet with the ability to pursue disciplined organic and acquisitive growth.
- We maintain a dividend policy of 30% –50% of operating NPATA.

Slide 38 – Our Thanks to a Quality Team

Before handing back to our Chair, I would like to thank our valued shareholders for your ongoing support. I would also like to express my thanks to our Board and senior management teams for your invaluable counsel.

Finally, I express my sincere gratitude to every member of our global team. Your hard work and loyalty are appreciated and are at the heart of the success of our company. I would particularly like to acknowledge our field crews who have spent extended time in quarantine, away from their families, friends, and homes due to COVID during FY22.

I am so proud of what we have achieved this year by working together as a strong team and embodying our values. I am looking forward to building on our achievements during the balance of FY23.

DDH1 Limited 2022 AGM Formal Business Items & Resolutions – Diane Smith- Gander AO

Slide 39 – FORMAL BUSINESS ITEMS AND RESOLUTIONS

Thank you Sy for your address, I will move to the formal items of business for consideration by shareholders.

END.

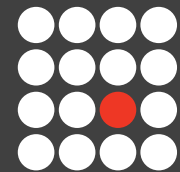
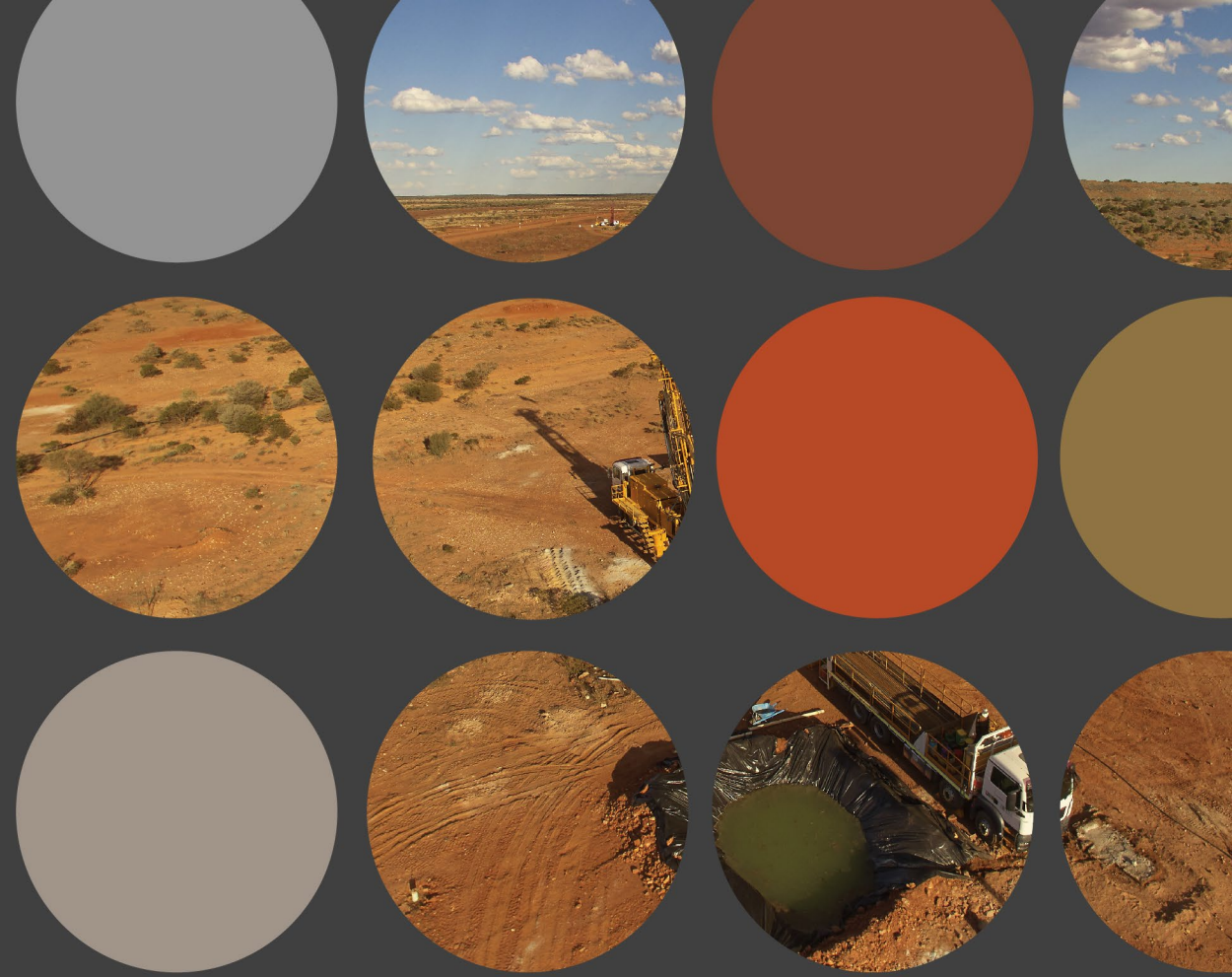
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DDH1 LIMITED

PRESENTS

2022 Annual General Meeting

4 November 2022



DDH1
LIMITED

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This presentation should be read in conjunction with DDH1’s prospectus dated 10 February 2021, FY22 Annual Report, the HY22 half-year financial statements and other periodic and continuous disclosure announcements that have been lodged by DDH1 with the ASX.

This presentation is not intended as an offer, invitation, solicitation, or recommendation with respect to the purchase or sale of any security in the united states or any other jurisdiction.

Financial data: all dollar values are in Australian dollars unless stated otherwise.

Non-IFRS information: DDH1’s financial reporting complies with Australian accounting standards and international financial reporting standards (“IFRS”). This presentation includes material that contains non-IFRS measures that are not subject to audit. The non-IFRS information has not been audited. DDH1 believes this non-IFRS financial information provides useful information to users in measuring the financial performance and conditions of DDH1. The non-IFRS financial information does not have a standardised meaning prescribed by Australian accounting standards and, therefore, may not be comparable to similarly titled measures presented by other entities, nor should they be construed as an alternative to other financial measures determined in accordance with Australian accounting standards. Investors are cautioned, therefore, not to place undue reliance on any non-IFRS financial information and ratios included in this presentation. Such non-IFRS financial information is unaudited.

Forward-looking statements and risks: this presentation may contain forward looking statements concerning activities which are or may be undertaken, outlook or other matters. Any such forward-looking statements are based on assumptions, which may differ materially from the actual circumstances which may arise. Actual results may differ from projections and such variations may be material. You should not place undue reliance on any projections,

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DDH1 LIMITED

WHAT WE DO

At DDH1 we provide a **complete range of specialised surface and underground drilling solutions** to our mining and exploration clients globally.

We focus on providing accurate information in the most efficient and cost-effective manner, which underpins our **sustained best-in-class** operating margins and cash generation.

We aspire to be the **world's leading driller** through innovation and a continued focus on high quality reliable services.

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DDH1 LIMITED

OUR BOARD OF DIRECTORS



Diane Smith-Gander AO

Independent
Non-executive Chair



Alan Broome AM

Independent
Non-executive Director



Andrea Sutton

Independent
Non-executive Director



Murray Pollock

Non-executive Director



Byron Beath

Non-executive Director



Sy van Dyk

Managing Director
& CEO

OUR SENIOR MANAGEMENT TEAM



Sy van Dyk

Managing Director
& CEO



Ben MacKinnon

CFO & Joint
Company Secretary



Darryl Edwards

Joint Company Secretary



Kent Swick

Managing Director
Swick Mining Services



Richard Bennett

Managing Director
Strike Drilling



Matt Izett

Managing Director
Ranger Drilling



Russell Chard

General Manager
Operations East
DDH1 Drilling



Peter Crennan

General Manager
Operations West
DDH1 Drilling



Clay Schmidt

General Manager
Strike Drilling



Stuart Baird

General Manager
Ranger Drilling



Nick Rossides

General Manager Operation
Swick Mining Services

DDH1 LIMITED

OVERVIEW

FY22 AGM Agenda

Procedural Matters

Chairperson's Address

Managing Director & CEO Address

Resolutions & Polling

Finalisation of Polls

Close of AGM

Refreshments

DDH1 LIMITED

SECTION 1

Chairperson's Address



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FY22 PROFORMA OPERATIONAL HIGHLIGHTS



21.4%

Improved Rolling
12-month TRIFR¹

30 JUNE 2022 - 8.65
30 JUNE 2021 - 11.01



2.4%

Rig
Utilisation

FY22 - 77.4%
FY21 - 75.0%



10.2%

Number of
Shifts

FY22 - 91,228
FY21 - 82,782



SWICK

Transformative
Transaction

72 RIGS
608 SKILLED EMPLOYEES



258

Additional
Employees

FY22 - 1,863
FY21 - 1,605



14

Quality
Rigs

RIGS AT 30 JUNE 2022 - 183
RIGS AT 30 JUNE 2021 - 169

Note - Results are on a proforma basis, as they include Swick Mining Services' Drilling Division (Swick Results) for all comparative reporting periods

¹Total Recordable Injury Frequency Rate (calculated over 1 million work hours)



We achieved record results not withstanding a challenging operating environment.

SY VAN DYK

Managing Director & CEO

FY22 PROFORMA FINANCIAL HIGHLIGHTS



14%

Revenue
Uplift

FY22 – \$506.9M
FY21 – \$444.7M



6.9%

Annualised
Revenue Per Rig

FY22 – \$2.9M
FY21 – \$2.7M



10%

Underlying
EBITDA¹

FY22 – \$113.6M
FY21 – \$103.3M

22.4% MARGIN



7.7%

Operating
EBITDA²

FY22 – \$111.3M
FY21 – \$103.3M

22.0% MARGIN

\$16.6M

Net
Debt³

\$7.7M NET CASH
AT 30 JUNE 21

27.0%

Strong
Underlying ROIC

AT 30 JUNE 22



12.9%

Underlying
EBITA⁴

FY22 – \$76.2M
FY21 – \$67.5M

15.0% MARGIN



2.65cps

Fully Franked
Final Dividend

FY22 INTERIM – 2.51cps
FY21 FINAL – 2.18cps

42.5% UNDERLYING
PROFORMA NPATA

Note – Results are on a proforma basis, as they include Swick Mining Services' Drilling Division (Swick Results) for all comparative reporting periods.

¹ Underlying EBITDA equals Statutory EBITDA adjusted for acquisition costs for Swick, profit on the sale of assets, non-cash revaluation of listed investments, redundancy costs and amounts provisioned for outstanding amounts owed by Wiluna Mining Corporation and equity investment in Wiluna Mining Corporation. ² Operating EBITDA equals Statutory EBITDA adjusted for acquisition costs for Swick, profit on the sale of assets, non-cash revaluation of listed investments and redundancy costs. ³ Net Cash (Debt) excludes AASB 16 Right of Use liabilities ⁴ Underlying EBITA equals Underlying EBITDA adjusted for depreciation.

BOARD PRIORITIES FOR FY23

Employee safety and wellbeing, including building greater diversity in our workforce

Enhancing our company's operational excellence and best-in-class fleet

Pursuing our strategy, with disciplined growth at the right pace

Greater market recognition for the quality of our business model and consistently strong financial performance

Maturing as a listed entity where there is greater ESG disclosure and sustainability embedded in the business



ESG APPROACH

Our Board and senior management teams recognise the importance of enhancing disclosure relating to the ESG related risks and opportunities that may impact our company

During FY23 we will formalise our ESG Policy, material topics and release our inaugural Sustainability Report

Our HSE & Sustainability Committee will guide our sustainability journey and monitor performance against our ESG objectives



DDH1 LIMITED

CHOOSE RESPECT CAMPAIGN

DDH1 Drilling Initiative

Reinforcing DDH1 values

Supporting a positive and respectful workplace culture to attract and retain talented employees

Ongoing training of expected workplace behaviours at DDH1



DDH1 LIMITED

SECTION 2

Managing Director & CEO Address



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I am so proud of what we have achieved this year by working together as a strong team and embodying our values.

SY VAN DYK
Managing Director & CEO

DDH1 LIMITED

SECTION 3

Business Overview



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OUR LEADING GLOBAL DRILLING BUSINESS

A proven track record of performance and service delivery across our portfolio

- A full suite of specialised drilling services
- Global scale with established operations in Australia, America and Europe
- 185* rigs, one of the top five largest drill fleets globally



- Established in 2006
- Diamond core
- All stages of mine cycle

- Multi-commodity
- 74 surface and underground rigs
- Australia wide operations



- Established in 2013
- Air core and reverse circulation
- Exploration and development

- Multi-commodity
- 15 rigs including 7 dual purpose
- Australia wide operations



- Established in 2005
- Reverse circulation and diamond core
- All stages of mine cycle

- Iron ore
- 20 rigs
- Western Australian based operations



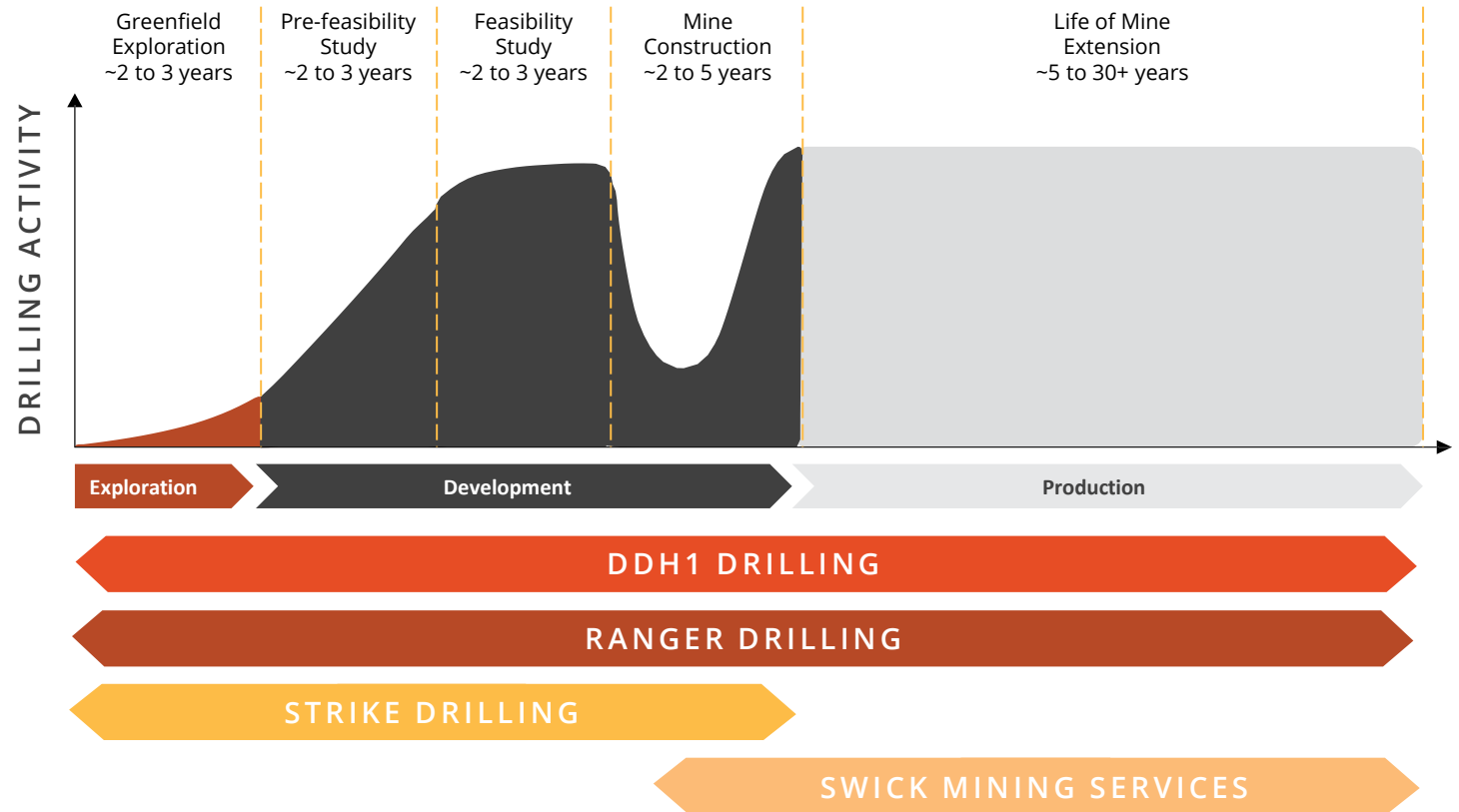
- Established in 1997
- Underground diamond core
- Development and production
- Multi-commodity

- 76 rigs
- Based in Australia, Spain, North America and Portugal

* Rigs at 30 September 2022

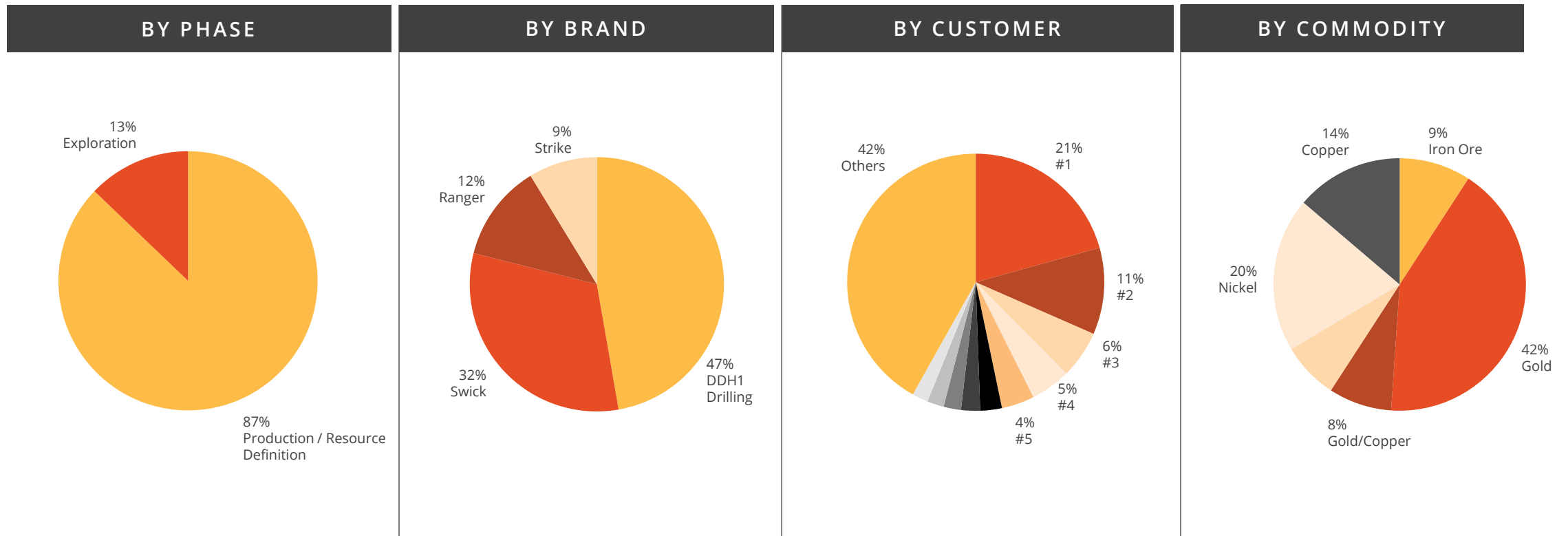
OUR SERVICES ACROSS THE MINING VALUE CHAIN

- Focusing on mine development and production phases, less cyclical
- Selective exposure to highly prospective earlier stage greenfields exploration drilling
- Extending services to existing customers, who have multiple mine sites – surface and underground
- Leveraging existing experience and understanding of site geology to provide drilling efficiencies to mine operators



OUR DIVERSIFIED QUALITY REVENUE BASE

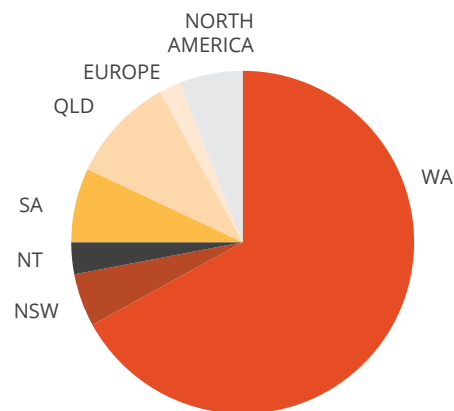
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Results are on a proforma basis, as they include Swick Mining Services' Drilling Division (Swick Results) for all comparative reporting periods FY22 data

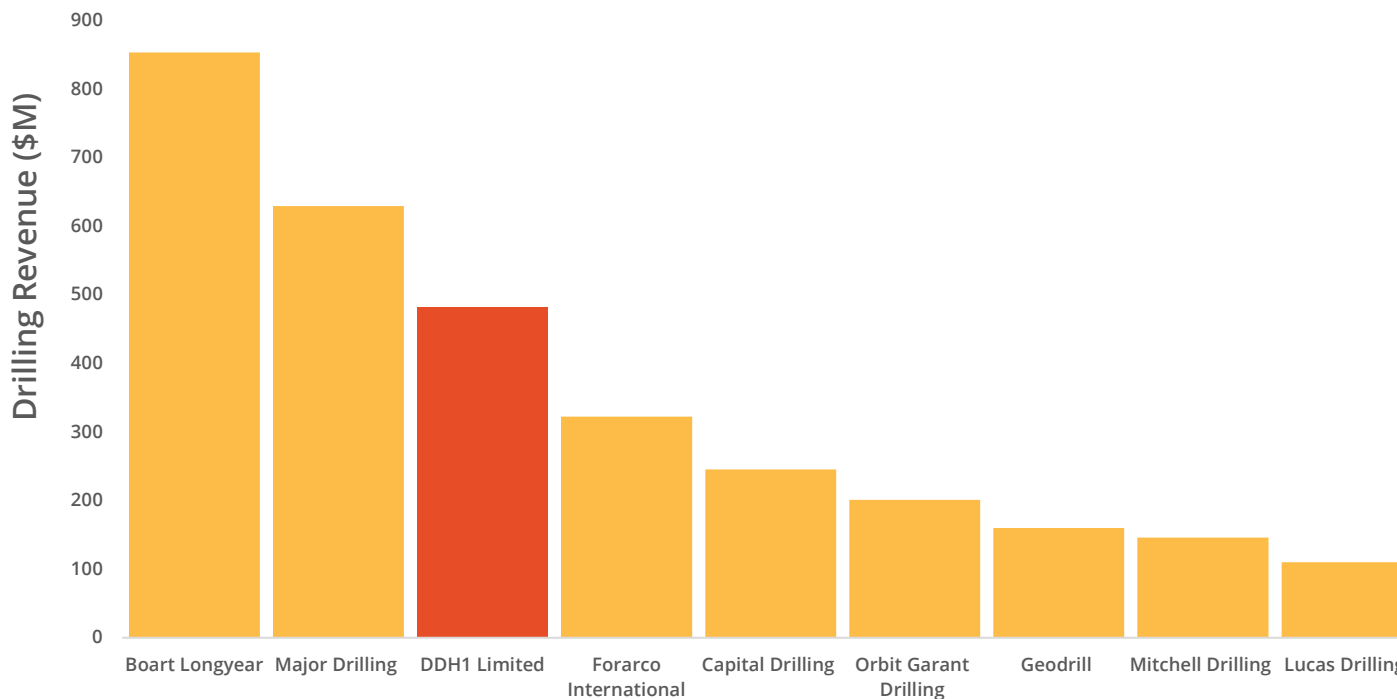
OUR GLOBAL SCALE

REVENUE BY GEOGRAPHY



- Largest drilling service provider within Australia by rig fleet size
- Significant and growing presence within international markets, third largest drilling service provider by revenue globally

TOTAL DRILLING REVENUE (\$M) VS KEY GLOBAL PEERS*



*Revenue data for 12 months ended 31 December 2021 (excluding Major Drilling, data at 31 January 2022 and the 12 months ended 31 January 2022). FY22 data. For further information on source data, refer to appendices.

OUR STRENGTHS

WELL-ESTABLISHED GLOBAL OPERATIONS

- 15+ years' experience
- Presence in key mining regions
- 87% production contracts

TRACK RECORD OF STRONG FINANCIAL PERFORMANCE

- Proforma revenue CAGR 13%
- Strong ROIC
- Strong cash generation and ability to drive growth strategy
- Sustainable dividend policy

FY22 data

QUALITY SPECIALIST DRILLING PROVIDER

- Full suite of services across mining value chain
- Deep and directional drilling specialists
- Commodity agnostic (no exposure to coal market)

EXPERIENCED & DISCIPLINED LEADERSHIP TEAM

- Strong quality and safety focused culture
- Best-in-class workforce
- Committed to enhancing ESG disclosure

LONG-TERM INDUSTRY GROWTH DRIVERS

- Diminishing mineral reserves
- Increasing demand for battery metals
- Increasing demand for specialist quality drilling services

LARGE MODERN DRILL FLEET

- Young fleet v economic life of 20+ years
- In-house engineering capabilities
- Investing in automation and best-in-class technology

DDH1 LIMITED

SECTION 4

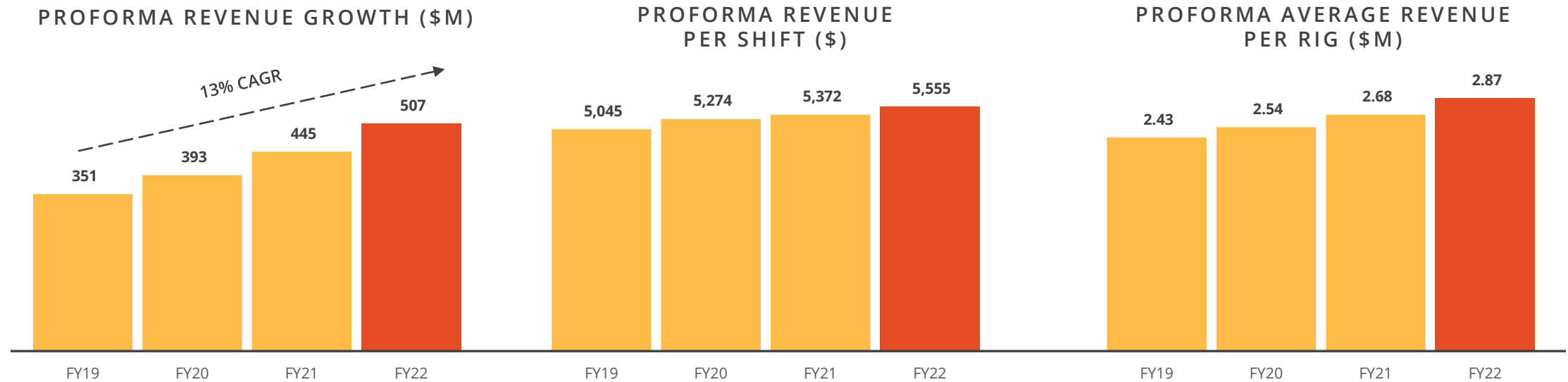
FY22
Performance



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STRONG REVENUE GROWTH*



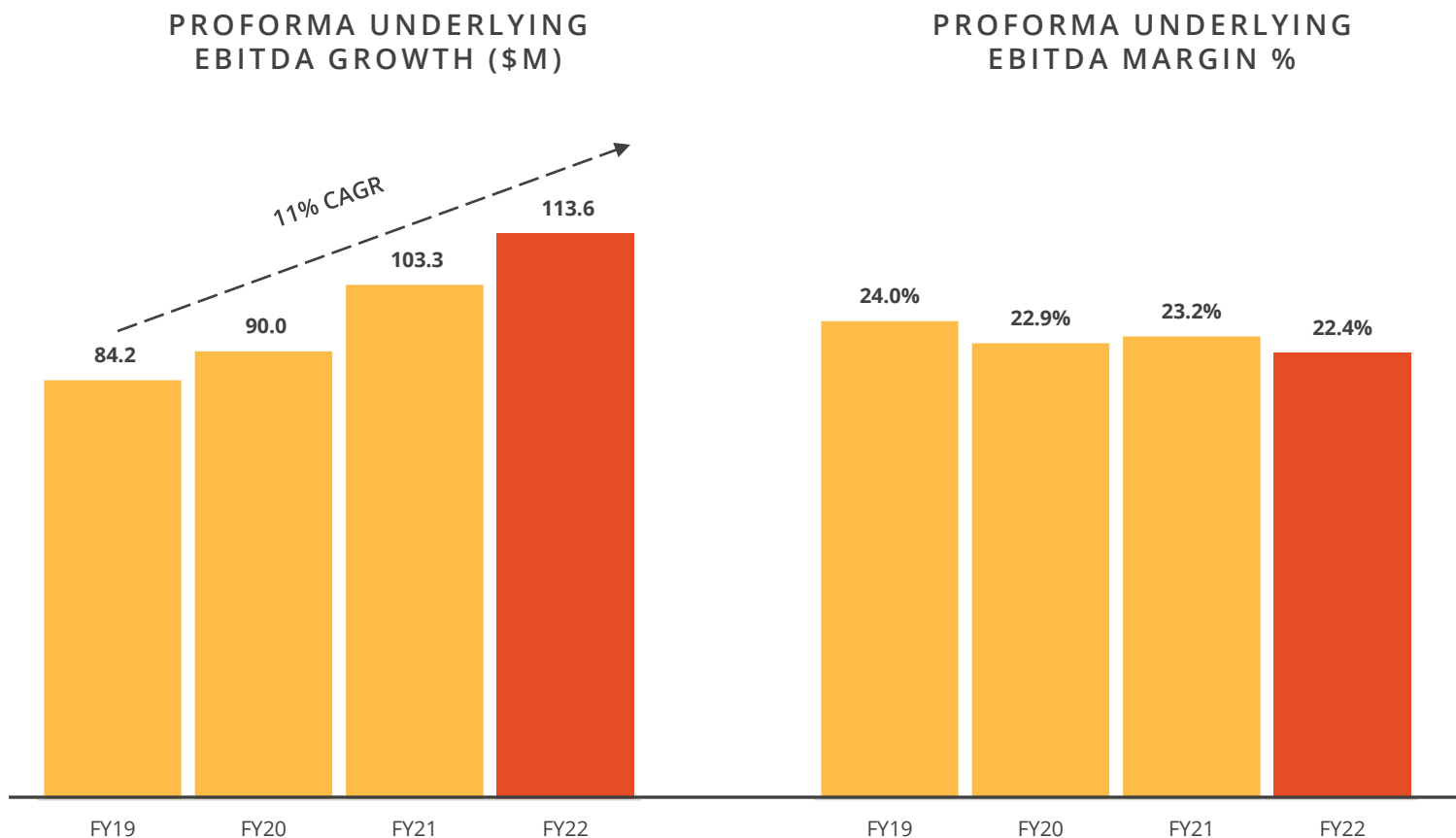
- Organic rig growth across all brands (DDH1, Strike, Ranger and Swick) due to strong demand in all regions globally
- Rig utilisation increased to 77.4%, despite industry wide labour challenges
- Proforma revenue per shift increased 3.4%, reflecting our ability to increase rates in a tight supply market
- Proforma average revenue per rig increased 6.9%, reflecting higher utilisation and increasing rates

*Results are on a proforma basis, as they include Swick Mining Services' Drilling Division (Swick Results) for all comparative reporting periods

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STRONG EARNINGS GROWTH*

- Strong trend of proforma underlying EBITDA growth
- Proforma underlying EBITDA margins impacted in short-term by COVID-19 related border closures and employee absenteeism, together with cost inflation particularly in wages
- Rate increases achieved with clients has partly offset the COVID-19 operating challenges and the cost inflation



* Proforma results as they include Swick Mining Services' Drilling Division (Swick Results) for all comparative reporting periods

STRONG BALANCE SHEET

- Net debt (excluding right of use liabilities) of \$16.6m
- Debt increased due to ~\$32.0m taken on as a part of the Swick transaction
- Increased investment in inventory to mitigate short-term supply chain risk and meet increasing demand
- Net tangible assets of \$280.6m
- Increased intangibles due to goodwill and identifiable intangibles on the acquisition of Swick
- Change in deferred tax position primarily due to the use of the Australian Federal Government instant tax write off

(\$M)	Statutory FY22	Proforma FY21*	VAR (%)
Cash	17.9	29.3	(38.7)
Receivables	93.6	77.1	21.3
Inventory	55.8	46.5	20.2
PPE (Inc. ROU)	237.0	201.1	17.9
Intangibles	61.4	36.1	70.1
Tax Assets	3.9	15.6	(75.3)
Others Assets	4.4	13.7	(67.7)
Total Assets	474.0	419.3	13.0
Payables	51.1	44.1	15.9
Provisions	20.7	17.2	20.3
DTL	10.9	2.7	298.4
Borrowings (Inc. ROU)	49.3	35.4	39.4
Total Liabilities	132.0	99.4	32.8
Net Assets	342.0	319.9	6.9

* Proforma results as they include Swick Mining Services' Drilling Division (Swick Results) for all comparative reporting periods

DDH1 LIMITED

SECTION 5

Growth Strategy



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Our
Strategic
Focus

Acquiring
complementary **high quality
businesses** to build on
service capabilities
and fleet size



Pursuing **organic
growth** by increasing
rig utilisation and
productivity

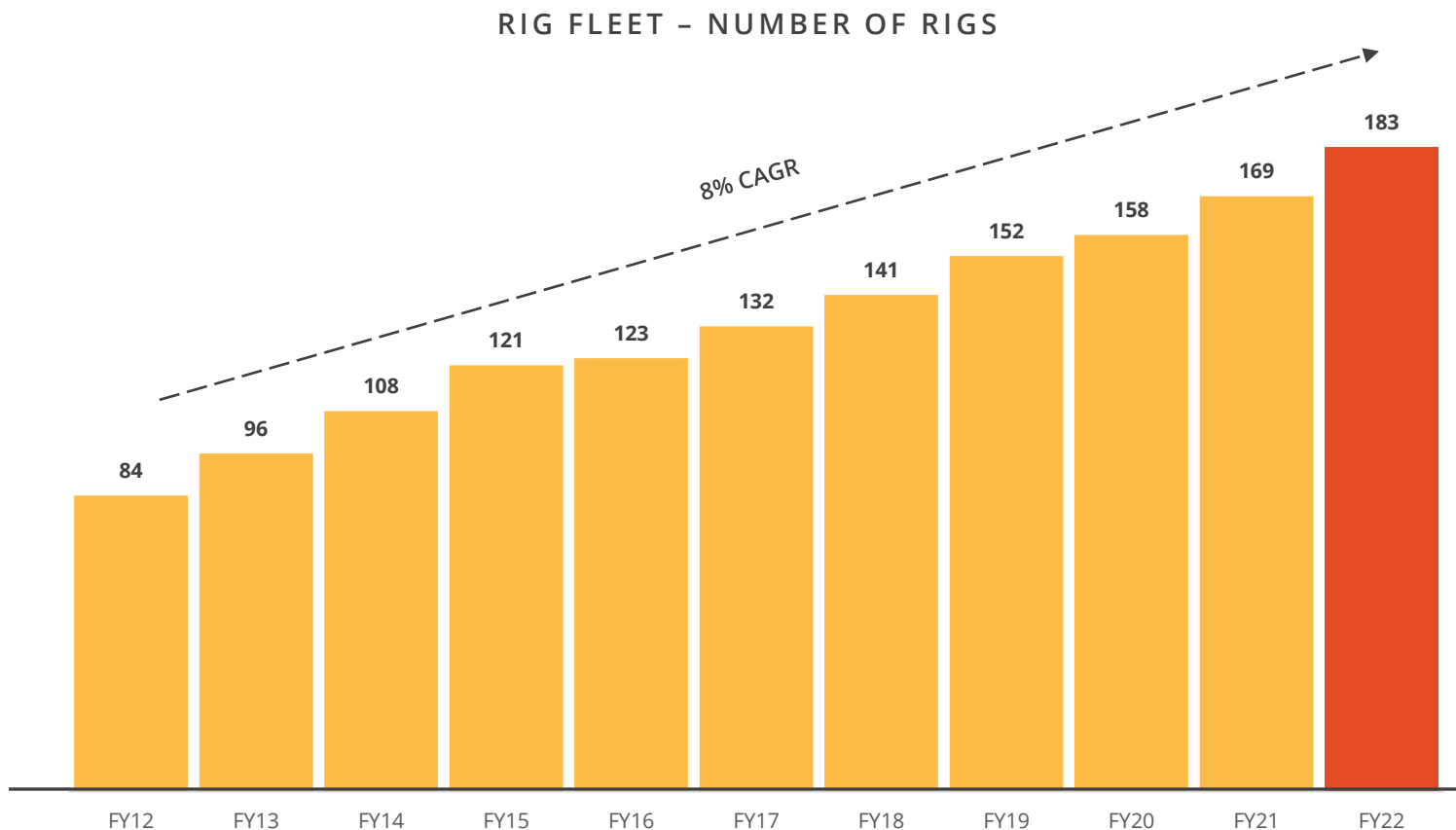
Expanding in key
**international
markets**



Expanding
full-service offering
to existing and
new clients

WELL POSITIONED TO INCREASE RIG UTILISATION

- DDH1 fleet of 185 rigs* is the largest in the Australian market and fifth largest in the world
- 8 rigs currently on order or under build
- Combined fleet has grown at a CAGR of 8% for the last 10 years
- Ability to invest in additional rigs in response to strong industry demand
- Organic fleet growth positions DDH1 to leverage industry fleet shortfall, meet increased demand and maintain high rig utilisation



* At 30 September 2022

DDH1 LIMITED

• FOCUS AREAS FOR FY23

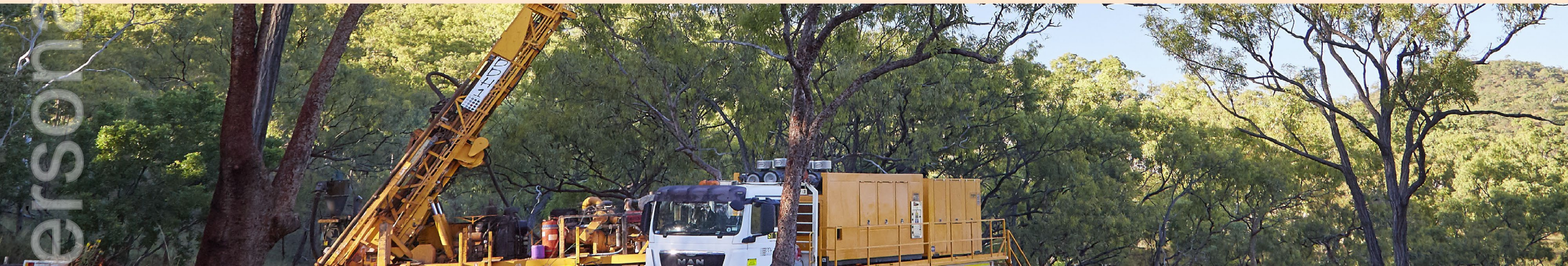
- Utilisation, productivity and rates
- Cash flow generation
- Integration of Swick and extracting synergies from the transaction
- Being a leader at the forefront of the renewable transition given such a high correlation of DDH1's focused commodities and their criticality in the transition from fossil fuels
- Disciplined investing in any additional capacity



DDH1 LIMITED

SECTION 6

Industry & Market Update

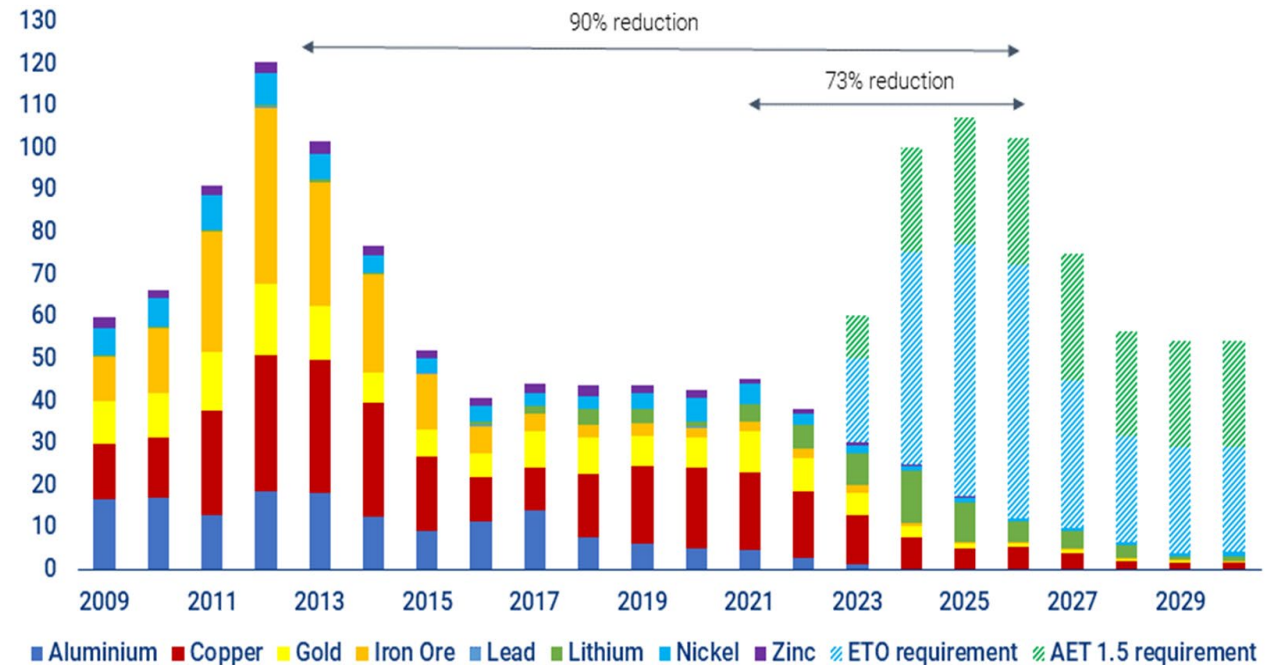


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STRONG DEMAND AND DIMINISHING RESERVES

- Capex remains at well below the absolute levels of the peak of the last cycle in 2012
- A sustained production cycle needs increased exploration spend to ensure mining reserves are not diminished further
- The trend towards decarbonisation continues to gain momentum and the energy transition will be a multi-decade process
- Battery metals are found in abundance in Australia where DDH1 has a strong presence
- Drilling is becoming deeper and more complex resulting in larger drilling programs and demand for the specialist services DDH1 provides

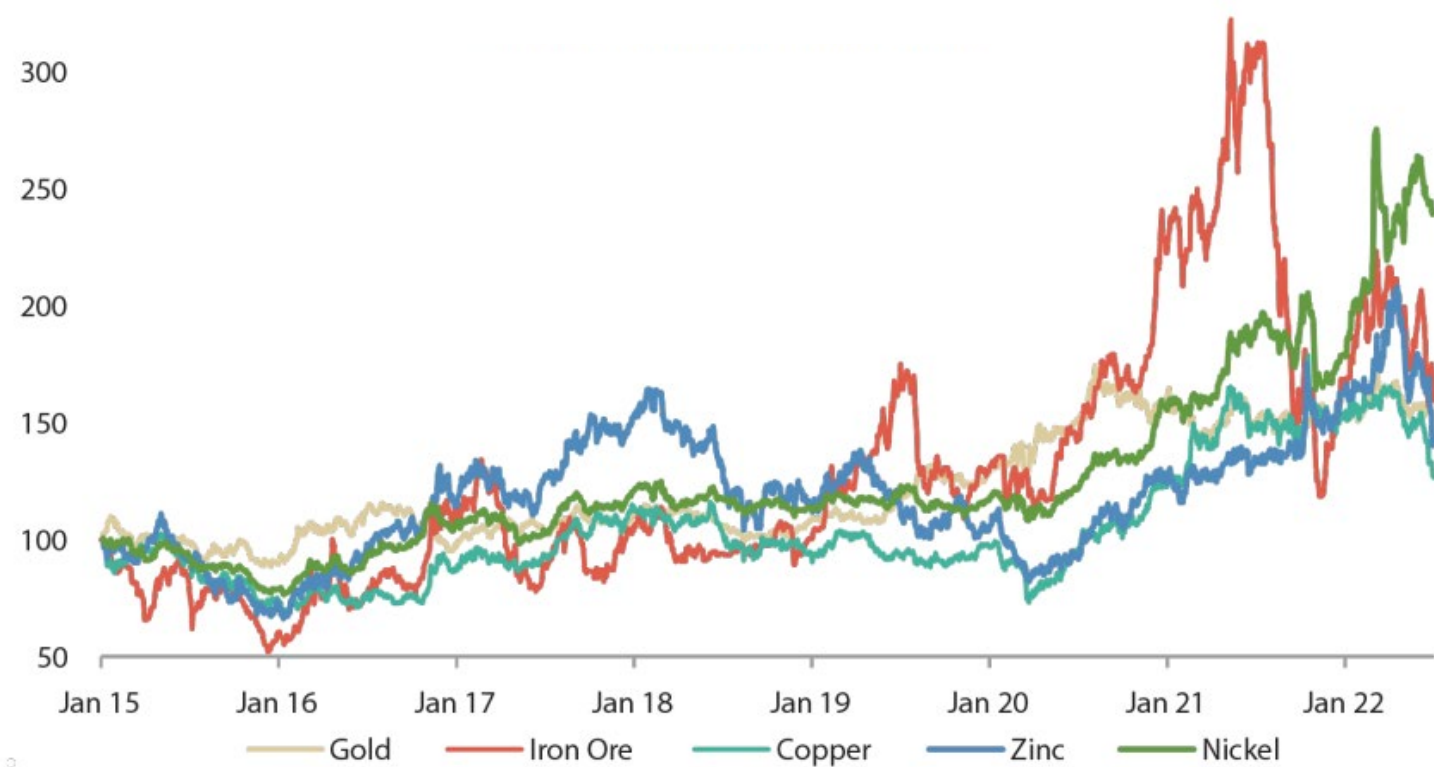
METALS AND MINING COMMITTED INVESTMENT CAPEX AND REQUIREMENTS (US\$B)



COMMODITY PRICES REMAIN RELATIVELY HIGH

- Commodity markets are typically 25% to 50% larger in 2022 than in 2012
- Commodity prices are relatively high compared to the previous 5 years and are supportive of ongoing exploration expenditure
- DDH1's services are commodity agnostic

COMMODITIES PRICES (INDEXED)



CLIENTS ARE WELL FUNDED

- Resource companies are well funded and are reporting ongoing or expanded exploration budgets
- Our top 5 customers (47% of FY22 revenues) have a combined \$34B in cash on their balance sheets – balances range from \$0.5B to \$17.2B
- We work closely with our broad client base and have good visibility of FY23 demand
- Clients have indicated they intend to execute planned drilling programs

Source: S&P Global Market Intelligence 25 October 2022

OCTOBER S&P UPDATE GLOBAL EXPLORATION TRENDS & BUDGETS C22

37%

Lower global exploration budget than in 2012

Producers remain the driving force in exploration



12%

Gold Budget
Year on Year



21%

Copper Budget
Year on Year



88%

Lithium Budget
Year on Year



29%

Canada Budget
Year on Year



22%

Australia Budget
Year on Year



25%

US Budget
Year on Year

DDH1 LIMITED

SECTION 7

1Q23 Update & Outlook



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1Q23 PERFORMANCE AND UPDATE (unaudited)

REVENUE
UP 16.7%

1Q23 – \$148.9M
1Q22 – \$127.5M

EBITDA
UP 9.5%

1Q23 – \$34.7M
1Q22 – \$31.7M

AV. REVENUE
PER SHIFT
UP 4.3%

1Q23 – \$5,796
1Q22 – \$5,558

MORE
HIGHLIGHTS

Recruitment strategies are successfully building a quality team

COVID disruptions and supply chain pressures are easing

Ability to pass on consumable cost increases

Solid client demand

Swick integration progressing well

AVERAGE
RIG COUNT

1Q23 – 185
1Q22 – 169

RIG
UTILISATION*

1Q23 – 80.9%
1Q22 – 80.7%

AVERAGE NO.
OF SHIFTS

1Q23 – 25,186
1Q22 – 24,943

Note – Results are on an unaudited proforma basis, as they include Swick Mining Services' Drilling Division (Swick Results) for all comparative reporting periods

*Rig utilisation is for 3 months, July – September

OUTLOOK REMAINS POSITIVE

- Positive start to FY23 – 1Q23 revenue up 16.7% on pcp and 4.4% on 4Q22
- Industry fundamentals are driving solid demand in all regions of operation
- Battery metals are found in abundance in Australia where we have a strong presence
- Increasing demand for the specialist drilling services we provide
- Increasing rig fleet with 10 rigs expected by end of CY22 and a further 1 in 1H23
- Well positioned to focus on fleet productivity and utilisation
- Exploration budgets remained strong in Australia, with drilling clients reporting longer order books of 9-10 months versus the standard 3-4 months
- Strong relationships with clients and visibility for demand in FY23 – currently contracted or commitments for 80% of revenue



DDH1 LIMITED

WELL POSITIONED TO DELIVER SUSTAINABLE RESULTS

- Strong core business with a consistent track record of leading service delivery
- Skilled workforce and increasing modern fleet
- Quality recurring revenue – 87% from production or resource definition drilling
- Strong cash generation
- Strong balance sheet with ability to pursue disciplined organic and acquisitive growth
- Dividend Policy of 30% – 50% of Operating NPATA
- Share buy back program of up to 34,280,468 shares over 12-month period – 36% implemented



OUR THANKS TO A QUALITY TEAM



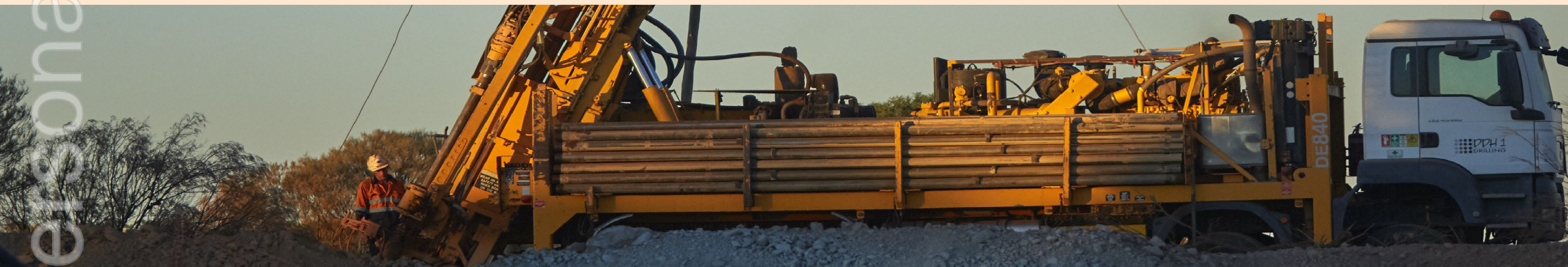
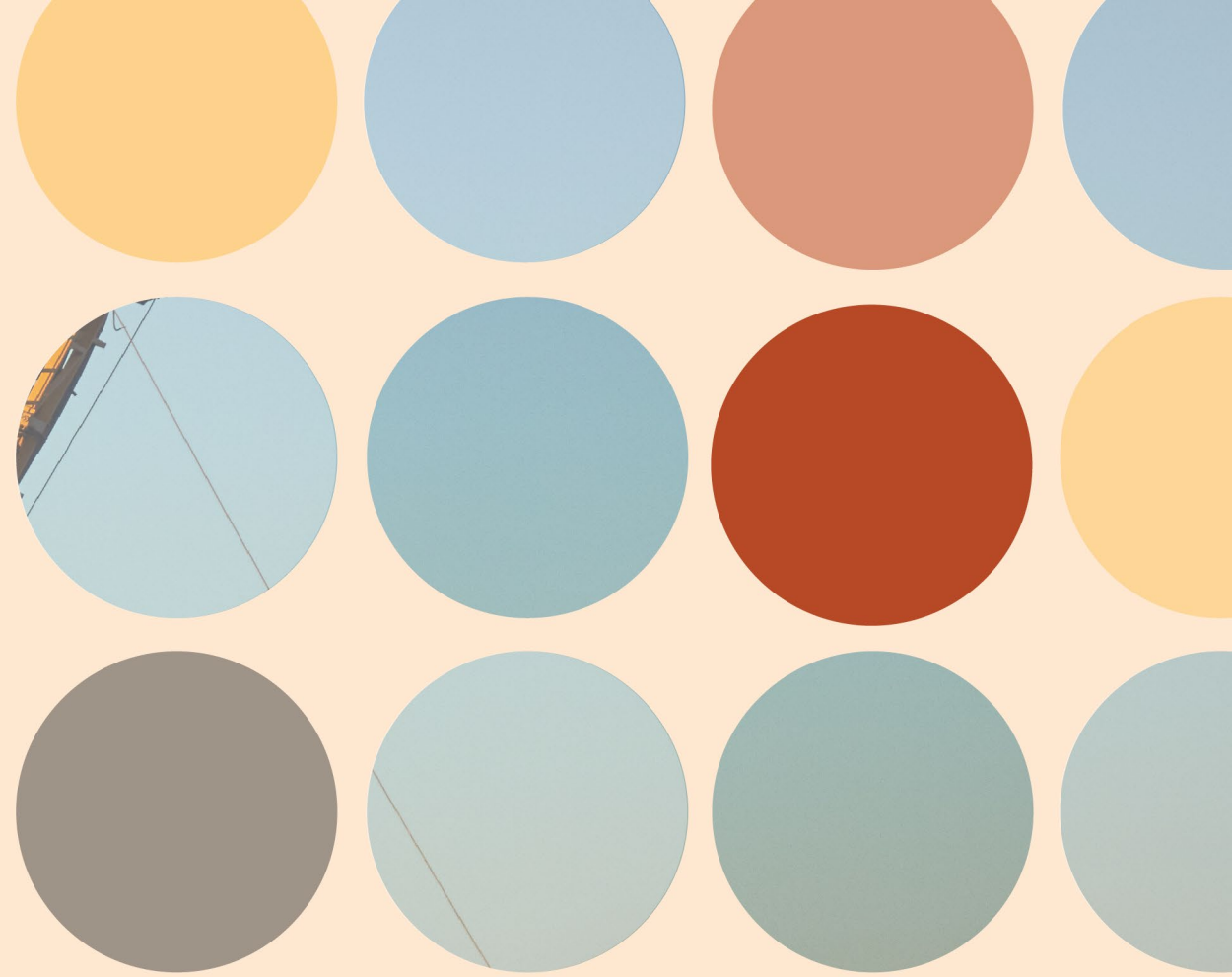
I express my sincere gratitude to every member of our global team. Your hard work and loyalty are appreciated and are at the heart of the success of our Company.

SY VAN DYK
Managing Director & CEO

DDH1 LIMITED

SECTION 8

Formal Business Items & Resolutions



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RESOLUTION ONE

Adoption of the Remuneration Report

	For	Against	Open-usable	Total valid available votes	Abstain/ Excluded
Votes	199,812,231	328,727	302,349	200,443,307	49,754,245
%	99.7%	0.2%	0.1%		

To consider and, if appropriate, pass the following non-binding resolution:

“That the Remuneration Report for the year ended 30 June 2022 be adopted.”

RESOLUTION TWO

To re-elect
Ms Andrea Sutton
as a Non-Executive
Director

	For	Against	Open-usable	Total valid available votes	Abstain
Votes	248,911,384	889,596	321,740	250,122,720	74,832
%	99.5%	0.4%	0.1%		

To consider and, if appropriate, pass the following non-binding resolution:

“That Ms Andrea Sutton, an Independent Non-Executive Director of the Company who retires in accordance with Rule 6.1(f) of the Company's Constitution and Listing Rule 14.4, and being eligible, is re-elected as Director of the Company.”

RESOLUTION THREE

To re-elect
Mr Murray Pollock
as a Non-Executive
Director

	For	Against	Open-usable	Total valid available votes	Abstain
Votes	237,527,812	12,230,302	360,030	250,118,144	79,408
%	95.0%	4.9%	0.1%		

To consider and, if appropriate, pass the following non-binding resolution:

“That Mr Murray Pollock, a Non-Executive Director of the Company who retires in accordance with Rule 6.1(f) of the Company's Constitution and Listing Rule 14.4, and being eligible, is re-elected as Director of the Company.”

RESOLUTION FOUR

Grant of performance rights to the Managing Director & CEO, Mr Van Dyk

	For	Against	Open-usable	Total valid available votes	Abstain/ Excluded
Votes	199,544,628	697,834	322,649	200,565,111	49,632,441
%	99.5%	0.3%	0.2%		

To consider and, if appropriate, pass the following non-binding resolution:

“That approval is given for the purposes of ASX Listing Rule 10.14 and all other purposes, for the grant to the Managing Director & CEO, Mr Sy van Dyk of 349,112 Performance Rights under the DDH1 Long-Term Incentive Plan, on the terms summarised in the Explanatory Notes.”

RESOLUTION FIVE

Approval of Financial Assistance

	For	Against	Open-usable	Total valid available votes	Abstain
Votes	248,685,865	259,843	364,085	249,309,793	887,759
%	99.8%	0.1%	0.1%		

To consider and, if appropriate, pass the following non-binding resolution:

“That for the purposes of section 260B(2) of the Corporations Act 2001 (Cth), approval is given for financial assistance to be provided by Swick Mining Services Pty Ltd (Swick), Swick Engineering Pty Ltd, Swick Mining Services (Indonesia) Pty Ltd, SMS Asset Holdings Pty Ltd, and SMS Operations Pty Ltd (together Swick Guarantors) in connection with DDH1 Limited’s acquisition of Swick, as described in the Explanatory Notes accompanying this Notice.”

DDH1 LIMITED

SECTION 9

Appendices



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GLOBAL PEER INFORMATION

PEER NAME	EXCHANGE	DRILLING REVENUE AUD (\$M) ¹	12 MONTHS ENDED	SOURCE
Boart Longyear Group Limited	ASX	854	31 Dec 2021	2021 Annual report signed 25 February 2022 available on company website
Major Drilling Group International Inc	TSX	630	31 Jan 2022	Q3 Quarterly statement dated 3 March 2022 available on company website
Foraco International S.A	TSX	323	31 Dec 2021	Segment information Q4 2021 Financial statements available on company website
Capital Limited	LSE	246	31 Dec 2021	Revenue note 2021 Annual report dated 9 March 2021 available on company website
Orbit Garant Drilling Inc	TSX	201	31 Dec 2021	Q2 Quarterly report dated 9 February 2022 available on company website Q1 Quarterly report dated 11 November 2021 available on company website Q3 Quarterly report dated 12 May 2021 available on company website 2021 Annual report dated 28 September available on company website
Mitchell Services Limited	ASX	194	31 Dec 2021	Directors report contained within 2021 half year report dated 24 February available on company website
Geodrill Limited	TSX	160	31 Dec 2021	2021 Annual report dated 4 March 2022 available on company website
AJ Lucas Group Limited	ASX	110	31 Dec 2021	2021 Half year report dated 25 February 2022 available on company website 2021 Annual report dated 27 August available on company website

¹ Where presented in USD, an average rate of \$0.72 was used to convert to AUD for comparative purposes. Where presented in CAD, an average rate of \$0.93 was used to convert to AUD for comparative purposes.

DDH1 LIMITED

CONTACT

INVESTOR RELATIONS

investor.relations@ddh1.com.au

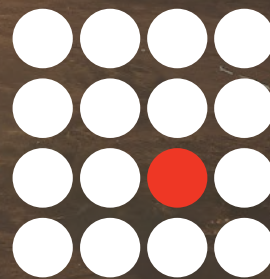
Sy van Dyk
Chief Executive Officer

Ben MacKinnon
Chief Financial Officer

HEAD OFFICE

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