

ASX Announcement

9 March 2021



DDH1 successfully lists on the ASX

DDH1 Limited (**ASX: DDH**) (**DDH1** or the **Company**) is delighted to announce that its shares commenced trading on the Australian Securities Exchange (**ASX**) today.

DDH1 last week completed an Initial Public Offering (**IPO**) that secured gross proceeds of \$150 million through the issue of 136,363,636 shares – or approximately 40% of DDH1's shares on issue as at its listing date – to new investors at \$1.10 per share. IPO proceeds were used to allow existing shareholders to realise part of their investment in the Company and to repay Company borrowings.

The IPO was one of the largest by a Western Australia-based business in the past decade.

The ASX listing marks a significant milestone in the evolution of DDH1, which was established in Perth in 2006 with the vision to create Australia's premier mineral drilling contractor. Over time, DDH1 has earned the custom of Australia's premier mining companies through its repeated and meticulous service offering of gathering the critical geological data that supports the decision-making in respect of all mining activity through the complete cycle of a mine's life.

Commenting on DDH1's successful listing on the ASX, chairperson Diane Smith-Gander said:

"I am delighted to be chairing this great West Australian company, which plays such an important and critical role in the ongoing success of Australia's mining and exploration industry.

"DDH1 is led by a highly experienced management team with a proven track record of operating across all phases of the mine life cycle as well as a Board of Directors that brings a diversity of directorship experience with some of Australia's leading companies and a history of building shareholder value.

"Today is just the start of what I am sure will be the next successful chapter in DDH1's growth story."

Sy Van Dyk, DDH1's Managing Director and CEO, added:

"The growth and success of DDH1 to date is testament to the commitment of the whole team, which strives to ensure the safety of all stakeholders while delivering exceptional service to our clients.

"Our long-term client relationships are built on the provision of quality drilling services and a deep understanding of our client's business needs. The Company's significant market position reinforces the strong levels of industry recognition.

"There is growing demand in the Australian mineral drilling sector for DDH1's services because of increased exploration, development and production spending by minerals exploration and mining companies. As an ASX-listed company with a strong balance sheet, a committed shareholder base, a disciplined approach to growth and access to capital markets, DDH1 is well positioned to pursue its growth strategy."

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Commenting on the ASX debut today of the company he co-founded in 2006, DDH1 Non-executive Director and significant shareholder Murray Pollock said:

“DDH1’s strategy has always been to define a long-term vision and then balance short-term profitability with investment in growth.

“This strategy and the guiding principles developed to underpin it have yielded continuous profitability and significant growth.

“I am confident this focus on achieving both short-term targets and long-term returns will not change now that DDH1 is a publicly listed company. Nor will our priority on safety, one of DDH1’s core pillars.

“We are excited about the opportunities the future will bring and delighted to welcome new shareholders to the DDH1 family.”

Mr Pollock and his fellow DDH1 co-founders retain a collective 33.3% stake in the Company while funds managed by Oaktree Capital Management LP, a long-term investor since 2017, hold a 22.1% interest.

DDH1 has an extensive portfolio of approximately 102 clients, with a FY2020 Pro-Forma revenue of \$249.8 million. Approximately 88% of the revenue was repeat revenue, defined as revenue from a client that had been a customer with DDH1 prior to FY2019.

DDH1’s earnings are diversified across multiple commodities and geographies to avoid overexposure to any particular element. The client base includes Newcrest Mining, BHP, Evolution Mining, Gold Fields, Independence Group, Kalgoorlie Consolidated Gold Mines, Newmont Corporation, Ramelius Resources, Rio Tinto, Roy Hill Iron Ore and St Barbara.

DDH1’s Board is highly confident in the Company’s ability to meet its Prospectus forecasts and deliver on the identified targets. As detailed in DDH1’s Prospectus, the Company has forecast revenue in the financial year to 30 June 2021 of \$280.2 million, forecast Pro-Forma Earnings before Interest, Tax, Depreciation and Amortisation of \$69.3 million and a forecast Pro-Forma Net Profit After Tax of \$30 million¹.

DDH1 currently intends to declare a dividend for the period from the date of its ASX listing to 30 June 2021².

The IPO Joint Lead Managers were Bell Potter, Macquarie, Aitken Murray Capital Partners and UBS. The legal adviser was Gilbert + Tobin.

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

¹ No assurance is given that these forecast financial results will be achieved and they are subject to, among other things, the assumptions and risk factors set out in the Prospectus, a copy of which can be obtained from the Company’s website – www.ddh1drilling.com.au.

² The declaration of any dividend by DDH1 is at the discretion of the Board of the Company and subject to future business conditions, available profits, franking credits and the financial position of DDH1.

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About DDH1 Limited

DDH1 Limited (ASX: DDH) is a profitable Australian drilling company servicing the mining and exploration sectors. Based in Perth, Western Australia, and led by an experienced and respected management team, DDH1 is an industry leader in deep hole directional drilling.

DDH1 employs around 930 people and operates a fleet of 96 modern and highly specified drill rigs across its three brands – DDH1 Drilling, Ranger Drilling and Strike Drilling – to offer clients the full suite of specialised drill services. Included in the fleet line-up are dual-purpose rigs able to perform air core and reverse circulation (RC) – a precursor for drilling deeper – and diamond core drilling to enable clients to secure high-quality mineral samples.

Central to DDH1's strategic approach is the pursuit of long-term relationships with clients, built on quality drilling services and a deep understanding of their business needs.

For more information, please visit www.ddh1drilling.com.au