



DYNAMIC GROUP HOLDINGS FIRST HALF FY22 RESULTS

FEBRUARY 2022

DISCLAIMER

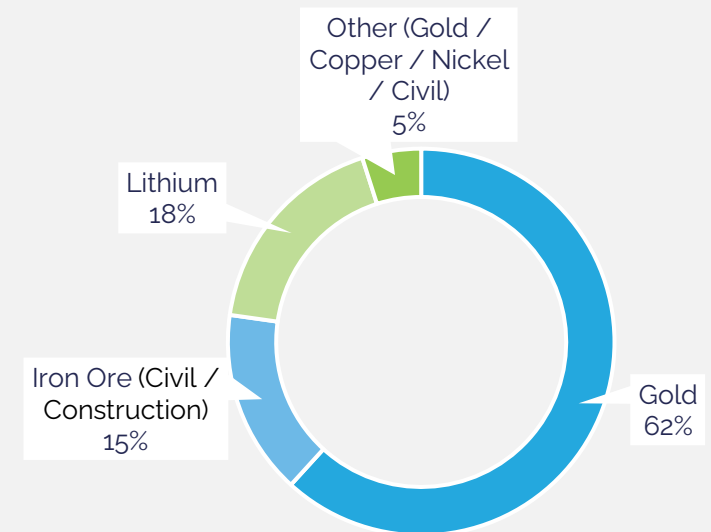
- This presentation has been prepared by Dynamic Group Holdings Ltd ACN 640 888 213 (**Company or DDB**). This presentation is not a financial product or investment advice or recommendation, offer or invitation by any person or to any person to sell or purchase securities in DDB in any jurisdiction. This presentation contains general information only and does not consider the investment objectives, financial situation and needs of individual investors. Investors should make their own independent assessment of the information in this presentation and obtain their own independent advice from a qualified financial adviser having regard to their personal objectives, financial situation and needs before taking any action.
- No representation or warranty, express or implied, is made as to the accuracy, completeness, reliability or adequacy of any statements, estimates, opinions or other information, or the reasonableness of any assumption or other statement, contained in this presentation. Nor is any representation or warranty (express or implied) given as to the accuracy, completeness, likelihood of achievement or reasonableness of any forecasts, prospective statements or returns contained in this presentation.
- Such forecasts, prospective statements or returns are by their nature subject to significant uncertainties and contingencies, many of which are outside the control of DDB. To the maximum extent permitted by law, DDB and its related bodies corporate, directors, officers, employees, advisers and agents disclaim all liability and responsibility (including without limitation any liability arising from fault or negligence) for any direct or indirect loss or damage which may arise or be suffered through use or reliance on anything contained in, or omitted from, this presentation.
- An investment in DDB securities should be considered speculative and is subject to investment and other known and unknown risks, some of which are beyond the control of DDB. DDB does not guarantee any rate of return or the absolute or relative investment performance of DDB securities. The distribution of this presentation including in jurisdictions outside Australia, may be restricted by law. Any person who receives this presentation must seek advice on and observe any such restrictions.
- DDB financial statements comply with International Financial Reporting Standards (IFRS). This presentation may include certain non-IFRS performance measures including EBTIDA, Underlying NPBT, Underlying NPAT, Gross Debt, Net Debt in relation to DDB and Orlando. These measures are used internally by management to assess the performance of the business. Non-IFRS measures have not been subject to audit or review and should not be considered as an alternative to an IFRS measure of profitability, financial performance or liquidity. DDB has prepared (and made assumptions in the preparation of) the financial information relating to Orlando in reliance on limited financial and other information provided by or on behalf of Orlando and its shareholders. To the maximum extent permitted by law, DDB does not take any responsibility for that information. The half financial year ended 31 December 2021 (**1H FY22**) results presented herein are unaudited and are subject to change until finalisation of the FY22 audit of the Company.
- This presentation may contain certain forward-looking statements with respect to matters including but not limited to the financial condition, results of operations and business of DDB and certain of the plans and objectives of DDB with respect to these items. These forward-looking statements are not historical facts but rather are based on DDB's current expectations, estimates and projections about the industry in which DDB operates, and its beliefs and assumptions. Words such as "anticipates," "expects," "intends," "plans," "believes," "seeks," "estimates," "guidance" and similar expressions are intended to identify forward looking statements and should be considered an at-risk statement. Such statements are subject to certain risks and uncertainties, particularly those risks or uncertainties inherent in the process of developing technology and in the endeavor of building a business around such products and services. These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and other factors, some of which are beyond the control of DDB, are difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward looking statements. DDB cautions shareholders and prospective shareholders not to place undue reliance on these forward-looking statements, which reflect the view of DDB only as of the date of this release. The forward-looking statements made in this announcement relate only to events as of the date on which the statements are made. DDB will not undertake any obligation to release publicly any revisions or updates to these forward-looking statements to reflect events, circumstances or unanticipated events occurring after the date of this announcement except as required by law or by any appropriate regulatory authority.

A Standout, Growth Focused Business

- Dynamic Group Holdings Limited (ASX:DDB) is a Western Australian based and focused market leading drill and blast and exploration drilling Company
- Since listing in 2020, Dynamic has delivered impressive operational and earnings growth
- **First Half FY22 Revenue of A\$34.7m (193% growth from 1H FY21)**
- **First Half FY 22 EBITDA of A\$8.1m (178% growth from 1H FY21)**
- Strong balance sheet with A\$10.1m in cash, trade & other receivables of A\$10.4m and access to undrawn facilities A\$7.3m
- 39 drill rigs in fleet, with 240+ personnel servicing 18 active projects
- Significant investment in opportune R&M over new year period, as well as 4 new drill rigs undertaken in 1H FY22
- The Company is focussed on maintaining positive, sustainable growth and underlining earnings
- Led by a well-credentialled and aligned Management and Board, with significant skin in the game
- Management continues to assess strategic corporate opportunities which focus on expanding service offering and scale

An established and growing client base across a diverse commodity mix

Total Revenue by Commodity



DYNAMIC CORPORATE PROFILE

Corporate Overview

ASX Stock Symbol	DDB
Shares Issued	114,873,844 ¹
Share Price (at 23/02/2022)	A\$0.40
Market Capitalisation	A\$45.6m
Net Debt ² (as at 31/12/2021)	A\$5.8m
Cash (as at 31/12/2021)	A\$10.1m
Enterprise Value (at 23/02/2022)	A\$51.4m
Net Asset Value (as at 31/12/2021)	A\$35.7m

Proven and Credentialed Team

Non-Executive Chairman	Garret Dixon
Managing Director	Mark Davis
Executive Director	Matt Freedman
Executive Director	David Kinnersley
Executive Director	Joel Skipworth
Non-Executive Director	George Garnett

Top Shareholders

Temorex Pty Ltd & Goldfire Enterprises Pty Ltd (Rob Martin)	13.66%
Valentino Holdings Pty Ltd & Ganan Capital Pty Ltd (Laurie Freedman)	13.21%
The Tiger Drill Trust (Joel Skipworth)	9.79%
The Milligan Trust (David Kinnersley)	9.79%
JEZAC Pty Ltd (Mark Davis)	7.25%
Rangehill Holdings Pty Ltd (Matt Freedman)	7.25%
Total	60.95%
Top 20	77.44%

Notes:

1. Includes restricted shares. Excludes existing 8,972,100 options and 3,277,900 performance rights on issue. Excludes potential to issue up to 16,666,667 shares to the vendors as part of the earn-out consideration subject to Orlando's FY22 performance
2. Undrawn facilities with CBA and NAB to A\$7.3m

Integrated Exploration and Drill & Blast Business



Notes:

1. 2 diamond drill rigs are cross-hired

Business Division Overview

High performance across both teams

Drill & Blast Division (Dynamic Drill & Blast Pty Ltd)

- Team has delivered a high standard of execution during the half, completing key milestones on multiple projects
- Multiple short-term projects were undertaken, with utilisation of equipment remaining high
- An additional 3 drill rigs purchased to meet ongoing demand
- Ancillary equipment purchased to reduce rental leakage
- Deployment of new rigs to service high level of demand across multiple commodities



Blast hole drill rigs

Exploration Drilling Division (Orlando Drilling Pty Ltd)

- Orlando was selected by Global Lithium Resources (ASX:GL1) to complete a 60,000m RC drill program at their Marble Bar Project in Q1 22 – drill program has commenced
- Entered into number of smaller contracts with ongoing exploration across the Pilbara, Murchison and Gold Field regions, focusing on a diverse mix of commodities including gold, lithium, nickel and copper
- Overall utilisation of equipment remains high
- Additional rig and equipment purchased to meet ongoing demand
- Deployment of new RC drill rig to meet long term customer requirements



Exploration drill and supporting equipment

A Strong and Growing Mining Presence

WA's share of national mineral exploration expenditure was 65% of the national total, highlighting that growth in exploration expenditure was overwhelmingly due to Western Australia



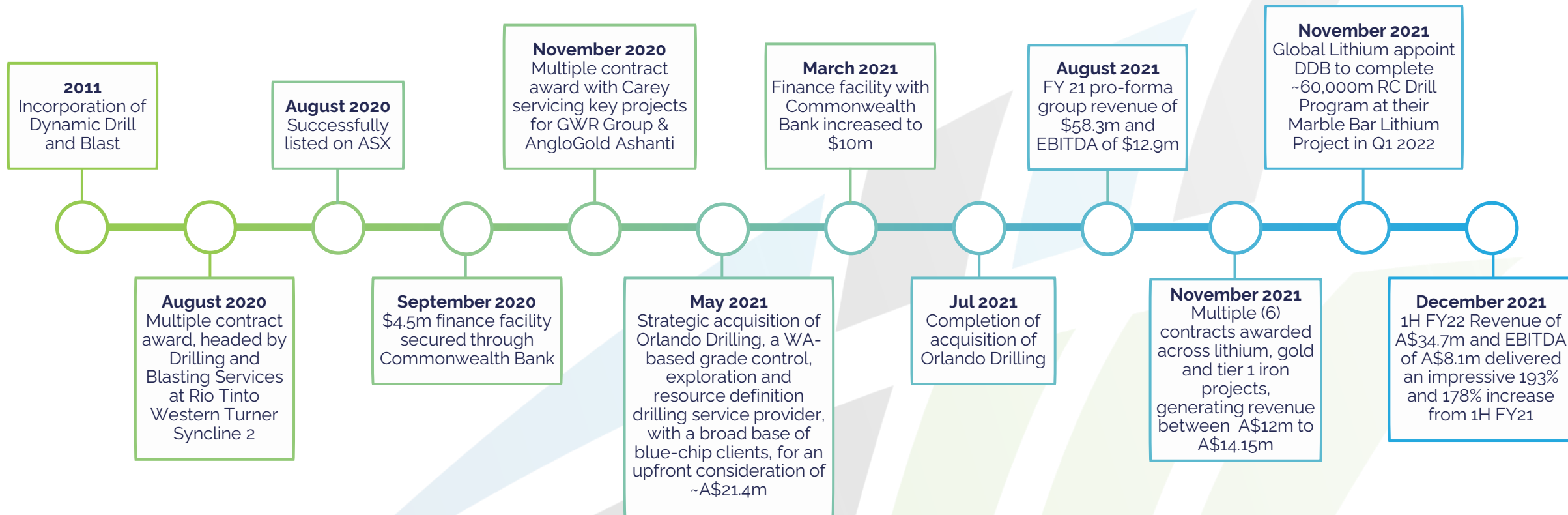
PROJECT LOCATIONS

Notes:

1. Department of Mines, Industry Regulation and Safety - <https://www.dmp.wa.gov.au/About-Us-Careers/Latest-Resources-Investment-4083.aspx>



Continued Operational & Financial Growth



First Half FY22 Results



Strong 1H FY22 Revenue & Growth

Delivering for all our stakeholders

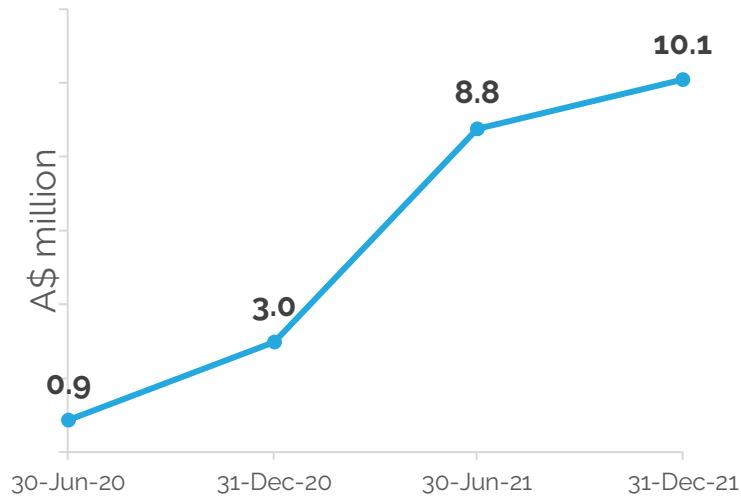
- DDB has delivered quality results in 1H and have experienced minimal disruption
- **193% increase in total revenue, compared to 1H FY21**
- **178% increase in EBITDA, compared to 1H FY21**
- Significant resilience with ongoing difficulties imposed by COVID-19, which has and continues to make access to personnel and equipment difficult
- Importantly, DDB has an experienced team with sufficient capacity across the entire service offering to ensure ongoing operational and commercial outcomes for customers
- Experiencing a sustained level of enquiries, resulting in a healthy order book and longer term tender opportunities
- Normalised NPAT equals NPAT adjusted for the non-cash expense related to the Orlando acquisition (\$A2m). On acquisition, accounting standards require the value of Orlando's contracts to be recognised as an intangible asset, which is then amortised over the remaining term of the respective contracts (Refer ASX Announcement: H1 FY22 Financial Report)

1H FY 22 Numbers

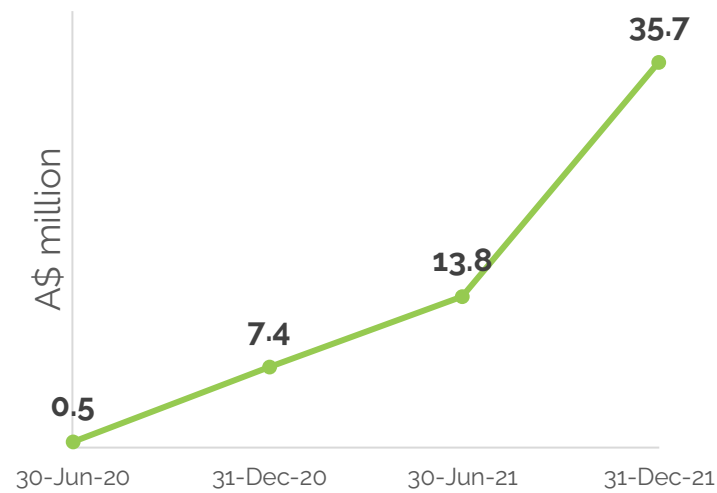
1H 22 Total Revenue	A\$34.7 million
1H 22 EBITDA	A\$8.1 million
1H 22 NPAT (Normalised)	A\$3.4 million
1H 22 NPAT (Statutory)	A\$1.4 million
Cash & Cash Equivalents	A\$10.1 million
Trade & Other Receivables	A\$10.4 million
Net Assets	A\$35.7 million

Robust and Attractive Balance Sheet

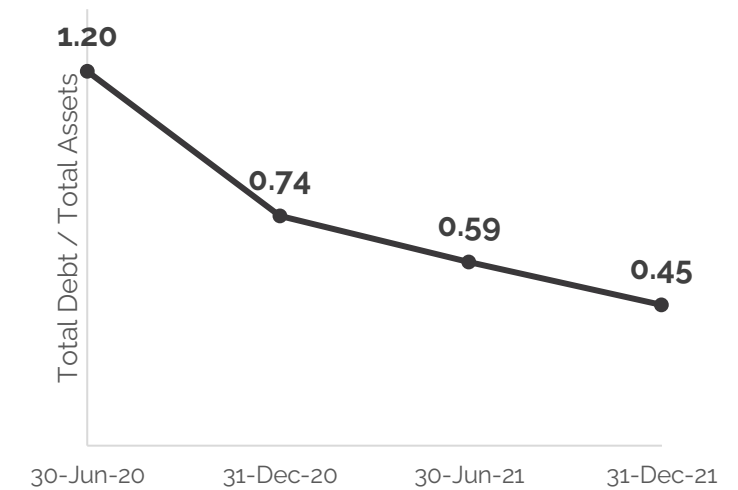
Cash & Cash Equivalents



Net Assets



Total Debt Ratio



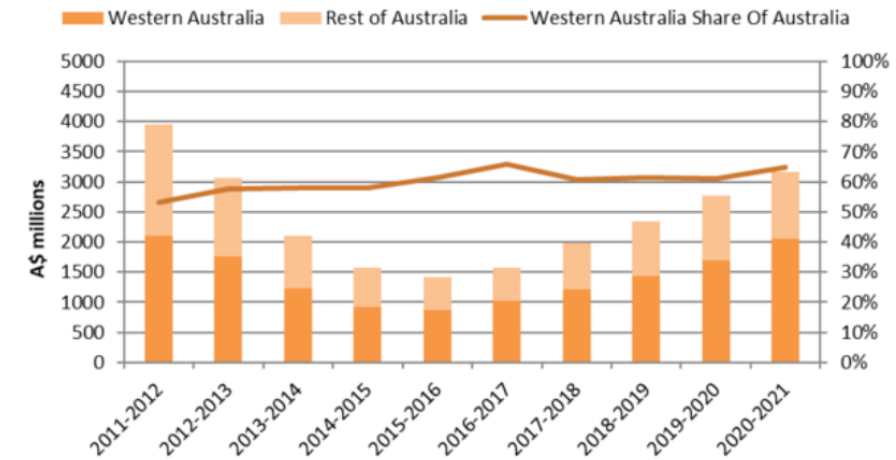
- Significant balance sheet growth.
- Reduced overall leverage and reliance on debt, strong operating cash flow generation.
- Well funded to take advantage of future growth opportunities.

Market & Business Outlook



A Booming Market Environment, DDB Well Placed

- Western Australian mining sector experiencing a period of sustained exploration growth³
 - ~\$21 billion invested in WA's mineral exploration in 2020-21 – A five year high
 - Mineral exploration in WA has regularly increased for the last 6 years
 - Multiple commodities experiencing exploration growth
 - Gold – over \$1 billion spent (all time high)
 - Iron Ore – \$455 million spent (8 year high)
 - Nickel-Cobalt – \$185 million spent (9 year high)
- Strong projected growth forecasts for commodities
 - China will continue to rely on Western Australia for supply of Iron ore
 - Global inflation concerns will support a favourable outlook for the gold sector
 - Strong growth in investing and developing green metals for a low-carbon future supporting commodities like lithium, nickel and copper
- DDB well placed to continue to grow its operations and provide quality services to a rapidly growing market with a sustained demand outlook



Source: ABS

**Mineral Exploration Expenditure
(Last 10 Financial Years)**

Notes:

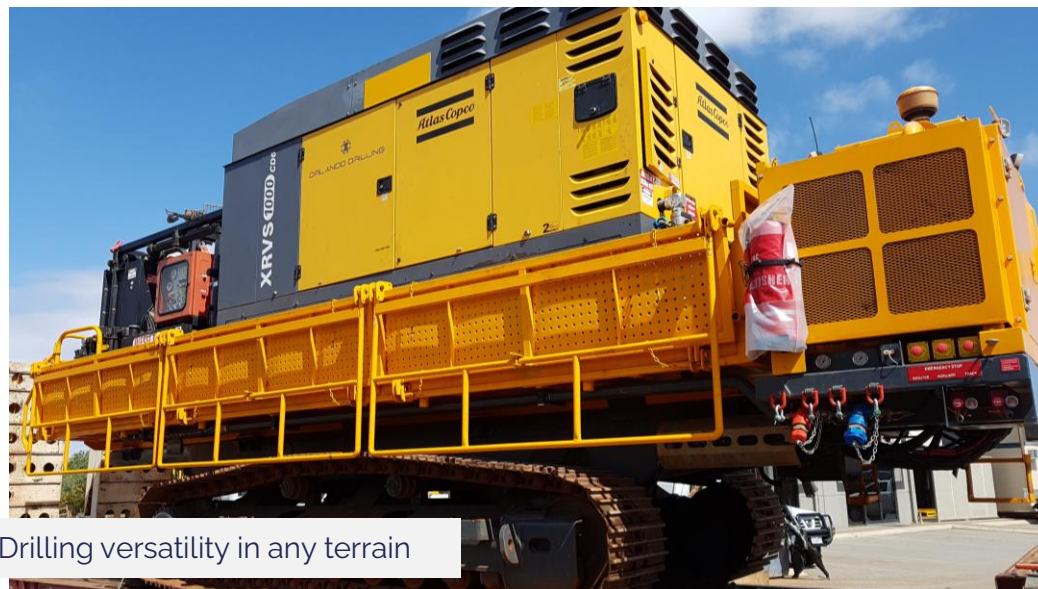
1. Department of Mines, Industry Regulation and Safety - <https://www.dmp.wa.gov.au/About-Us-Careers/Latest-Resources-Investment-4083.aspx>

Established, Resilient and Growing

- 18 current projects
- Serviced by Group fleet of 39 drill rigs and ancillary support equipment
- Primarily WA based workforce comprising of 240+ personnel has helped DDB navigate the challenging Covid travel restrictions
- Labour market remains constrained, although material impacts have not yet been experienced. Labour gaps exist and are managed
- Supply challenges exist and are compounded by covid related issues, increasing costs are being managed and shared where contract mechanisms allow (such as rise and fall adjustments for longer contracts)
- Increased scale allows for resource sharing
- Customers understand the challenges and are open to reasonable commercial discussion
- 4 new drills secured during 1H FY22 ready to be deployed for 2H 22 servicing demand, providing further earning growth opportunities



Equipment Portfolio



Drilling versatility in any terrain



Four RC Tack Mounted Drill Rigs



Six Schramm T685 RC Drill Rigs

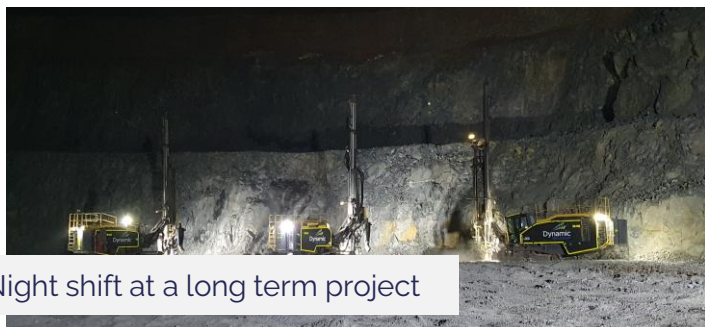


RC deep hole drilling to 450m+

Equipment Portfolio



Epiroc T45 Top Hammer Drill Rig



Night shift at a long term project



Epiroc D65 Down The Hole
Hammer Drill Rig



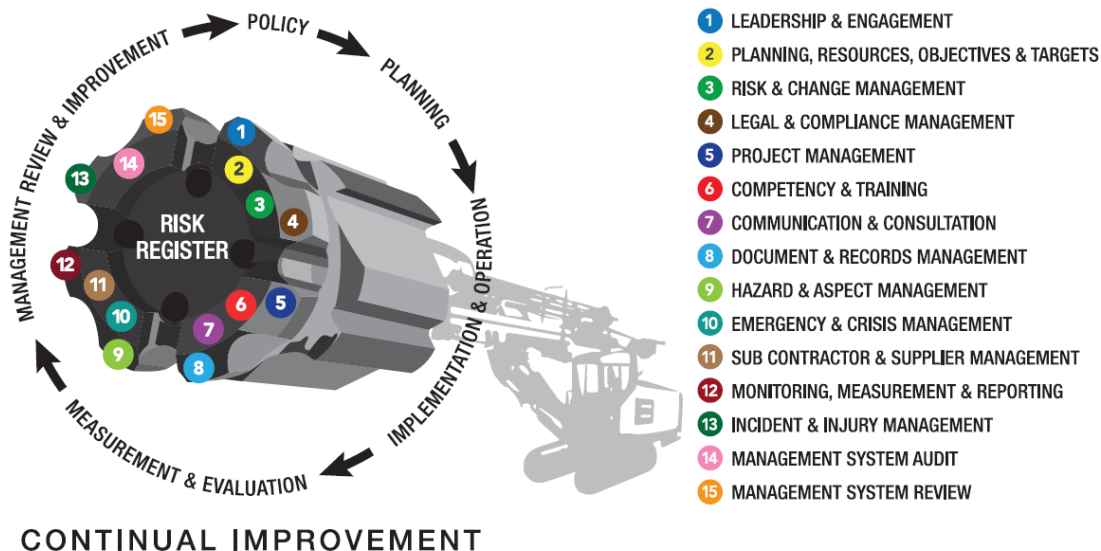
Drill and blast crew with Mobile
Processing Unit and support LV



Blast hole drills on the move

High-Level Safety Focus

- Strong leadership in safety is critical to our business success and underpins our Charter
- Ongoing focus on continual improvement of our Health, Safety, Environment and Quality (HSEQ) Management Systems and Framework
 - The HSEQ Management System underpins every task performed in the workplace
- The rollout of isystain Incident and event reporting database across the Group commenced in December 2021 to ensure standardisation and visibility of HSEQ reporting and management



Attractive Investment Opportunity, Significant Upside

- Since listing, DDB has delivered excellent growth and significantly increased in size and scale
- Strong financial performance, with a solid balance sheet to support future growth
- Servicing blue-chip companies, with a growing client base and 18 active projects across a diversified commodity base
- Expanding and significant fleet of 39 blast hole, AC, RC and DD drill rigs
- Synergies between Dynamic Drill & Blast and Orlando yet to be fully realised
- Very well positioned to service the rapidly growing WA mining sector, with strong projected growth forecasts for commodities, such as gold, lithium, nickel and copper
- Significant pipeline of growth opportunities, with the Company experiencing a sustained and strong level of enquiry for short, medium and long-term projects
- Growth opportunities continuing to be evaluated, including the assessment of value accretive acquisitions
- Attractive valuation with excellent scope for further operational growth and shareholder value creation

administration@dynamicdrillandblast.com.au

Telephone

+08 6404 2798

Dynamic Group Holdings Ltd ACN 640 888 213

