

Quarterly Update

Dynamic Group Holdings Limited (ASX: DDB) ("Dynamic Group" or the "Company") is pleased to provide an update for the period ending 30 September 2023.

Q1 FY24 Financial Highlights

- Revenue of \$27.4m
- EBITDA of \$4.3m
- Operating cashflow of \$3.9m
- Net debt to EBITDA ratio reduced to 0.85x

Snapshot – As at 30 September 2023

Share price (ASX: DDB) ³	A\$0.245	Revenue for the Quarter ¹	A\$27.4m
Shares ²	138,238,111	EBITDA for the Quarter ¹	A\$4.3m
Market Cap ²	A\$35.3m	Gross Debt ^{1,2}	\$28.9m
Cash at end of the Quarter ^{1,2}	A\$12.7m	Net Tangible Assets / Share ^{1,2}	\$0.247

The Company recorded Q1 FY24 revenue of \$27.4m (an increase of 22% from \$22.4m in Q1 FY23) and achieved an EBITDA of \$4.3m (an increase of 87% from \$2.3m in Q1 FY23).

The Company is prioritising further recovery of margin through increased equipment utilisation and cost optimisation initiatives.

Cash conversion and balance sheet strengthening

The Company continues to place a significant focus on cash conversion, with operating cashflow for the quarter of \$3.9m, representing an EBITDA cash conversion rate of 90%.

The Company reduced gross debt during the quarter by \$2.2m to \$28.9m, representing a Net Debt to EBITDA ratio for the 12 months to 30 September 2023 of 0.85x (a reduction from 1.1x at 30 June 2023). The Company will repay a minimum of \$6.2m of debt in the remainder of FY24. The Company's gross debt position comprises of \$13.4m of acquisition debt and \$15.5m of equipment finance².

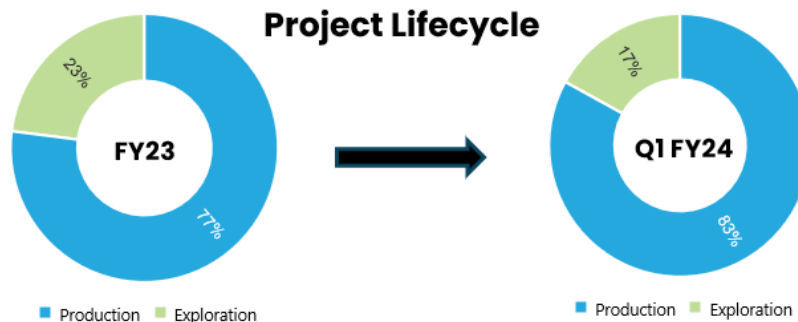
¹ Unaudited financial figures.

² As at 30 September 2023.

³ As at 25 October 2023.

Operational Performance

Heritage legislation continues to impact operating conditions especially within the exploration division, while labour supply and costs put pressure on margin. The Company continues to identify opportunities to redeploy equipment to production focused operations.



The Company expects redeployment of assets in 1H FY24 with earnings likely realised in 2H FY24, with additional double shifting opportunities possible.

The Dynamic Group continues to target improved asset maintenance management with a focus on technology, automation and innovation. The integration of operating entities and the completion of a shared services model provides the Company with a platform for growth.

Training Simulator

The Company commissioned a state-of-the-art Drill and Blast training simulator during 1Q FY24. This is the only simulator of its type in Australia and allows the Company to fast-track training of personnel. The Dynamic Group has employed a dedicated Drill and Blast training resource and will commission an additional simulator software module in 3Q FY24 to increase in house capability across additional fleet.

Executive Director Transition

The Company wishes to advise that Mr Mark Davis will be transitioning from Executive Director of Business Development and Technical Services into a Non-Executive Director role, effective 14th January 2024. Under this arrangement the Company is pleased that Mark will continue to provide invaluable technical consulting services to the group.

This transition has been enabled through the appointment of Geoff Newman, Chief Executive Officer who has gained significant traction since joining the group in February 2023. Geoff's senior executive experience and competency has provided the depth of skills to provision for the transition of Mark into a Non-Executive role.

Mark was a founder of Dynamic Drill and Blast in 2011 and has been a critical leader and contributor to the growth of Dynamic Group Holdings, through the acquisitions of Orlando Drilling and Welldrill, as well as through fostering the business into the position of strength and industry best practice technical competency that it offers its customers.

Dynamic Group Chair, Garret Dixon acknowledged the significant contribution of Mark to the Company *"On behalf of the Board and all of our people, I thank Mark for his commitment, dedication,*

and significant contribution to the Dynamic Group. We wish Mark all the best in his future endeavours and look forward to his ongoing contribution as a Non-Executive Director of the Company."

This announcement has been authorised by the Board of Dynamic Group Holdings Limited.

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About Dynamic Group Holdings Limited

Dynamic Group Holdings Limited (the "Company") is a supplier of various specialised drilling services as well as blasting services to clients in the mining and construction sectors in Western Australia. The Company operates under three entities, Dynamic Drill & Blast Pty Ltd ("Dynamic"), Orlando Drilling Pty Ltd ("Orlando") and Welldrill.

The Company's significant project pipeline is based around medium to long term contracts and has a highly experienced executive management team focused on quality service provision, employee safety and providing solutions.

The Company is committed to business and quality management systems that provide 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, the Company has developed comprehensive policies, procedures and processes that aid the safe, effective and efficient provision of services.

Dynamic Drill & Blast Pty Ltd is a supplier of drilling and blasting services to clients in the mining and construction sectors in Western Australia. Dynamic focuses on mining and construction projects within a range of commodity sectors, including iron ore, lithium and gold. Dynamic also undertakes short term specialised drilling and blasting projects.

Orlando Drilling Pty Ltd (is a wholly owned subsidiary of the Company. Orlando is a Western Australian based company providing grade control, exploration and resource definition drilling services to the mining industry since 2007, utilising its fleet of AC, RC and diamond drill rigs and experienced personnel.

Welldril (consists of two entities: PDC Drilling Pty Ltd; and Delmoss Nominees Pty Ltd) is a wholly owned subsidiary of the Company, providing water-related drilling and services.

Forward-Looking Statements

This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning Dynamic Group Holdings 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 Group Holdings 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.

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