

Release of Annual Report & Corporate Update

Highlights

- Business restructuring program complete
- Balance sheet, personnel and fleet all strengthened to position Dynamic for growth phase

Dynamic Drill and Blast Holdings Limited ('Dynamic' or 'The Company') is pleased to have released its first Annual Report as an ASX listed company which marks the finalisation of its 12-month restructuring and reorganisation program it embarked on to position the Company for the next phase of growth.

Dynamic Managing Director Mark Davis said that over the period the Company had significantly strengthened its balance sheet, continued to grow its fleet of specialist drill rigs and enhanced the management team as a platform to elevate the business to the next level.

The specialist drilling and blasting services business generated Revenue of \$15.2m in FY2020 (FY2019 \$19.1m) and a \$0.4m Net Profit After Tax (FY2019 \$1.5m). The result largely reflected the reorganisation that took place to support the Company's future operational and financial objectives. The key restructuring activities included:

- Actively decreasing customer concentration by improving revenue diversification
- Removing services which generated marginal revenue
- Optimising business expenses (focusing on bringing on new full-time employees rather than utilise labour hire) while investing in new key personnel
- Embarking on activities associated with preparing to list, including the direct costs of the IPO which have been expensed in FY2020

"FY2020 was always about setting us up for the future so we always anticipated a result weaker than the previous year," Mr Davis said. "However we think we are now in a really good position to capitalise on the strength we see in the market and the contract tendering pipeline. The first three months of FY2021 have been very strong and will be reflected in our September Quarter result.

"Importantly we have continued to grow our fleet of drill rigs to ensure we have the mobility and capacity to service new contracts. Additionally, to meet our growth prospects a new head office facility with custom workshop has been secured while we have also strengthened our management team with dedicated resources for HSEQ, human resources, procurement and finance.

"Finally, the IPO together with our new +\$4.5 million Commonwealth Bank finance facility give us the balance sheet strength and access to funds to pursue opportunities."

-ENDS-

ASX Announcement

This announcement has been authorised by the Board of Dynamic Drill & Blast

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About Dynamic Drill & Blast

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 mining and construction projects within a range of commodity sectors, including iron ore, lithium and gold.

DDB's significant 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 developed comprehensive policies, procedures and processes that aid the safe, effective and efficient provision of services.