

ASX Announcement

15 April 2021



DDH1 finalises growth funding

Specialist Australian drilling services company DDH1 Limited (**ASX: DDH**) (**DDH1** or the **Company**) is pleased to announce that it has finalised terms, consistent with terms detailed in its Initial Public Offering Prospectus, with Bankwest, a division of Commonwealth Bank of Australia, for debt facilities of up to \$60 million.

The Bankwest debt facilities, which include a \$50 million revolving credit line, will assist DDH1 with executing its disciplined growth strategy as detailed in its Initial Public Offering Prospectus. The Bankwest facilities are the sole significant credit lines arranged by and available to DDH1 and, importantly, allow the Company to secure additional third-party, asset-backed funding if required.

Highlights

- Bankwest facility provides for \$50 million revolving credit and \$10 million asset finance.
- Bankwest facilities add to DDH1's strong balance sheet, which had net cash of \$3.3 million at the time of listing on the ASX.
- DDH1 is continuing to execute its growth strategy to enhance further its market position as Australia's premier mineral drilling contractor.
- The Company will have 103 drill rigs across Australia by the first half of FY22 (see ASX announcement dated 31 March 2021), up from 97 at present, and continues to experience strong demand for its industry leading services.

The DDH1 growth strategy is focused on servicing increasing demand from its wide client base and of winning new work. DDH1 will continue to grow organically and actively seek opportunities to acquire complementary businesses that enhance the Company's leading market position.

Commenting on the Bankwest facilities, DDH1's Chief Financial Officer Ben MacKinnon said:

"We are delighted to have agreed on terms with Bankwest that provide DDH1 with funding to execute our strategic growth plan – at a time when there is increasing market demand in Australia for the high-quality services that we deliver."

"The support from Bankwest underscores DDH1's standing as a financially responsible and disciplined mineral drilling sector operator and is built on our strong balance sheet, which had net cash of \$3.3 million at 9 March 2021."

"Since the company's inception in 2006, DDH1 has established a track record of executing its long-term vision alongside balancing short-term profitability and investment in growth, enabling us to remain consistently profitable while growing market share."

The Bankwest \$50 million revolving credit facility has a five-year term and can be used by DDH1 for general corporate purposes, including acquisitions, capital expenditure and working capital. The \$10 million asset finance master limit facility is uncommitted and can be used for equipment purchases. Both facilities are on normal customary terms and secured over DDH1 assets.

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

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About DDH1 Limited

DDH1 Limited, which is listed on Australian Securities Exchange with the ASX ticker 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 97 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.