

ASX Announcement

1 July 2022



DDH1 INITIATES ON-MARKET BUY-BACK PROGRAM

The Board of DDH1 Limited (ASX code: **DDH**) is pleased to announce an on-market share buy-back program of up to 10% of the issued capital¹, to be executed over the next 12 months ("**Buy-Back**").

The Buy-Back will be made under ASX Listing Rules and section 257B(4) of the *Corporations Act Cth 2001* and may run for up to 12 months from commencement.

In accordance with the ASX Listing Rules, the prices paid for shares purchased under the Buy-Back will be no more than 5% above the volume-weighted average price of DDH1 shares over the five trading days prior to purchase. The total number of shares to be purchased by the Company under the Buy-Back will depend on market conditions. The Buy-Back may be open for 12 months from 18 July 2022.

The proposed number of shares to be acquired pursuant to this Buy-Back program taken over the next 12 months is up to 34,280,468 shares. This number of shares represents approximately 10% of DDH1's shares capital¹.

DDH1's Chairperson, Ms Diane Smith-Gander (AO), said that in making this decision, the Board has looked at prevailing prices for DDH1 shares alongside DDH1's strategy and overall business performance. The business has performed well, and we expect to deliver unaudited FY22 results in late July to the market. We enter FY23 with renewed optimism, given our expanded rig fleet and improving productivity, as COVID restrictions ease.

"The Board considers the prevailing price for DDH1 shares, particularly since early June, has significantly undervalued DDH1, which is a key reason for announcing this Buy-Back".

"The announced share Buy-Back should not impact DDH1's stated dividend policy of paying dividends, between the range of 30% to 50% of Net Profit After Tax due to the robust operating cash flows of the business."

The number of shares purchased under the Buy-Back from time to time, and the average price, will be notified to the ASX on the business day following the date on which those shares are bought back. Shares bought back will be cancelled upon acquisition, so the number of shares on issue will reduce accordingly.

DDH1 will continue to assess market conditions, its prevailing share price, available investment opportunities, and all other relevant considerations throughout the Buy-Back period. DDH1 reserves the right to suspend without notice or terminate the Buy-Back program at any time.

Canaccord Genuity (Australia) Limited is acting as financial advisor to DDH1 in relation to the market Buy-Back and as the transaction broker.

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

For further information, please contact:

Sy Van Dyk

Managing Director & CEO

DDH1 Limited

(08) 9435 1700

investor.relations@ddh1.com.au

Ben MacKinnon

CFO

DDH1 Limited

(08) 9435 1700

investor.relations@ddh1.com.au

¹ Being 10% of the smallest number, at any time during the last 12 months of the Company's share capital, namely 342,804,678 shares



About DDH1 Limited

DDH1 Limited (ASX: DDH) is Australia's largest mineral drilling contractor providing high quality surface and underground drilling services to a diverse group of exploration and mining houses across a balanced spread of mineral commodities. Established in 2006, DDH1 is an industry leader in enabling its clients to secure quality mineral samples with exceptional spatial accuracy.

DDH1 employs around 1,600 people and operates a fleet of 176 highly specified mineral drilling rigs across its four brands, namely DDH1 Drilling, Ranger Drilling, Strike Drilling, and Swick Mining Services. Offering clients, the full suite of mineral drilling services including air core, reverse circulation, and both surface and underground core drilling.

DDH1's drill rig fleet is a strategically important asset within the Australian mining industry. Surface drilling is performed across Australia by DDH1 Drilling, Ranger Drilling, and Strike Drilling while Swick Mining Services has a global presence performing underground drilling services across Australia, North America, and Western Europe. DDH1 has a strong reputation for innovation in rig design and drilling practices that deliver improvements in productivity, safety, and value.

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.ddh1.com.au