ASX / JSE ANNOUNCEMENT

31 August 2023

DRA GLOBAL REPORTS H1 FY23 RESULTS

Key points:

- **Underlying EBIT of A$23.5 million significantly improved compared to Underlying EBIT loss of A$16.4 million in the prior corresponding period (pcp, H1 FY22)**
- **Revenue of A$424.4 million, down 11% from pcp**
- **Adjusted basic earnings per share[i] of A$0.26 per share compared to adjusted basic loss per share of A$0.72 per share for pcp**
- **Net cash[ii] of A$88.5 million, up from A$59.1 million at 31 December 2022**
- **Net asset value per share[iii] of A$4.90, compared to A$4.66 at 31 December 2022**
- **Solid portfolio of work in hand[iv] of A$876 million and A$426 million of new and extended contracts won in H1 FY23**
- **Core business units in EMEA region and AMER business unit continue to perform well, while a refocused APAC business unit has returned to profitability and is concentrating on growth**

DRA Global Limited (ASX / JSE: DRA) (DRA, or the Group) reports its financial results for the first half of the 2023 financial year[v] (H1 FY23).

DRA's H1 FY23 Underlying EBIT was A$23.5 million compared to an Underlying EBIT loss of A$16.4 million for pcp. H1 FY23 Underlying NPAT was A$16.1 million compared to an Underlying NPAT loss of A$13.7 million for pcp. Statutory EBIT was A$26.8 million and statutory NPAT was A$19.4 million for H1 FY23.

DRA Chief Executive Officer and Managing Director James Smith said:

"I am pleased with the solid result that the entire DRA team has delivered for the half-year. We have achieved further stability in underlying operating performance across our business units, driving sustained momentum in Group profitability.

"The hard work we have done has enabled a substantial improvement in liquidity and gearing, in line with our short-term capital allocation priorities."

Financial Summary

Description	Unit	H1 FY23	H1 FY22	Change (%)
Revenue	A$'M	424.4	477.1	-11%
EBIT	A$'M	26.8	(17.3)	255%
NPAT	A$'M	19.4	(16.9)	215%
Underlying EBIT	A$'M	23.5	(16.4)	243%
Underlying NPAT	A$'M	16.1	(13.7)	218%
Return On Equity	%	7.3	(6.7)	209%
Earnings per share (EPS)				
Basic EPS	CPS	32.44	(36.42)	189%
Diluted EPS	CPS	30.25	(36.42)	183%
Headline EPS (HEPS)[vi]				
Basic HEPS	CPS	32.32	0.35	NM[vii]
Diluted HEPS	CPS	30.14	0.35	NM[7]

Description	Unit	At 30 June 23	At 30 Dec 22	Change (%)
Cash and cash equivalents	A$'M	150.6	142.2	6%
Net cash	A$'M	88.5	59.1	50%
Net Assets	A$'M	266.7	253.4	5%
Shares on issue[viii]	M	54.4	54.4	0%
Net Asset Value per share	A$	4.90	4.66	5%

Operational Highlights

Reporting on our safety results for the period, TRIFR[ix] of 0.32 was an improvement from 0.66 in H1 FY22, while the LTIFR[x] also saw a slight improvement to 0.16 compared to 0.20 for H1 FY22. The Group worked 8.8 million person-hours across 17 active project sites and 32 maintenance and operation sites for the six-month period to 30 June 2023.

The Group's safety performance for the period was subsequently overshadowed by a fatality of an employee of one of our contractor partners at the Moyeath project in Saudi Arabia that occurred on 15 July 2023, where SENET is currently overseeing the construction (EPCM) of the Copper Zinc Concentrator. We are deeply saddened by this loss of life and remain committed to and focused on active leadership participation and ongoing implementation of awareness programs, setting clear expectations and behaviours to help reduce the risk to our people and the communities we work in.

The Group has built up a solid portfolio of work in hand[iv] to the value of A$876 million, which includes A$426 million of new and extended contracts won in H1 FY23.

Highlights in the EMEA segment included:

- The Kamoa Phase 3 Plant Debottlenecking Project for Ivanhoe Mines was successfully completed, resulting in a 22% increase in throughput.
- Completion of the new shaft headgear and associated winder components at the Zondereinde Western Extension Ph1.
- The dismantling, refurbishment and re-establishment of the 20-year-old Marikana Platinum Plant was successfully commissioned at the Mimosa mine to increase processing capacity.

Significant new EMEA projects awarded or renewed during this period:

- Ivanhoe Mines' Kamoa Kakula Phase 3, Platreef Phase 1 and Kipushi UG Infrastructure projects.
- African Rainbow Minerals' Bokoni feasibility study, Early Ounces and Two Rivers Concentrator projects.
- Anglo American Platinum Mogalakwena 3rd Concentrator pre-engineering and feasibility studies.

Highlights in the APAC segment included:

- On track for completion for Pilbara Minerals' Pilgangora P680 project and commenced early detail design works on the P1000 project.
- Completed Stage 1 of the Mt Weld Project for Lynas Rare Earths, with Stage 2 on track and expected to be completed in early 2024.

Significant new APAC projects awarded or renewed during this period:

- Bankable feasibility study (BFS) for Richmond Vanadium Technology, a Perth-based ASX company developing a project for one of the world's largest vanadium deposits in Queensland.
- FEED studies, in collaboration with SENET, for Allied Gold's Kurmuk project in Ethiopia.

Highlights in the AMER segment included:

- Feasibility study for Compañía Minera del Pacífico to procure and install a new dewatering package.
- Long-term engagement with Livent on the Nemanska Lithium project from early-stage studies through to the recent award of the engineering and procurement contract.

Significant new AMER projects awarded or renewed during this period:

- EPCM services on the Waterton Global Mineral Park project.
- Awarded the PFS Study for the Kinross' Great Bear Project, its flagship development in Northern Ontario.
- Advisory contract with Trafigura to perform due diligence on the financing of mining assets.

Highlights in the Minopex segment included:

- Our Minopex team operating the South African Ore Beneficiation Plant celebrated five years of zero harm and continues to demonstrate exceptional production performance.
- Achieved new production records at the Gamsberg Zinc Mine in the Northern Cape, South Africa.

Significant new Minopex projects awarded or renewed during this period:

- Successful extension of the Ad Duwayhi O&M contract for Ma'aden in Saudi Arabia.
- Successful extension of Sibanye Stillwater's Kroondal project. New O&M contract for the Mansourah Massarah power plant in Saudi Arabia.

Financial results

The solid H1 FY23 results were underpinned by a high-quality revenue base diversified across regions, commodities, clients and service offerings. Group revenue for H1 FY23 was A$424 million, a reduction of 11% from pcp. The H1 FY22 result included several large fixed-price construction contracts in APAC (through the G&S Engineering business), which were loss-making. The Group successfully disposed of the G&S Engineering business in September 2022.

Statutory EBIT increased to A$26.8 million from a loss of A$17.3 million in pcp. Statutory NPAT was A$19.4 million compared to a loss of A$16.9 million in pcp. The pcp results were impacted by the aforementioned loss-making fixed-price construction contracts.

In discussing the operating results of the Group, and consistent with previous reporting, the focus is on underlying profit measures such as Underlying EBITDA, Underlying EBIT and Underlying NPAT. In arriving at Underlying EBITDA, EBIT and NPAT, adjustments are made to the statutory results to better reflect the underlying performance of DRA.

Adjustments to exclude from Statutory EBIT and Statutory NPAT in calculating Underlying EBIT and Underlying NPAT were:

- Fair value gains on Upside Participation Rights (UPRs) of A$3.3 million[xi] (nil tax effect).

Underlying EBIT also significantly improved in the current period and increased to A$23.5 million from a loss of A$16.4 million in pcp.

The EMEA and Minopex segments continue to deliver strong results, with Underlying EBIT from the EMEA segment increasing from A$20.1 million pcp to A$22.7 million, and the Minopex segment increasing from A$7.1 million pcp to A$9.0 million.

With the disposal of the G&S Engineering business in September 2022, the APAC segment has returned to its core activities and is starting to see stability in earnings, with Underlying EBIT of A$4.4 million. AMER segment's growth continued as revenue increased from A$33.1 million pcp to A$41.4 million in this period, with Underlying EBIT of A$3.7 million in the period.

The cash position increased by A$8.4 million through the period, and net cash improved by A$29.4 million to A$88.5 million. Gearing was reduced from 21.2% to 14.2% with debt reducing through repayment of the Global Banking Facility during the period, to further strengthen the balance sheet. The improvement in liquidity is a result of the focus on quality of earnings, working capital management and short-term capital allocation priorities.

Corporate Update

DRA has appointed Chief Executive Officer James Smith to the Board as Managing Director[xii], alongside two additional non-executive directors, Sandra Bell, who will chair the Company's Audit & Risk Committee, and Charles Pettit.[xiii] These appointments complement the strategic, financial and operational experience of our existing Board members.

Andrew Bickley was appointed as Company Secretary during the period[xiv].

Outlook

The Group's pipeline includes an estimated A$4.0 billion of opportunities with A$2.8 billion related to Projects and A$1.2 billion related to Operations. The Group's P1 Pipeline[xv] is A$705 million as at 30 June 2023.

At a Group level, the outlook for financial performance in the current half remains positive and broadly similar to H1 FY23. DRA will continue to focus on its core strengths of engineering, project delivery and operations management, while looking to maintain its diversified revenue streams across geographies, service offerings, clients and commodities.

There remains the potential for profitability to be impacted by shortages of skilled labour, further interest rate increases by central banks as the effect flows through financing of future major projects and the pipeline for the Group, and inflationary pressures on the Group's cost base.

Through the second half of FY23, the Group's capital allocation framework continues to prioritise strengthening the balance sheet, retaining and investing in our people and sustaining base working capital.

ASX / JSE ANNOUNCEMENT

JSE Disclosures

Short form announcement

This short-form announcement is the responsibility of the Board of Directors of DRA and is a summarised version of the Group's full announcement and financial report. As such, it does not contain the full or complete details of the Group's results for the six-month period ended 30 June 2023.

Any investment decision should be made after taking into consideration the full announcement (comprising the financial report for the six-month period ended 30 June 2023), which can be found on the JSE website at:

https://senspdf.jse.co.za/documents/2023/jse/isse/drae/HY23finrep.pdf

The full announcement (comprising the financial report for the six-month period ended 30 June 2023), together with an investor presentation, is also available for inspection, at no charge, by appointment and subject to observing COVID-19 restrictions, at the registered office of the Company's JSE sponsor:

- Pallidus Exchange Services Proprietary Limited, Die Groenhuis, 36 Garsfontein Road, Waterkloof, Pretoria

during normal business hours. Alternatively, copies of these documents can also be accessed, or requested via direct message, under the investor section on the Company website at **http://www.draglobal.com/investors/**, or accessed at **https://www2.asx.com.au/markets/company/dra**.

The Company has a primary listing on the Official List of the ASX and has a secondary listing on the Main Board of the Johannesburg Stock Exchange.

- ENDS -

This announcement was approved for release by the Board of Directors of DRA Global Limited.

For further information, please contact:

Media enquiries:
Michael Vaughan
Fivemark Partners
M: +61 422 602 720
michael.vaughan@fivemark.com.au

Investor queries:
Andrew Prior
Fivemark Partners
andrew.prior@fivemark.com.au

Shareholder administration:
P: +61 8 6163 5900
shareholders@draglobal.com

ASX / JSE ANNOUNCEMENT

JSE Announcement Disclosures
DRA Global Limited
(Incorporated in Australia under the *Corporations Act 2001* (Cth))
ACN 622 581 935
ASX / JSE Share Code: DRA
ISIN: AU0000155814
("DRA" or "the Company")
JSE Sponsor: Pallidus Exchange Services Proprietary Limited

About DRA Global Limited

DRA Global Limited (ASX: DRA | JSE: DRA) (DRA or the Company) is an international multi-disciplinary engineering, project delivery and operations management group, focused on the mining, minerals and metals industry.

The Group has an extensive track record spanning almost four decades across a wide range of commodities. We have delivered more than 8,000 projects, studies and managed services solutions, and currently operate more than a dozen sites through our operations and maintenance division.

Our teams have deep expertise in the mining, minerals and metals processing industries, as well as related non-process infrastructure such as water and energy sustainability solutions. We deliver comprehensive advisory, engineering and project delivery services throughout the capital project lifecycle, from concept through to operational readiness and commissioning as well as ongoing operations, maintenance and engineering services. We do this with a focus on sustainability and assisting clients to achieve their ESG goals.

DRA covers all major mining centres with offices across Africa and the Middle East, North and South America, and the Asia-Pacific.

[i] Earnings adjusted for revaluation of Upside Participation Rights on issue. Adjusted basic loss/earnings per share is a non-IFRS measure. Unadjusted basic earnings per share of 32.44 cps compared to unadjusted basic loss per share of 36.42 cps for the corresponding prior period.

[ii] Net cash is cash net of interest-bearing borrowings, other financial liabilities and lease liabilities.

[iii] Excluding Share Scheme Settlement Shares, treated as treasury shares.

[iv] Includes secured contracts or signed purchase orders.

[v] DRA's financial year end is 31 December.

[vi] Headline EPS is a non-IFRS measure. The calculation is disclosed in note 8 to the half-year financial statements.

[vii] Percentage change is not meaningful.

[viii] Excludes 25M UPRs on issue. UPR strike price is A$3.10 (ie. not in the money at the current share price).

[ix] Total recordable injury frequency rate based on 200,000 person hours.

[x] Lost time injury frequency rate based on 200,000 person hours.

[xi] Fair value gains on Upside Participation Rights (UPRs) – the fair value gain on UPRs is primarily driven by the movement of DRA's share price which impacts the value of the UPRs issued in FY2021 and is not representative of DRA's underlying financial performance.

[xii] Refer ASX announcement dated 28 July 2023, available at **https://www.draglobal.com/investors/**

[xiii] Refer ASX announcement dated 1 July 2023 and 28 July 2023, available at **https://www.draglobal.com/investors/**

[xiv] Refer ASX announcement dated 3 March 2023, available at **https://www.draglobal.com/investors/**

[xv] Pipeline opportunities are categorised as "near-term, high likelihood – in tender, tender submitted or being negotiated".