

Dynamic Group Holdings Limited
Appendix 4D
Half-year report

1. Company details

Name of entity: Dynamic Group Holdings Limited
ABN: 49 640 888 213
Reporting period: For the half-year ended 31 December 2024
Previous period: For the half-year ended 31 December 2023

2. Results for announcement to the market

			\$
Revenues from ordinary activities	down	14.0% to	39,534,689
Loss from ordinary activities after tax attributable to the owners of Dynamic Group Holdings Limited	down	234.8% to	(3,849,599)
Loss for the half-year attributable to the owners of Dynamic Group Holdings Limited	down	234.8% to	(3,849,599)

Dividends

There were no dividends paid, recommended or declared during the current financial period.

Comments

The loss for the consolidated entity after providing for income tax amounted to \$3,849,599 (31 December 2023: profit of \$2,855,015).

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>22.58</u>	<u>26.07</u>

4. Loss of control over entities

Not applicable.

5. Dividends

Current period

There were no dividends paid, recommended or declared during the current financial period.

Previous period

There were no dividends paid, recommended or declared during the previous financial period.

6. Dividend reinvestment plans

Not applicable.

7. Details of associates and joint venture entities

Not applicable.

8. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

9. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

10. Attachments

Details of attachments (if any):

The Interim Report of Dynamic Group Holdings Limited for the half-year ended 31 December 2024 is attached.

11. Signed

A handwritten signature in black ink, appearing to read 'J. Peng', is written over a horizontal line.

Signed _____

Date: 28 February 2025

Dynamic Group Holdings Limited

ABN 49 640 888 213

Interim Report - 31 December 2024

Dynamic Group Holdings Limited
Corporate directory
31 December 2024

Directors	Craig Hughes - Chair Murray Rutherford - Non-executive Director Andrew Haslam - Non-executive Director
Company secretary	Sam Wright & Thomas May
Registered office	Suite 7 29 The Avenue Nedlands WA 6009
Principal place of business	Level 2 76 Hasler Road Osborne Park WA 6017
Share register	Automic Registry Services Level 5 191 St Georges Terrace Perth WA 6000
Auditor	BDO Audit Pty Ltd Level 9 Mia Yellagonga Tower 2 5 Spring Street Perth WA 6000
Solicitors	Gadens Level 13 447 Collins Street Melbourne VIC 3000
Stock exchange listing	Dynamic Group Holdings Limited shares are listed on the Australian Securities Exchange (ASX code: DDB)
Website	www.dynamicgroupholdings.com.au
Corporate Governance Statement	A copy of the Corporate Governance statement can be found at www.dynamicgroupholdings.com.au

Dynamic Group Holdings Limited
Directors' report
31 December 2024

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Dynamic Group Holdings Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2024.

Directors

The following persons were directors of Dynamic Group Holdings Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Craig Hughes (appointed 9 September 2024)
Murray Rutherford (appointed 9 September 2024)
Andrew Haslam (appointed 9 September 2024)
Matthew Freedman (resigned 9 September 2024)
George Garnett (resigned 9 September 2024)
Garret Dixon (resigned 9 September 2024)
Mark Hine (resigned 9 September 2024)
Mark Davis (resigned 9 September 2024)

Principal activities

- Mine production Drill & Blast
- Construction Drill & Blast
- Vibration sensitive Drill & Blast
- Exploration Drilling
- Grade control Drilling
- Production supply and injection wells
- Deep artesian & geothermal wells
- Mine service holes
- Pump test services

Review of operations

The loss for the consolidated entity after providing for income tax amounted to \$3,849,599 (31 December 2023: profit of \$2,855,015).

Dynamic Group Holdings Limited 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 3 divisions, Dynamic Drill & Blast, Orlando Drilling and Welldrill.

Dynamic Group Holdings Limited has seen a 14% decrease in revenue for the 6 months ended 31 December 2024 compared to the revenue for the 6 months ended 31 December 2023.

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 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, the Company has developed comprehensive policies, procedures and processes that aid the safe, effective and efficient provision of services.

Dynamic Drill & Blast ("Dynamic") is a wholly owned subsidiary of the Company. Dynamic 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 ("Orlando") 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.

Welldrill is a wholly owned subsidiary of the Company. Welldrill is a Western Australian based company providing specialised production dewatering and bore drilling services to the mining industry since 2000.

Dynamic Group Holdings Limited
Directors' report
31 December 2024

Rounding of amounts

The company is of a kind referred to ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the directors' report and financial report. Amounts in the directors' report and financial report have been rounded off to the nearest dollar in accordance with the instrument.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Craig Hughes
Chair

28 February 2025

DECLARATION OF INDEPENDENCE BY PHILLIP MURDOCH TO THE DIRECTORS OF DYNAMIC GROUP HOLDINGS LIMITED

As lead auditor for the review of Dynamic Group Holdings Limited for the half-year ended 31 December 2024, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Dynamic Group Holdings Limited and the entities it controlled during the period.



Phillip Murdoch
Director

BDO Audit Pty Ltd
Perth
28 February 2025

Dynamic Group Holdings Limited

Contents

31 December 2024

Consolidated statement of profit or loss and other comprehensive income	6
Consolidated statement of financial position	7
Consolidated statement of changes in equity	8
Consolidated statement of cash flows	9
Notes to the consolidated financial statements	10
Directors' declaration	18
Independent auditor's review report to the members of Dynamic Group Holdings Limited	19

General information

The financial statements cover Dynamic Group Holdings Limited as a consolidated entity consisting of Dynamic Group Holdings Limited and the entities it controlled at the end of, or during, the period. The financial statements are presented in Australian dollars, which is Dynamic Group Holdings Limited's functional and presentation currency.

Dynamic Group Holdings Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office

C/O Straightlines Consultancy
Suite 7
29 The Avenue
Nedlands WA 6009

Principal place of business

Level 2, 76 Hasler Road
Osborne Park
6017

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 28 February 2025.

Dynamic Group Holdings Limited
Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2024

	Note	31 December 2024 \$	31 December 2023 \$
Revenue	3	39,534,689	45,995,230
Other income		66,696	297,800
Finance Income		1,651	1,235
Expenses			
Operating expenses	4	(13,911,881)	(15,432,700)
Travel & accommodation		(1,056,857)	(969,386)
Employee benefits expense		(1,537,457)	(1,321,364)
Employment Expenses		(16,760,775)	(17,124,917)
Depreciation and amortisation expense		(6,656,757)	(6,645,510)
Vehicle expenses		(332,849)	(332,162)
Share based payments	14	(560,042)	(258,558)
Other expenses		(2,495,884)	(3,191,002)
Finance costs		(936,873)	(1,014,832)
Profit/(loss) before income tax benefit		(4,646,339)	3,834
Income tax benefit	5	796,740	2,851,181
Profit/(loss) after income tax benefit for the half-year attributable to the owners of Dynamic Group Holdings Limited	11	(3,849,599)	2,855,015
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive income for the half-year attributable to the owners of Dynamic Group Holdings Limited		<u>(3,849,599)</u>	<u>2,855,015</u>
		Cents	Cents
Basic earnings / (loss) per share		(2.69)	2.10
Diluted earnings / (loss) per share		(2.69)	2.10

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Dynamic Group Holdings Limited
Consolidated statement of financial position
As at 31 December 2024

	Note	31 December 2024 \$	30 June 2024 \$
Assets			
Current assets			
Cash and cash equivalents		5,707,122	1,845,425
Trade and other receivables		12,134,847	18,000,831
Inventories		5,999,825	6,715,558
Other		2,423,799	1,757,677
Total current assets		<u>26,265,593</u>	<u>28,319,491</u>
Non-current assets			
Property, plant and equipment	6	42,093,395	45,174,254
Right-of-use assets		3,895,136	1,965,692
Intangible assets	7	2,525,254	3,164,196
Deferred tax		818,565	809,696
Other		97,689	108,098
Total non-current assets		<u>49,430,039</u>	<u>51,221,936</u>
Total assets		<u>75,695,632</u>	<u>79,541,427</u>
Liabilities			
Current liabilities			
Trade and other payables		11,637,862	6,820,291
Borrowings	8	8,454,334	22,381,195
Lease liabilities		1,162,740	1,261,980
Income tax		219,244	643,100
Employee benefits		2,320,678	2,152,687
Provisions		-	500,000
Other		195,898	532,692
Total current liabilities		<u>23,990,756</u>	<u>34,291,945</u>
Non-current liabilities			
Borrowings	9	11,674,703	2,037,839
Lease liabilities		2,879,803	840,532
Deferred tax		2,306,573	3,094,443
Total non-current liabilities		<u>16,861,079</u>	<u>5,972,814</u>
Total liabilities		<u>40,851,835</u>	<u>40,264,759</u>
Net assets		<u>34,843,797</u>	<u>39,276,668</u>
Equity			
Issued capital	10	41,661,939	40,965,169
Reserves		599,113	735,841
Accumulated losses	11	<u>(7,417,255)</u>	<u>(2,424,342)</u>
Total equity		<u>34,843,797</u>	<u>39,276,668</u>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Dynamic Group Holdings Limited
Consolidated statement of changes in equity
For the half-year ended 31 December 2024

Consolidated	Issued capital \$	Share based payment reserve \$	Retained profits \$	Total equity \$
Balance at 1 July 2023	40,591,602	673,353	6,152,547	47,417,502
Profit after income tax benefit for the half-year	-	-	2,855,015	2,855,015
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	2,855,015	2,855,015
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments (note 14)	-	258,558	-	258,558
Conversion of performance rights	163,224	(163,224)	-	-
Balance at 31 December 2023	<u>40,754,826</u>	<u>768,687</u>	<u>9,007,562</u>	<u>50,531,075</u>
Consolidated	Issued capital \$	Share based payment reserve \$	Retained profits \$	Total equity \$
Balance at 1 July 2024	40,965,169	735,841	(2,424,342)	39,276,668
Prior period adjustment	-	-	(1,143,314)	(1,143,314)
Balance at 1 July 2024 - restated	40,965,169	735,841	(3,567,656)	38,133,354
Loss after income tax benefit for the half-year	-	-	(3,849,599)	(3,849,599)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	(3,849,599)	(3,849,599)
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments (note 14)	-	560,042	-	560,042
Conversion of performance rights	696,770	(696,770)	-	-
Balance at 31 December 2024	<u>41,661,939</u>	<u>599,113</u>	<u>(7,417,255)</u>	<u>34,843,797</u>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

Dynamic Group Holdings Limited
Consolidated statement of cash flows
For the half-year ended 31 December 2024

	Consolidated	
	31 December 2024	31 December 2023
	\$	\$
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	49,920,190	57,297,100
Payments to suppliers and employees (inclusive of GST)	(37,226,214)	(48,313,814)
Receipts of other income	102,133	292,600
Interest received	1,650	1,235
Interest and other finance costs paid	(1,249,167)	(969,518)
Income taxes paid	-	(1,909,124)
	<u>11,548,592</u>	<u>6,398,479</u>
Cash flows from investing activities		
Payments for property, plant and equipment	(2,486,685)	(3,533,239)
Proceeds from disposal of property, plant and equipment	432,631	-
	<u>(2,054,054)</u>	<u>(3,533,239)</u>
Cash flows from financing activities		
Repayment of borrowings	(4,289,994)	(4,463,616)
Repayment of leases	(1,342,847)	(264,712)
	<u>(5,632,841)</u>	<u>(4,728,328)</u>
Net cash used in financing activities		
Net increase/(decrease) in cash and cash equivalents	3,861,697	(1,863,088)
Cash and cash equivalents at the beginning of the financial half-year	1,845,425	12,145,233
	<u>5,707,122</u>	<u>10,282,145</u>
Cash and cash equivalents at the end of the financial half-year		

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

Dynamic Group Holdings Limited
Notes to the consolidated financial statements
31 December 2024

Note 1. Material accounting policy information

These general purpose financial statements for the interim half-year reporting period ended 31 December 2024 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2024 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

Comparatives

In compliance with accounting standards, comparative figures have been adjusted to ensure consistency in classification and presentation with the current financial year. Specifically, the comparative financial statements have been revised to reflect the reassessment of accrued income of \$1,143,314 which was determined to be lower than initially recognised. The adjustment is not considered material to the financial statements.

Basis of preparation

These general purpose financial statements for the half year ended 31 December 2024 have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB'). The group is a for profit entity for the purpose of this financial report.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only.

The accounting policies adopted are consistent with the accounting policies adopted in Dynamic's last annual financial statements for the year ended 30 June 2024. Comparative figures have been adjusted to confirm to changes in presentation for the current financial year.

Going Concern

The Directors have prepared the financial report on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business. The consolidated entity incurred a loss before tax of \$5,453,716 (2023: profit \$3,834) during the reporting period ended 31 December 2024, and had a net cash inflow of \$3,861,697 (2023: outflow \$1,863,088).

The consolidated entity is reliant upon future capital raisings either from its shareholders or through debt to meet its planned activities for the next 12 months. These conditions indicate a material uncertainty that may cast doubt about the entity's ability to continue as a going concern based on the group's reliance upon shareholders and debt for future funding. As a result the entity may be unable to realise its assets and discharge its liabilities in the normal course of business. The Directors believe there are reasonable grounds to believe that the Group will be able to continue as a going concern.

Should the Group be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial report. The financial report does not include any adjustments relating to the amounts and classification of recorded asset amounts or liabilities that might be necessary should the Group not continue as a going concern.

Operating Segments

The consolidated entity is organised into one operating segment: Rendering of services. This operating segment is based on the internal reports that are reviewed and used by the Board of Directors.

Dynamic Group Holdings Limited
Notes to the consolidated financial statements
31 December 2024

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Impairment of non-financial assets

The consolidated entity assesses impairment of non-financial assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Note 3. Revenue

	Consolidated	Consolidated
	31 December	31 December
	2024	2023
	\$	\$
Services	<u>39,534,689</u>	<u>45,995,230</u>

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	Consolidated	Consolidated
	31 December	31 December
	2024	2023
	\$	\$
<i>Product type</i>		
Services	<u>39,534,689</u>	<u>45,995,230</u>
<i>Geographical regions</i>		
Western Australia	<u>39,534,689</u>	<u>45,995,230</u>
<i>Timing of revenue recognition</i>		
Services transferred over time	<u>39,534,689</u>	<u>45,995,230</u>

During the period ended ended 31 December 2024, the consolidated entity derived revenue in excess of 10% of the total revenue of the entity as follows:

	Revenue for
	the period
	ended
	31 December
	2024
	\$
Customer	
Vault Minerals Ltd	9,182,433
BHP Group Ltd	8,920,788

Dynamic Group Holdings Limited
Notes to the consolidated financial statements
31 December 2024

Note 4. Operating expenses

	Consolidated	
	31 December	31 December
	2024	2023
	\$	\$
Consumables	4,562,683	6,165,839
Maintenance	2,474,194	2,191,136
Labour Hire / Contractors	3,935,995	3,347,301
Freight	1,058,947	1,356,049
Other operating expenses	793,039	313,113
Equipment Hire	1,087,023	2,059,262
	<u>13,911,881</u>	<u>15,432,700</u>

Note 5. Income tax benefit

	Consolidated	
	31 December	31 December
	2024	2023
	\$	\$
<i>Income tax benefit</i>		
Deferred tax - origination and reversal of temporary differences	(796,740)	(3,575,407)
Provision for Income Tax	-	724,226
	<u>(796,740)</u>	<u>(2,851,181)</u>
<i>Numerical reconciliation of income tax benefit and tax at the statutory rate</i>		
Profit/(loss) before income tax benefit	(4,646,339)	3,834
Tax at the statutory tax rate of 30%	(1,393,902)	1,150
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Entertainment expenses	-	10,964
Share-based payments	168,013	77,568
	(1,225,889)	89,682
Current half-year tax losses not recognised	821,886	-
Prior half-year temporary differences not recognised now recognised	(392,737)	(2,940,863)
	<u>(796,740)</u>	<u>(2,851,181)</u>

Dynamic Group Holdings Limited
Notes to the consolidated financial statements
31 December 2024

Note 6. Non-current assets - property, plant and equipment

	Consolidated	
	31 December	30 June 2024
	2024	2024
	\$	\$
Leasehold improvements - at cost	353,662	350,473
Less: Accumulated depreciation	<u>(114,616)</u>	<u>(109,631)</u>
	239,046	240,842
Plant and equipment - at cost	92,127,577	93,656,974
Less: Accumulated depreciation	<u>(51,834,023)</u>	<u>(49,340,178)</u>
Less: Impairment	-	<u>(1,305,823)</u>
	40,293,554	43,010,973
Motor vehicles - at cost	4,140,446	4,642,204
Less: Accumulated depreciation	<u>(2,579,651)</u>	<u>(2,719,765)</u>
	1,560,795	1,922,439
	<u>42,093,395</u>	<u>45,174,254</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the previous financial year are set out below:

	Leasehold Improvements	Plant & Equipment	Motor Vehicles	Total
	\$	\$	\$	\$
Balance as at 1 July 2023	186,247	46,278,603	2,198,809	48,663,659
Additions	94,031	7,645,784	476,975	8,216,790
Disposals	(26,425)	(524,820)	(162,718)	(713,963)
Impairment of assets	-	(1,305,823)	-	(1,305,823)
Depreciation expense	<u>(13,011)</u>	<u>(9,082,771)</u>	<u>(590,627)</u>	<u>(9,686,409)</u>
Balance as at 30 June 2024	<u>240,842</u>	<u>43,010,973</u>	<u>1,922,439</u>	<u>45,174,254</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

Consolidated	Leasehold Improvements	Plant & Equipment	Motor Vehicles	Total
	\$	\$	\$	\$
Balance at 1 July 2024	240,842	43,010,973	1,922,439	45,174,254
Additions	3,189	2,149,921	7,300	2,160,410
Disposals	-	(304,578)	(160,748)	(465,326)
Depreciation expense	<u>(4,985)</u>	<u>(4,560,766)</u>	<u>(210,192)</u>	<u>(4,775,943)</u>
Balance at 31 December 2024	<u>239,046</u>	<u>40,295,550</u>	<u>1,558,799</u>	<u>42,093,395</u>

Dynamic Group Holdings Limited
Notes to the consolidated financial statements
31 December 2024

Note 7. Non-current assets - Intangible assets

	Consolidated	
	31 December	
	2024	30 June 2024
	\$	\$
Customer contracts - at cost	6,052,563	6,052,563
Less: Accumulated amortisation	<u>(3,527,309)</u>	<u>(2,888,367)</u>
	<u><u>2,525,254</u></u>	<u><u>3,164,196</u></u>

As at 31 December 2024 indicators of impairment have been considered and management have assessed no impairment is required.

Note 8. Current liabilities - borrowings

	Consolidated	
	31 December	
	2024	30 June 2024
	\$	\$
Bank loans	8,447,022	22,361,041
Credit Cards	<u>7,312</u>	<u>20,154</u>
	<u><u>8,454,334</u></u>	<u><u>22,381,195</u></u>

Note 9. Non-current liabilities - borrowings

	Consolidated	
	31 December	
	2024	30 June 2024
	\$	\$
Bank loans	<u>11,674,703</u>	<u>2,037,839</u>

Total secured liabilities

The total secured liabilities (current and non-current) are as follows:

	Consolidated	
	31 December	
	2024	30 June 2024
	\$	\$
Bank loans	20,121,725	24,398,880
Credit Cards	<u>7,312</u>	<u>20,154</u>
	<u><u>20,129,037</u></u>	<u><u>24,419,034</u></u>

Assets pledged as security

The loans are secured by first mortgages over the consolidated entity's plant and equipment.

The consolidated entity has available un-drawn asset finance facility limit of \$13,278,275 as at 31 December 2024.

Borrowing Covenants

The consolidated entity is required to satisfy the below bank covenants in relation to its facilities with the Commonwealth Bank of Australia:

Dynamic Group Holdings Limited
Notes to the consolidated financial statements
31 December 2024

Note 9. Non-current liabilities - borrowings (continued)

- Debt Service Coverage Ratio of greater than 1.40:1 times EBITDA
- Gross Leverage Ratio of less than 1.75:1 times EBITDA
- Working Capital Drawn Debt to Debtors Ratio of less than 50%

All required ratios were satisfied during the period.

Note 10. Equity - issued capital

	Consolidated			
	31 December 2024 Shares	30 June 2024 Shares	31 December 2024 \$	30 June 2024 \$
Ordinary shares - fully paid	<u>143,148,254</u>	<u>139,039,899</u>	<u>41,661,939</u>	<u>40,965,169</u>

Movements in ordinary share capital for the year ended 30 June 2024.

Details	Date	Shares	Issue price	\$
Balance	1 July 2023	134,552,955		40,591,602
Conversion of Performance rights	14 July 2023	3,302,440	\$0.00	103,200
Conversion of Performance rights	25 July 2023	382,716	\$0.00	87,356
Conversion of Performance rights	29 February 22024	776,438	\$0.00	177,225
Conversion of Performance rights	5 April 2024	<u>25,350</u>	<u>\$0.00</u>	<u>5,786</u>
Balance	30 June 2024	<u>139,039,899</u>		<u>40,965,169</u>

Movements in ordinary share capital for the half year ended 31 December 2024.

Details	Date	Shares	Issue price	\$
Balance	1 July 2024	139,039,899		40,965,169
Conversion of Performance Rights	19 August 2024	4,008,292	\$0.00	677,758
Conversion of Performance Rights	30 August 2024	<u>100,063</u>	<u>\$0.00</u>	<u>19,012</u>
Balance	31 December 2024	<u>143,148,254</u>		<u>41,661,939</u>

Note 11. Equity - accumulated losses

	Consolidated	
	31 December 2024 \$	30 June 2024 \$
Retained profits/(accumulated losses) at the beginning of the financial half-year	(2,424,342)	6,152,545
Prior year adjustment	<u>(1,143,314)</u>	<u>-</u>
Retained profits/(accumulated losses) at the beginning of the financial half-year - restated	(3,567,656)	6,152,545
Loss after income tax benefit for the half-year	<u>(3,849,599)</u>	<u>(8,576,887)</u>
Accumulated losses at the end of the financial half-year	<u>(7,417,255)</u>	<u>(2,424,342)</u>

Note 12. Related party transactions

There were no loans to or from related parties at the current and previous reporting date.

Dynamic Group Holdings Limited
Notes to the consolidated financial statements
31 December 2024

Note 13. Events after the reporting period

No matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 14. Share-based payments

Options

Details of the Options expensed during the period ended 31 December 2024 are outlined below:

		Unlisted options Exercisable at \$0.77 Maturing on 25 November 2026
Number of options		372,500
Exercise price		\$0.77
Issue date		25 November 2021
Maturity date		25 November 2026
Vesting final date		25 November 2024
Share based payment expensed to 31 December 2024		\$8,147

	Unlisted options Exercisable at \$0.64 Maturing on 10 November 2026	Unlisted options Exercisable at \$0.72 Maturing on 10 November 2027
Number of options	395,000	395,000
Exercise price	\$0.64	\$0.72
Issue date	10 November 2022	10 November 2022
Maturity date	10 November 2026	10 November 2027
Vesting final date	10 November 2024	10 November 2025
Shared based payment expensed to 31 December 2024	\$7,317	\$7,548

Performance Rights

Details of the Performance Rights expensed in the period ended 31 December 2024 are outlined below:

	Unlisted Performance Rights 2024 Tranche 1	Unlisted Performance Rights 2024 Tranche 2
Number of Performance rights	1,683,056	1,683,059
Grant date	29 February 2024	29 February 2024
Expiry date	1 July 2026	1 July 2026
Share price at grant date	\$0.23	\$0.23
Value per right	\$0.101	\$0.19
Share based payment expensed to 31 December 2024	\$56,686	\$290,927

Dynamic Group Holdings Limited
Notes to the consolidated financial statements
31 December 2024

Note 14. Share-based payments (continued)

	Unlisted Performance Rights Employee Tranche 2	Unlisted Performance Rights NED
Number of Performance rights	1,729,468	250,000
Grant date	22 March 2023	1 December 2023
Expiry date	22 March 2027	1 December 2026
Share price at grant date	\$0.23	\$0.22
Value per right	\$0.23	\$0.23
Share based payment expensed to 31 December 2024	\$150,368	\$39,049

Dynamic Group Holdings Limited
Directors' declaration
31 December 2024

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2024 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors

A handwritten signature in black ink, appearing to read 'Craig Hughes', is written over a horizontal line.

Craig Hughes
Chair

28 February 2025

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Dynamic Group Holdings Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Dynamic Group Holdings Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, material accounting policy information and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- i. Giving a true and fair view of the Group's financial position as at 31 December 2024 and of its financial performance for the half-year ended on that date; and
- ii. Complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Material uncertainty relating to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

Responsibility of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2024 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit Pty Ltd



Phillip Murdoch

Director

Perth, 28 February 2025