2022 ANNUAL REPORT AND APPENDIX 4E

For the financial year ended 31 December 2022

ABN 75 622 581 935

OUR ASPIRATION

To turn the future of mining into reality as the most sought-after company in our field.

CONTENTS

ABOUT THIS REPORT

This Annual Report is a summary of DRA's operations and financial results for the financial year ended 31 December 2022. All references to 'DRA', 'the Company', 'the Group', 'we', 'us' and 'our' refers to DRA Global Limited (ACN 622 581 935) and the entities it controls, unless stated otherwise.

References in this report to a 'year' are to the financial year ended 31 December 2022 unless stated otherwise. All dollar figures are in Australian dollars unless stated otherwise.

APPENDIX 4E

DRA Global Limited | ACN 622 581 935

DETAILS OF REPORTING PERIOD

Reporting period	For the year ended 31 December 2022
Previous reporting period	For the year ended 31 December 2021

RESULTS FOR ANNOUNCEMENT TO THE MARKET

		%		$'000
Revenues from ordinary activities	down	24.6%	to	894,732
Loss from ordinary activities after tax attributable to the owners of DRA Global	down	143.7%	to	21,872
Loss for the year attributable to the owners of DRA Global	down	143.7%	to	21,872

DIVIDENDS AND DIVIDEND REINVESTMENT PLANS

It is not proposed to pay any dividends for the reporting period. There were no dividends paid, recommended or declared during the reporting period. There was no dividend reinvestment plan in operation during the reporting period.

NET TANGIBLE ASSETS

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	317.30	318.51

The net tangible assets exclude right-of-use assets and lease liabilities.

DETAILS OF CHANGES IN CONTROLLED ENTITIES

There were no changes in controlled entities during the reporting period.

DETAILS OF ASSOCIATES AND JOINT VENTURE ENTITIES

	31-Dec-22	31-Dec-21
Finetech Minerals Pty Ltd	25%	25%
LSL Consulting Pty Ltd	25.5%	25.5%
Tekpro Projects Pty Ltd	25.5%	25.5%
Nokeng Joint venture (unincorporated)	50%	50%

The Group's aggregate share of associates and joint venture entities' profits/(losses) are not material for the reporting period.

COMMENTARY

The consolidated statement of profit and loss, consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of cash flows and consolidated statement of changes in equity, together with notes to each of these statements, are contained within the audited financial statements of DRA's FY2022 Annual Report.

Refer to the commentary on the results for the financial year contained in the operational and financial reviews of DRA's FY2022 Annual Report.

The financial report for the financial year ended 31 December 2022 has been audited by BDO Audit (WA) Pty Ltd, which has issued an unmodified audit opinion in respect of the consolidated financial statements.

2023 ANNUAL GENERAL MEETING

DRA's Annual General Meeting is scheduled for 9 May 2023 (subject to change) at a time and place (in Johannesburg) to be announced.

I've had many professional highlights since starting at DRA. The standout would be successful project delivery when working on a mineral sands project in West Africa; DRA's first mineral sands project and the first project in that country. There is no scope too big for DRA and our expert team can successfully deliver any project, no matter the location or commodity.

Zoleka Malotana

Branding, Marketing and Communications Business Partner // Minopex and SENET
Johannesburg // South Africa

WE ARE DRA GLOBAL

ABOUT US

DRA is a global multi-disciplinary engineering, project delivery and operations management group focused on the mining, minerals and metals industry.

As a dual-listed ASX and JSE company with headquarters in Perth, Australia, we have deep subject matter expertise in mining, minerals and metals processing and related non-process infrastructure including sustainability, water and energy solutions for the mining sector.

We deliver advisory, engineering and project delivery services throughout the capital project lifecycle from concept through to operational readiness and commissioning as well as ongoing operations and maintenance services.

OUR TRACK RECORD

4 Almost four decades, specialising in the mining, minerals and metals industry

14 offices on five continents

4,000 people worldwide

8,000 projects, studies and managed services solutions, underpinned by effective and reliable delivery

CREATING REAL VALUE

We are driven by our purpose to create real value by fulfilling the aspirations of our people, clients, shareholders, and communities. In other words, we exist to deliver long-term value to all our stakeholders.

ROADMAP TO 2025

Our purpose is underpinned by our strategy to deliver sustainable long-term growth of our business so that it consistently improves in value over time. **Take a look at our Roadmap to 2025 on page 13.**

OUR VALUES

Our people are the cornerstone of our business. While our strategy outlines what we do to achieve our purpose, our people are guided by values of safety, integrity, excellence, trust and courage each and every day. **We proudly feature our people throughout this report.**

OUR WORK

We operate across two distinct, but interconnected divisions – Projects and Operations – within two regional operating segments:

- Australia, Asia-Pacific, North and South America (APAC/AMER); and
- Europe, the Middle East and Africa (EMEA).

Our core business focuses on delivering services to a diverse client base, from junior miners to global tier one, multi-commodity clients in the mining, minerals and metals sector.

PROJECTS DIVISION

DRA Projects services the mining, minerals and metals industry from mine-to-port across the APAC/AMER and EMEA regions, specifically for the engineering design, procurement, project and construction management of mine assets.

Our team of talented professionals draw on comprehensive knowledge and extensive experience to deliver fit-for-purpose engineering solutions. From scoping and pre-feasibility, to final handover, our people add value across the entire lifecycle of a capital project.

Our design capabilities and excellent project management skills ensure the successful implementation of projects across multiple countries, commodities and processing technologies.

OPERATIONS DIVISION

As companies look for innovative ways to reduce operating and maintenance costs and improve productivity, DRA Operations offer a unique business model for mineral processing throughout the world.

DRA is a leader in this sector, adding value to mining operations by meeting the unique needs of its clients. From coal, chromite, and ferrous metals, to diamonds, gold, and platinum group metals, we offer a wide range of services designed to make mineral processing requirements more cost-effective while maintaining product quality, plant integrity and worker safety.

OUR SERVICES

Our business model covers the full project lifecycle, offering optimal solutions that are tailored to meet clients' needs and solutions to the mining, minerals and metals industry.

ORIGINATE – PROJECT DEVELOPMENT

- Front-end solutions
- Mineral economics evaluation and advisory
- Concept development
- Preliminary economic assessments
- Study development
- Feasibility studies
- Economic and project evaluation
- Estimating and planning
- Project risk assessment
- Sustainability solutions

DELIVER – PROJECT DELIVERY AND EXECUTION

- Front-end engineering design
- Engineering design
- Procurement
- Detailed design
- Project management
- Construction management
- Commissioning
- Commercial contract management
- Capital portfolio delivery
- Sustainable project solutions

OPTIMISE – OPERATIONS AND MAINTENANCE

- Plant operations and maintenance
- Maintenance and operations advisory
- Operational assessment
- Management and data systems
- Asset integrity management
- Brownfield improvements and plant modifications
- Sustaining capital
- Process optimisation
- Sustainability solutions

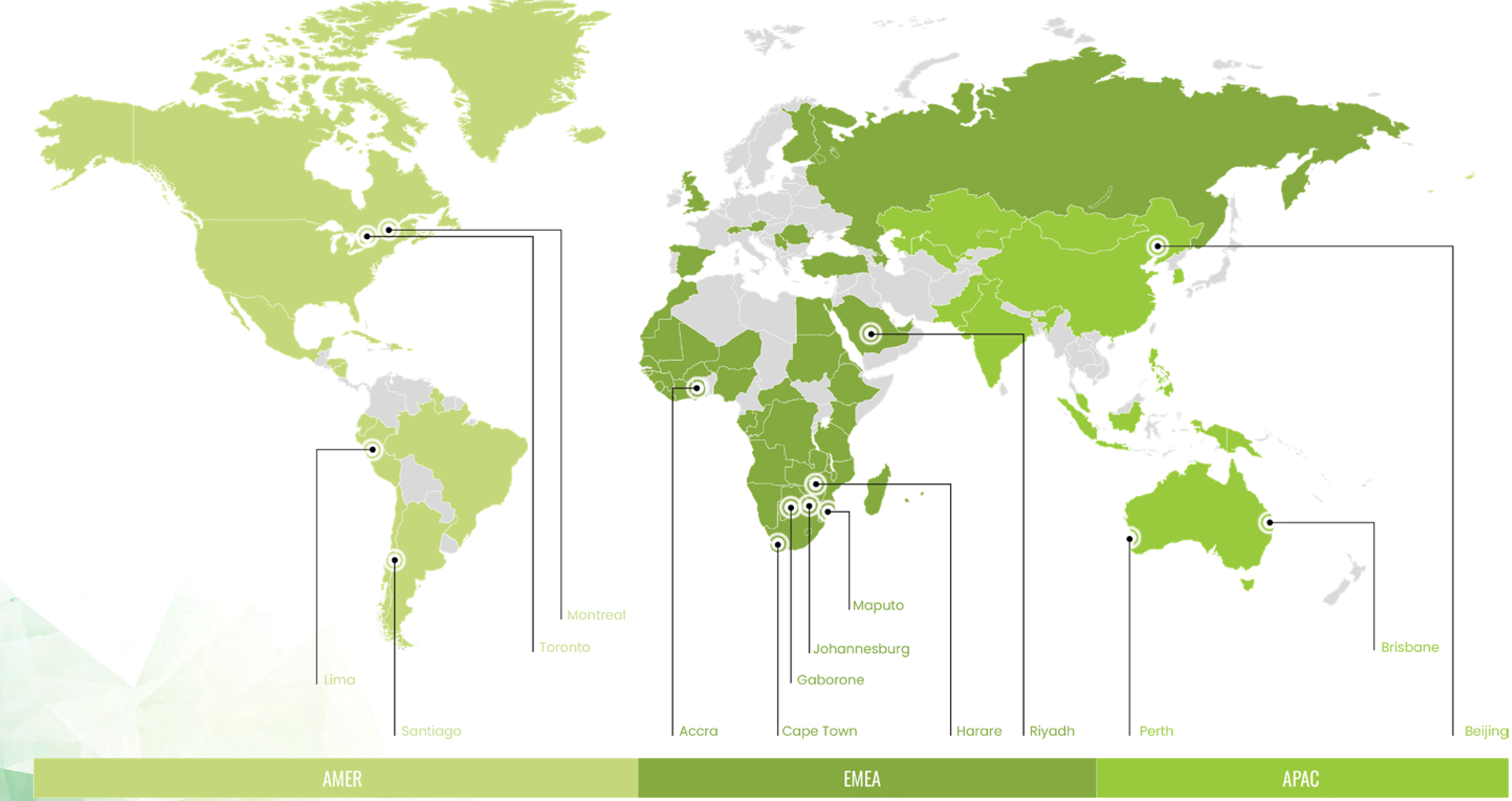
ALTHOUGH OUR ROOTS ARE IN AFRICA, WE HAVE EMERGED AS A GLOBAL PLAYER COVERING ALL MAJOR MINING JURISDICTIONS AND ALL SIGNIFICANT COMMODITIES. WE NOW OPERATE ACROSS FIVE CONTINENTS AND UNDERTAKE PROJECTS THROUGHOUT THE WORLD.

CAPABILITIES

- Minerals and metals processing
- Mining
- Non-process infrastructure
- Construction management
- Electrical, control and instrumentation
- Water
- Energy
- Engineering
- Advisory
- Operations and maintenance

COMMODITIES

- Precious metals
- Base metals
- Rare earths
- Bulk commodities
- Precious stones
- Thermal and metallurgical coal
- Battery minerals
- Nuclear fuels
- Industrial minerals
- Mineral sands



DRA has been very supportive of my career and professional development. Since I started two years ago, I've earned my professional engineering designation, had the opportunity to expand my skills and participate on different committees, and proudly attended various conferences as the vice chair of Women in Mining Canada with the full support of DRA.

Mélanie LaRoche-Boisvert

Mining Engineer // AMER
Montreal // Canada

OUR STRATEGY

The Roadmap to 2025 is DRA's global strategic direction and key priorities that will help us reach our full potential as a company.

Our aspiration - **to turn the future of mining into reality as the most sought-after company in our field** - will drive us towards where we want to be by the end of 2025.

Underpinned by our values, our aspiration will guide the way we work together to achieve our purpose of creating real value.

OUR PEOPLE

We foster a supportive and inspiring work culture where our people can thrive and grow while doing meaningful work that helps them fulfil their career goals.

OUR CLIENTS

As a trusted partner, we create more value for our clients than our competitors through a differentiated approach that helps to shape the future of the mining industry and grow our brand in the market.

OUR SHAREHOLDERS

We strive to deliver long-term success of our business so it consistently improves in value over time by applying sound principles of governance and risk management to support quality of earnings in a sustainable way.

OUR COMMUNITIES

We strive to deliver the resource commodities that economies need, while sourcing, extracting, and processing in a way that leaves a positive, sustainable impact in our communities through innovative engineering.

OUR ASPIRATION IS TO TURN THE FUTURE OF MINING INTO REALITY AS THE MOST SOUGHT-AFTER COMPANY IN OUR FIELD

OUR STRATEGIC PILLARS

Our five strategic pillars – Client, Portfolio Performance, Talent, Innovation and Sustainable DRA - will allow us to succeed in a highly competitive market. We will continue to adapt our pillars to ensure that we remain at the forefront of a rapidly changing industry.

We leverage our strategic pillars to drive an aligned and digitally enabled workplace that builds innovation and sustainability into everything that we do.

Our **Client** pillar focuses on deepening our relationships and driving continuous improvement in our client experience. We have proudly built strong and enduring relationships with our clients across the globe, and we will continue to support, advise and work together with them to develop opportunities, solve their most pressing challenges and adapt our service offerings to meet their needs.

Our **Portfolio Performance** pillar ensures we continue to successfully deliver projects and operations by driving a culture of continuous improvement in everything that we do. We believe in engineering excellence through the application of reliable, and scalable project delivery processes and systems to help us achieve strong financial results in a safe workplace.

Our **Talent** pillar aims to cultivate a high trust culture that will help us attract, engage and retain people who will contribute to our high-performing teams. Our people are creative thinkers who are committed to finding solutions for our clients. We will continue to drive authentic, collaborative and responsible leadership which will help us become a magnet for talent by embracing innovative future ways of work.

Our **Innovation** pillar will see us leverage our pioneering thinking and technical expertise to build competitive differentiation that makes us unique in the industry. We will continue to drive thought-leadership from our centres of excellence around the globe and create experts as a differentiator across our value chain.

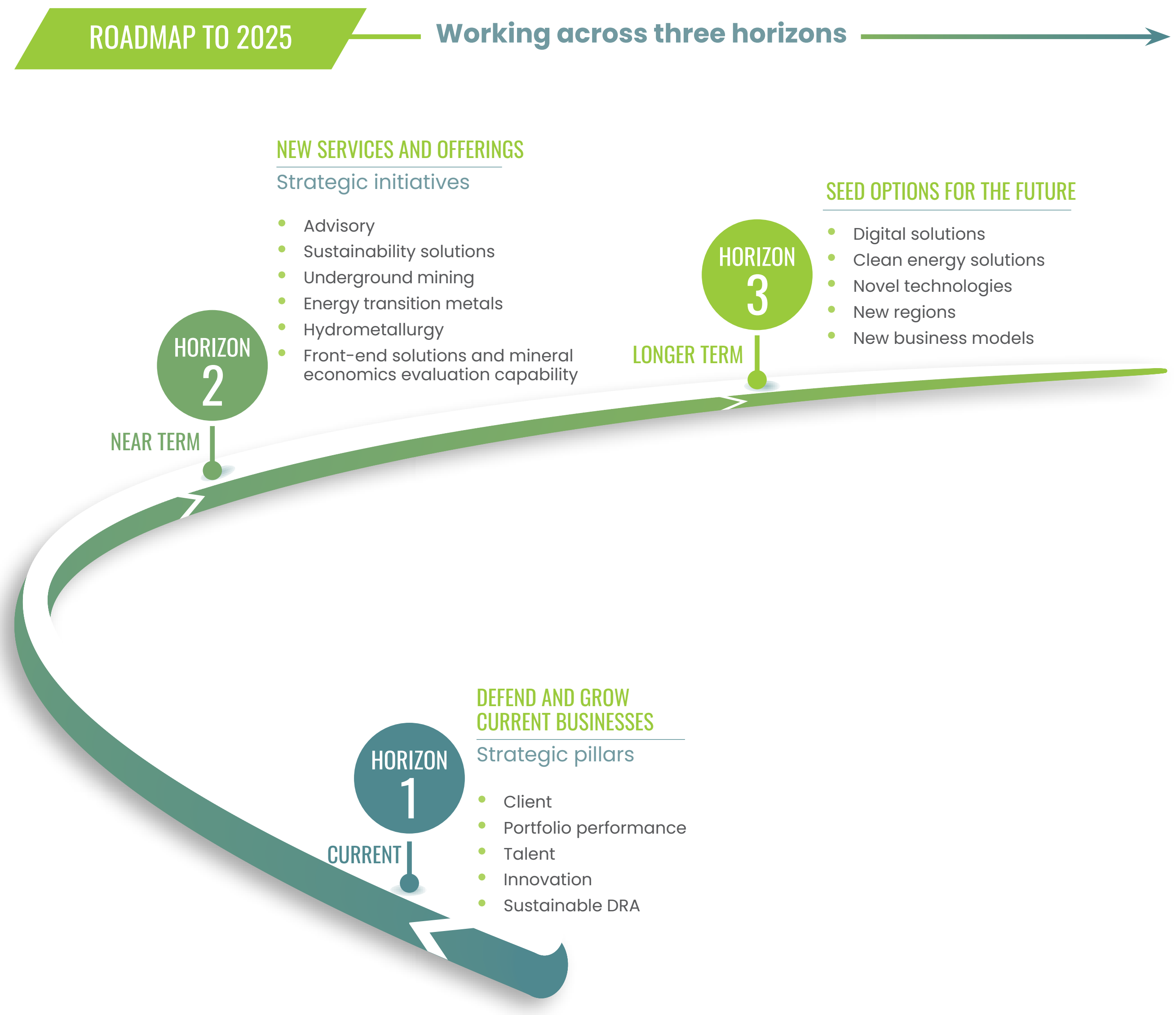
With the world changing at an unprecedented rate, our challenge is taking considered action to design the systems, processes and strategies that best support our aspiration, while having a positive impact on our stakeholders.

Our **Sustainable DRA** pillar focuses on redesigning our ESG strategy and action plan to help us make progress in the implementation of our strategic intent. We aim to consider the principles of ESG in our decision-making while leveraging our strong technical capabilities to assist clients with sustainability solutions.

STRATEGIC GROWTH INITIATIVES

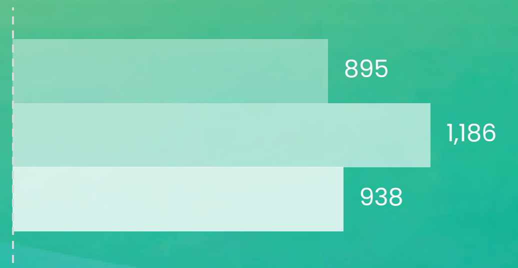
The global mining industry is dynamic with complex challenges that require innovative solutions. As a leading service provider, we need to constantly adapt to better serve our clients and meet the demands of this changing landscape.

We will grow our current business in our core markets, expand our services and offerings and seed options for the future.

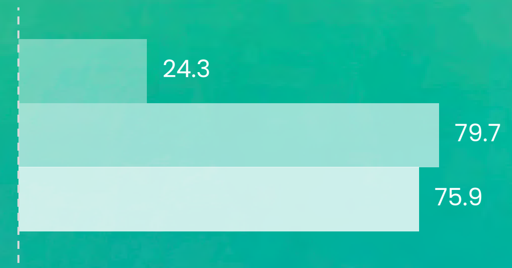


YEAR AT A GLANCE

$895 million
Revenue

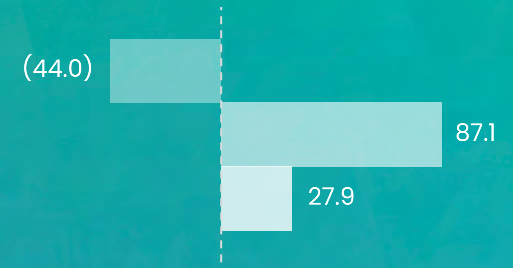


$24.3 million
Underlying EBITDA

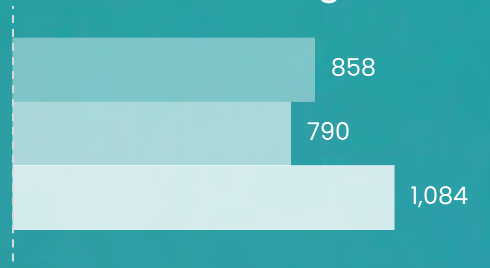


$(21.4) million
NPAT

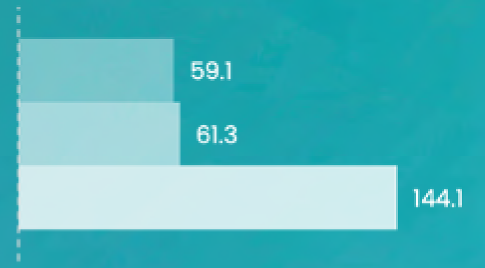
(44.0) cents
Basic loss per share



$858 million
Backlog



$59.1 million
Net cash



FY2022 FY2021 FY2020

$4.3 billion
Total pipeline

FY2022 KEY GROUP OUTCOMES

Improved safety performance with TRIFR of 0.52, a reduction of 33 percent on the prior year

Strong operational performance from core businesses in EMEA and AMER, in line with expectations

Delivered profitable second half EBIT and restructured APAC for profitability and growth

Completed the sale of the G&S Engineering business and commercially resolved legacy loss-making APAC contracts

Progress made on resolving pre-IPO litigation matters

Secured $638 million in new contracts and extensions with major awards

Finalised our Roadmap to 2025, detailing our global strategic direction and key priorities

Reshaped our operating model and corporate structure, and appointment of refreshed Global Leadership Team

CHAIR'S REVIEW

"THE GLOBAL MINING INDUSTRY IS DYNAMIC, WITH COMPLEX CHALLENGES THAT REQUIRE INNOVATIVE SOLUTIONS. PROUDLY, DRA IS A LEADING SERVICE PROVIDER TO THE INDUSTRY WITH A TRACK RECORD SPANNING ALMOST FOUR DECADES. WHILE IT HAS BEEN A DIFFICULT YEAR, THE BOARD IS CONFIDENT THAT THE BUSINESS IS WELL-POSITIONED TO TAKE ON THE NEXT PHASE OF GROWTH, UNDERPINNED BY ITS ROBUST ROADMAP TO 2025, WHICH WILL DIFFERENTIATE IT IN THE MARKET AND MAKE IT THE PROVIDER OF CHOICE."

I'm pleased to present DRA Global's Annual Report for the year ended 31 December 2022 (FY2022).

Throughout the year, we have worked hard to strengthen our business and turned our attention to sustainable long-term growth through the Roadmap to 2025 - DRA's global strategic direction. We also resolved a number of litigation disputes, refocused on our core strengths of engineering, project delivery and operations and maintenance, and continued to deliver exceptional results for our clients around the world.

While the global economy re-emerged from the COVID-19 pandemic, the impacts of the war in Ukraine, geo-political tensions between China and the US, rapidly rising worldwide inflation followed by rising universal interest rates have been deeply felt by all of us. Scarce skills, increasingly complex ore bodies, challenging project economics and finding sustainable low-carbon solutions are a few of the challenges facing the industry.

Despite this, we closed the year having successfully navigated our business through these industry challenges, as well as significant internal change in our business, which can only be attributed to the extraordinary efforts and resilience of our people.

The Board would like to express its gratitude to our people for their ongoing dedication, demonstrating courage and supporting each other, and continuing to strive for excellence for our clients.

YEAR IN REVIEW

It has been a defining year for the Group, with our financial performance reflecting the challenges that were faced during the first half of the year, particularly in the APAC business.

The Group performed well in the second half of the year to deliver a modest full year Underlying EBIT profit of $7.0 million, and ended the financial year with a net cash balance of $59.1 million.

We resolved a number of legacy loss-making fixed-price construction contracts that were entered into by the G&S Engineering business in prior years, which contributed to the Group's first-half losses and impacted overall earnings. Following the announcement to divest the G&S Engineering business in July, the Group undertook a review and restructure of the APAC business which has put the region in a much-improved financial position heading into FY2023.

In September, we successfully completed the divestment of the G&S Engineering business to KAEFER Integrated Services. We believe this partnership is more strategically aligned for the long-term and allows DRA to refocus on what it does best. I'd like to thank our G&S Engineering colleagues for their service since joining the Group in FY2018.

As reported in our half year results, the Australian Takeovers Panel matters were concluded, and two major pre-IPO related disputes have been resolved. We also continue to make progress towards resolving other disputes.

We continued our focus and commitment to responsible business practice to ensure the success and stability of our organisation, create a culture of trust and promote investor confidence.

RESHAPING THE WAY WE OPERATE

Towards the middle of the year, we made some changes to the way we operate following an operating model review. Working to a new and fit-for-purpose operating model has allowed us to appropriately empower our business units to enable them to operate responsibly within the Group's governance, risk and compliance frameworks. In addition, the new model has delivered clarity of accountability to support improved performance and collaboration, and provide the platform to optimise overhead cost structures.

We also reshaped our corporate structure and introduced a smaller Group Executive Committee to help streamline decision-making across the Company and to support our business units better. Several new senior appointments were made during this period, including James Smith as Chief Executive Officer, Michael Sucher as Chief Financial Officer, and Bronwyn Baker taking on the new and broader role of Chief Corporate Services Officer.

In addition, I would like to thank Non-Executive Director Kathleen Bozanic for her contribution to the Board following her resignation at the end of the year.

LOOKING AHEAD TO 2023

Throughout 2022, we have demonstrated solid operational performance across our core business units, and I'm proud of the work our teams have accomplished for our clients. We have also secured $638 million in new contract awards and extensions across multiple commodities and regions, highlighting the strength of our client relationships and reputation for high-quality service delivery.

The global mining industry is dynamic, with complex challenges that require innovative solutions. Proudly, DRA is a leading service provider to the industry with a track record spanning almost four decades. This has put us in a good position to take on the next phase of growth, underpinned by our robust Roadmap to 2025, which will differentiate us in the market and make us the provider of choice.

Our Roadmap to 2025 provides us with a clear pathway to achieve our aspirations and reach our full potential as a Company, including creating value for our shareholders, and improving investor appetite and the liquidity of our shares. While we will seek to capture further growth, we are cognisant about delivering on quality of earnings and stable cashflow. Taking into consideration our current financial position, there were no dividends paid, recommended or declared during the reporting period.

Despite a challenging year, we have a promising outlook ahead of us under the leadership of the Executive Committee and Global Leadership Team. I'm particularly confident that we have strong alignment between the Board and leadership teams where we collectively have a shared vision for the future.

THANKS

I would like to take this opportunity to thank my fellow Board members for their invaluable guidance and support throughout the year. On behalf of the Board, I would also like to thank James, the Executive Committee, the Global Leadership Team and all our people across the globe for your exceptional work and ongoing dedication to DRA.

Also I would like to thank our clients for trusting us to be your global partner. We look forward to a successful relationship in FY2023 and beyond.

Lastly, on behalf of the Board, I would like to thank our shareholders for your patience over the past year. I look forward to seeing you at our Annual General Meeting in May.

Peter Mansell
Chair

CEO'S REPORT

It's a privilege to share my first message to shareholders as Chief Executive Officer (CEO) of DRA Global. We have a truly unique business within the global mining, minerals and metals industry, and I'm excited to be building upon our strong foundation and track-record, leading DRA into the next chapter of growth and prosperity.

As the DRA team, we remain committed and determined to lead the industry as the most sought-after company in our field, expand the business in our growth regions and continue to deliver innovative results and solutions for our clients.

PEOPLE ARE THE CORNERSTONE OF OUR BUSINESS

As we enter the next chapter of our proud 38-year history, people remain the cornerstone of our business. Everything we have accomplished, and our continued success at DRA, is linked to our people's expertise, commitment and willingness to explore innovative solutions for our clients.

With a highly competitive talent market across the globe, we are focused on remaining an employer of choice within our sector. We aim to do this by building the skills of our diverse workforce and creating a culture that will attract, engage, and retain the key skills that can contribute to our high-performing teams.

The fabric of our workplace culture, the DNA of DRA, is an important part of driving long-term value creation for all stakeholders. We have worked to create a supportive and connected culture so that our people can thrive in the workplace, deliver on our strategy, live our values, and perform at the peak of their professions.

At the heart of our business is a strong culture of health and safety. We appreciate our people's commitment to living our safety value and ensuring everyone gets home safe at the end of each workday. Acknowledging these commendable efforts, we saw a strong improvement on our safety performance in FY2022, recording a LTIFR of 0.13, down 23 percent from the prior year, and a TRIFR of 0.52, down 33 percent from the prior year.

Looking to the future, we will continue to build on this strong foundation while exploring innovative ways to improve the wellbeing of our staff and make DRA an exceptional place to work.

FINANCIAL RESULTS SIGNIFICANTLY IMPACTED IN THE FIRST HALF OF THE YEAR

Our performance is reflective of the challenges we faced principally during the first half of FY2022. Group revenue for the year was $895 million, down 24.6 percent on FY2021, and our underlying EBIT decreased by 87.6 percent from $56.4 million to $7.0 million.

Our results were significantly impacted by losses from legacy fixed-price construction contracts that were entered into by G&S Engineering in the APAC region in prior years. These contracts have now been resolved and finalised.

Considering these financial impacts, we made several decisions that would help us reset and strengthen the business to ensure future profitability and growth. This involved restructuring the APAC business to refocus on its core strengths of engineering, project delivery and operations management and, following a strategic review of the business, divested the G&S Engineering business to an owner that is more strategically aligned to provide the required investment and management focus.

"FY2022 WAS A CHALLENGING YEAR FOR THE GROUP, AND WE'VE TAKEN CRITICAL STEPS TO RESET AND STRENGTHEN THE BUSINESS FOR FUTURE PROFITABILITY AND GROWTH. DESPITE A DISAPPOINTING FINANCIAL RESULT, WE HAVE DEMONSTRATED STRONG OPERATIONAL PERFORMANCE ACROSS OUR CORE BUSINESSES, WE HAVE A CLEAR STRATEGY AND ROADMAP TO REACH OUR FULL POTENTIAL, AND WE PROUDLY HAVE AN EXCEPTIONAL TEAM OF 4,000 PEOPLE WITH DEEP EXPERTISE IN THEIR RESPECTIVE FIELDS WORKING TOGETHER TOWARDS A COMMON AMBITION."

In the second half of the year we saw a significant improvement in the quality of our earnings, as well as the restructured APAC business returning to profitability. Revenue growth for the year was driven from the AMER and EMEA regions, which performed in line with expectations. Our near-term focus for the business will be ensuring we improve our balance sheet, and enhance the quality of earnings and cashflow for the Group.

We were also able to successfully resolve two major legal disputes that arose prior to the IPO and took steps to simplify the Group's capital structure so we can sustainably grow our business while targeting attractive capital distributions in the future.

FOCUSED ON OUR CLIENTS AND COMMUNITIES WHERE WE OPERATE

We now have a well-established global footprint across five continents, supported by a global team of experienced professionals and specialists with a strong track-record of 8,000 completed studies, projects and managed services solutions.

Our operational performance over the past year reflects a strong demand for our advisory, engineering, project delivery, and operations and maintenance services across the mining, minerals and metals industry. In FY2022, we successfully delivered 473 projects and studies, and operated 14 processing facilities and two underground mining sites, across a wide range of commodities which generated $483 million of revenue from Projects and $412 million of revenue from Operations, respectively.

We also secured $638 million in new contracts and extensions, including major awards from Ivanhoe Mines, Bravus Mining and Resources, Anglo American, African Rainbow Minerals, ArcelorMittal, Sibanye-Stillwater, Newmont, Northam Platinum, Groupe Managem, Adventus Mining Corporation, Antamina, Ma'aden and Foran Mining Corporation.

Our diversified portfolio positions us well in our markets and we maintained a strong and healthy pipeline of work with $4.3 billion of opportunities in the short and long-term across a range of commodities, including precious metals, base metals, battery minerals, rare earths and bulk commodities.

Our businesses in the EMEA region, including DRA Projects, SENET and Minopex, have performed well over the past year and the AMER region, both South and North America, continue to show strong growth where we are winning new work and developing strategic partnerships with our clients. In a significant win for our APAC business, we secured our first operations and maintenance services contract. Progress was made with expanding and commercialising our underground mining and advisory offerings by leveraging our existing skills, capabilities and knowledge, and exploring opportunities that sustainability, decarbonisation, and water management provides to us.

We are deeply aware of social, environmental and economic disparities in the places where we operate, and we strive to leave a positive legacy by supporting local employment, enhancing livelihoods and contributing to the upliftment of local communities.

As a leading service provider, we need to constantly adapt to better serve our clients and meet the demands of the changing landscape. In FY2023, we will continue to optimise our businesses and build strong foundations for growth by investing in our people and systems, so they are future-focused, digitally-ready and able to adapt to the demands of our dynamic environment.

CLEAR PATHWAY TO ACHIEVE OUR ASPIRATION

In FY2022, we finalised our Roadmap to 2025 which details our global strategic direction and key priorities across our five pillars. I'm proud of the progress that we've made to date and I'm looking forward to working with our teams to help us reach our full potential as a company and redefine the mining industry of the future.

Our Horizon 2 initiatives have shown some pleasing progress with growing success being seen in our underground mining capability, our process hydrometallurgy focus (largely in the battery and energy transition metals arena) and our various advisory services offerings. Our product offerings in the sustainability and ESG space have also gained traction and been well-received by our clients.

BUILDING A SUSTAINABLE DRA

There is a growing need for organisations to have a credible position on sustainability. Recognising that DRA has an important role to play, we aspire to create sustainable development that adds real value for clients but also the communities in which they operate and society as a whole.

We're positioning DRA as a leader in sustainability solutions for the mining, minerals processing and metals sector, leveraging our existing advisory, engineering and project delivery capabilities while also bringing a deep understanding of the need to design sustainability initiatives around mining optimisation and process plant efficiency.

This year, we continued to enhance our corporate ESG strategy that will provide more transparency around our environmental and social impact. We also made progress on developing a reporting framework to enable us to manage sustainability performance across our businesses and regions, and initiated a process of updating and refining policies and procedures to embed ESG and sustainability considerations in our decision-making.

LOOKING AHEAD TO 2023

I'm excited about the year ahead and the opportunities before us. We are well-positioned to benefit from a resources sector that must transform to meet the needs of a changing world. Our deep expertise in platinum group metals, base metals and energy transition/battery metals makes us an obvious choice for all tiers of clients that are grappling with the need to develop new high-quality resources while at the same time drive efficiencies and a sustainability agenda. With a focus on innovation, collaboration and strategic growth, I'm confident we can continue to deliver value to our clients, our people, our communities and our shareholders.

THANK YOU

I would like to thank our Board of Directors for their guidance and contribution to DRA over the past year. It has been a pleasure working alongside each of you and I'm excited to continue this journey together.

To the DRA team, my sincere appreciation goes to you for your commitment to our Company, for adapting to change and new challenges, and ensuring we continue to bring our best to work each and every day.

And finally, I'd like to thank our shareholders and clients for trusting our business and our people. May we continue to achieve our goals into 2023.

James Smith

Chief Executive Officer

"My strength is placing people in a role or team where they can significantly contribute to the organisation and find their happy place at work. Seeing my team reach their full potential is what gets me out of bed in the morning."

Martin Coetsee

General Manager, Information and Technology // Global
Perth // Australia

Appendix 4E
We are DRA Global
Year at a glance
Chair's review
CEO's report
Operational review
Leadership
People & culture
Sustainability
Corporate governance
Financial review
Directors' Report
Remuneration Report
Financial statements
Additional information

> At DRA in South America, we have the courage to build our business, win big projects and studies, explore new initiatives and manage our risks to make us a better Company. Our people trust in what we have built and our journey of growth.

Enrique Valdivia
Senior Vice President / South America // AMER
Lima // Peru

OPERATIONAL REVIEW

DRA has an extensive track-record with around 8,000 completed projects, studies and managed services solutions. Our operational performance over the past year reflects a strong demand for advisory, engineering, project delivery and operations services across the mining, minerals and metals industry.

In FY2022, our key operational activities and results across the Group were:

- Delivered 473 projects and studies, and operated 14 processing facilities and two underground mining sites, across a range of commodities.
- Continued to focus on quality client relationships and delivering great results for our clients across all regions, particularly for Carmichael Coal Handing Plant and Coal Preparation Plant, Zimplats Ngezi 3rd concentrator, Anglo American Platinum Unki concentrator debottlenecking and Kamoa-Kakula Phase 2 and 3.
- Secured $638 million in new contracts and extensions.
- Maintained a strong pipeline of work with $4.3 billion of opportunities in the near and long-term across a range of commodities, including precious metals, base metals, rare earths and bulk commodities.
- Continued strong project and operational performance in the EMEA region, which includes DRA Projects, Minopex and SENET.
- Strengthened our geographical footprint and client relationships in North and South America, resulting in new and significant contract awards.
- Simplified the APAC business structure which included the sale of the G&S Engineering business in September 2022, restructured the region to allow for better collaboration between the Perth and Brisbane offices, and commercially resolved legacy loss-making contracts.
- Progressively expanded our services and capabilities in hydrometallurgy, as well as offerings in underground mining, advisory and sustainability solutions in line with our Roadmap to 2025.

GROUP SECURES $638 MILLION IN NEW CONTRACTS AND EXTENSIONS

We remained focused on developing quality client relationships and seeking new opportunities, which saw us secure $638 million in new contracts and extensions across the Group by year end.

Our global operations continue to diversify across several commodities and geographies, with major awards from Ivanhoe Mines, Bravus Mining and Resources, Anglo American, African Rainbow Minerals, ArcelorMittal, Sibanye-Stillwater, Newmont, Northam Platinum, Groupe Managem, Adventus Mining Corporation, Antamina, Ma'aden and Foran Mining Corporation.

In addition, we enter FY2023 with a backlog of $858 million.

INNOVATION ENHANCES EFFECTIVE AND RELIABLE DELIVERY OF SERVICES

Fundamental to our business success is almost four decades of deep expertise, effective and reliable delivery, and the geographic and project lifecycle coverage of our service offering. This model requires ever-increasing levels of collaboration and interconnectedness across the business to effectively leverage the specialist skills and knowledge of our people, wherever they are located.

In FY2022, we enhanced our core capabilities with ongoing improvements and innovation to our systems and internal business controls. Specifically, we commenced the rollout of our chosen project delivery solution and several pilot projects to deliver on digital, data-driven project solutions for our clients.

This is a significant milestone in our journey to transform our project delivery capability, realise improved productivity, increase factual decision-making and reduce project risk on behalf of our clients.

PROJECTS YEAR IN REVIEW

In FY2022, the Group delivered 473 projects, studies and consulting assignments across a wide range of commodities, generating $483 million of revenue.

EMEA PROJECTS OVERVIEW

As an established and well-respected business with strong and diverse capabilities, DRA Projects remained stable and business activity increased during FY2022 compared to the prior year. Despite impacts of deglobalisation, logistical issues and increasing procurement requirements to meet our client's governance needs, we continued to deliver excellent outcomes and operating results throughout the year.

In FY2022, many significant milestones were achieved for our clients. The Ngezi 3rd concentrator plant in Zimbabwe was completed in 19 months and three weeks, with the client achieving hot commissioning a week earlier than planned. Phase 2 of the Kamoa-Kakula Mining Complex in the Democratic Republic of Congo was commissioned and completed two months ahead of schedule and on budget; an important step in establishing one of the richest copper mining complexes in the world.

DRA Projects also completed work for the Kamoa-Kakula Phase 2 concentrator plant, Assmang Black Rock Mine Operations, Subika SLS Stage 4 execution works, FUCHS grease plant infrastructure, Akyem Mine MWTP project and Unki PGM concentrator debottlenecking to schedule.

Further, DRA Projects completed studies in chrome, coal, copper, diamonds, gold, lithium, manganese, marine, nickel, platinum group metals and uranium across multiple countries. The pipeline remains strong, with 58 percent of the studies undertaken now in feasibility phase. Demand for studies in battery metals continued to increase, with contract awards in lithium, nickel, copper and manganese.

In addition, DRA Projects secured several significant projects, including the Liberia Phase 2 construction management and project controls services contract for ArcelorMittal, the Platreef Phase 1 plant and infrastructure for Ivanplats Mines and Kamoa-Kakula Phase 2 and Phase 3 ongoing services for Ivanhoe Mines.

SENET continued to build its presence in a range of commodities, particularly precious metals and base metals, and capitalised on its solvent extraction capability resulting in new awards across most of the major rare earths projects in Australia.

In addition, SENET strengthened its hydrometallurgy capability with the aim of becoming the leader for energy transition metals projects, specifically in the solvent extraction market.

In FY2022, work was undertaken on the Dubbo Project for Australian Strategic Minerals, where SENET was involved in the definitive feasibility study and the key technology supplier for the SX portion of the plant.

SENET also undertook work for the definitive feasibility study for the Queensland Pacific Minerals' Townsville Project and completed the definitive feasibility study for Cora Gold's Sanankoro Gold Project. They also completed Stage 3 of the Ar Rjum Gold Project for Ma'aden in Saudi Arabia and supported Ma'aden's Independent Peer Review phase.

Signifcant award wins for SENET for the year included the self-perform structural, mechanical, platework and piping portion of work for the Moyeath Concentrator Project in Saudi Arabia.

In FY2021, SENET was awarded the EPCM contract for the design and execution of this project, which has since transitioned into the construction phase.

KEY EMEA STUDIES ACTIVITY

PANI GOLD PROJECT

DRA Projects was appointed the principle consultant by PT Merdeka Copper Gold Tbk (MDKA) to conduct a feasibility study for the Pani Gold Project in Gorontalo, Indonesia. The project has the potential to produce 250,000 ounces of gold per year for 15 years, with the possibility of growth through further exploration.

The scope of work includes the provision of bulk power supply, including 150kV switchyard and 11kV supply for the process plant (power/communication), distribution to and between the various facilities, and water supply (sourced by others) to and from facilities, including overall water balance.

The study also involved trade-off studies to convey the crushed ore from the run-of-mine tip crushing circuit to the process plant and prove conveyor design.

TUJUH BUKIT (TB) COPPER PROJECT

DRA Projects was appointed as the principal consultant by Merdeka Mining Services to develop the pre-feasibility study for the Merdeka TB Copper Project in East Java, Indonesia, after successfully completing the Government of Indonesia feasibility study in January 2022.

The project is a new underground mine, which replaces the existing open pit oxide operations and comprises an initial 4 million tonnes per annum sub-level cave mine and process plant, ramping up to 24 million tonnes per annum once development is completed to the extraction level of the block cave.

The scope of work includes the underground infrastructure, process plant, site-wide surface infrastructure, services, onshore port infrastructure, and overall coordination and integration of work being completed by others, including the geotechnical investigation, mine design, tailings storage facility and port (offshore).

WOLFSBERG LITHIUM PROJECT

In October 2021, DRA Projects was chosen as the lead consultant by European Lithium to carry out the bankable feasibility study for the Wolfsberg Lithium Project in Carinthia Province, Austria. During FY2022, the project made significant progress.

The project includes an underground mine, producing at 780,000 tonnes per annum run-of-mine, a spodumene producing concentrator at the mine and a remote hydrometallurgical plant producing at 8,800 tonnes per annum lithium hydroxide.

The scope of work includes the design of the processing facilities, the associated infrastructure, the capital and operational estimating for these facilities, the integrated financial assessment, and the report compilation.

DRA Projects provided coordination and integration services relating to other specialist consultants, such as mine design, backfill design, geotechnical studies, marketing and environmental inputs.

KEY EMEA PROJECT ACTIVITY

KAMOA-KAKULA PROJECT

DRA Projects has been the EPCM contractor for the Kamoa-Kakula copper mine projects in the Democratic Republic of the Congo since FY2017 with a variety of involvement on various aspects of the project. Kamoa-Kakula is the world's fastest growing and highest-grade major copper mining complex.

Following the successful completion of Phase 1, DRA Projects was awarded Phase 2 of the Kamoa-Kakula complex including mining infrastructure, Phase 2 concentrator, infrastructure for both phases, as well as two backfill plants, all at different phases of completion. Once fully complete, Phases 1 and 2 combined are forecast to produce approximately 400,000 tonnes of copper per year.

In parallel to the various elements of Phase 2, DRA Projects was also awarded the Phase 3 concentrator, debottlenecking of Phase 1 and 2 concentrators, mining infrastructure and bulk surface infrastructure. With Phase 3 complete the complex would be capable of treating 11,400,000 tonnes per annum of copper ore.

The DRA team across all phases of the project consists of roughly 160 individuals with approximately 400,000 person-hours dedicated to this project during FY2022. We anticipate maintaining our partnership with the Kamoa-Kakula project in FY2024 and beyond.

DER BROCHEN SOUTH SHAFT PROJECT

In October 2021, DRA Projects was awarded the EPCM contract for the Der Brochen South Shaft Project by Rustenburg Platinum Limited, a subsidiary of Anglo American Platinum. This came after the successful completion of the feasibility study in FY2020 and the interim phase in FY2021.

The scope of work includes establishing a 200,000 tonnes per month mine with all relevant surface and underground infrastructure as a replacement shaft for the existing Mototolo Lebowa Shaft, which is nearing end of life.

The first contract for bulk earthworks occurred in October 2021, with start of construction in February 2022. DRA Projects will continue to be involved in the EPCM until FY2025.

KROPZ ELANDSFONTEIN PHOSPHATES PLANT

After being awarded the contract in FY2020, DRA Projects successfully completed the EPCM services for the Elandsfontein Project during the year. Situated on the west coast of South Africa's Western Cape province, Elandsfontein hosts South Africa's second-largest phosphate deposit.

The processing facility has a production capacity of 1,000,000 tonnes per annum and the plant was modified to cater for a direct float, followed by reverse flotation.

LIBERIA PROJECT

DRA Projects was awarded the construction supervision and project control elements of the project as part of a collaboration with the ArcelorMittal owners' team.

Nearly 100 people are allocated to this project which continues to grow as the project ramps up. The project consists of the concentrator near Yekepa, 243km of rail and upgrade of the port of Buchanan. It is forecast that the plant will be commissioned by end FY2025.

MOYEATH COPPER-ZINC CONCENTRATOR PROJECT

SENET was awarded the EPCM contract for the design and execution of the Moyeath copper-zinc project located in Saudi Arabia by Al Masane Al Kobra Mining Co (AMAK) in FY2021. Moyeath is the third major orebody (together with Saadah and Al Houra) discovered in the immediate vicinity to AMAK's underground mines.

The project is currently in the construction phase, with civil works in progress. The engineering design and drawing is nearing completion. SENET is executing the structural, mechanical, platework and piping works as a self-build, using the client's procured tools and materials, and employing local labour. First erection of structural steelwork started in early FY2023.

NGEZI 3RD CONCENTRATOR

Located 150km south-west of Harare, mining the Great Dyke of Zimbabwe, this is the third concentrator that DRA Projects has developed for Zimplats at their Ngezi mine. The first plant was completed in FY2009, and the second plant in FY2013.

The plant was commissioned and handed over for full operation per the agreed schedule in September 2022, within 20 months of the contract being signed. The plant achieved design throughput and has been producing platinum concentrate at target grade since start-up.

PLATREEF PHASE 1

DRA Projects was awarded the EPCM services by Ivanhoe Mines for the Phase 1 concentrator with a 770,000 tonnes per annum capacity in addition to limited mining scope. Our specialist team is also responsible for the conveyor systems and associated infrastructure.

Construction of the Phase 1 concentrator has commenced and is expected to be commissioned in quarter one of FY2024, with Phase 2 and 3 planned as per the mine tonnage profile build up.

TWO RIVERS CONCENTRATOR

Having completed the UG2 concentrator in FY2007 as well as having first established mining access in FY2022, DRA Projects continued its strong history at Two Rivers. In FY2022, DRA Projects was awarded the EPCM services for the Merensky concentrator which will run in parallel with the existing UG2 concentrator. Construction is well underway, and commissioning is scheduled for FY2024.

ZONDEREINDE PROJECT

DRA Projects was appointed by Northam Platinum as the main EPCM for the Western Extension of the Zondereinde complex, which includes a new shaft and all associated infrastructure to support the next 30 years of mining.

The new shaft has been raise bored to surface and the surface infrastructure including a new winder house are well underway and expected to hoist first ore to surface by early FY2029.

APAC/AMER PROJECTS OVERVIEW

During FY2022, we experienced growth in the APAC/AMER region, covering multiple commodities and strengthening our client relationships. In particular, our businesses in North and South America performed well as they progressed from offering mostly project development studies to a full range of project engineering services.

In FY2022, DRA Projects in the AMER region completed several studies and projects in the areas of coarse particle flotation, tailings co-mingling and sensor-based pre-concentration. Additionally, the AMER business made progress with their advisory services by successfully completing several projects that provide innovative solutions to reduce their clients carbon footprint and water consumption.

DRA Projects in the AMER region capitalised on the progress made in prior years, leading to more than $89 million in new projects and building a strong foundation for battery element and critical metals projects with new and ongoing work in copper, lithium, graphite and platinum. South America expanded their service offering to key clients, including the Las Bambas project for MMG and the Collahuasi project for Cia Minera Dona Ines de Collahuasi.

Major AMER project wins included a significant contract award for Foran Mining Corporation's McIlvenna Bay project in Saskatchewan, Canada, for detailed engineering and procurement services which will be the world's first carbon-neutral copper development; Nemaska Lithium's Whabouchi concentrator FEL 2 and FEL 3 project; Albemarle Kings Mountain Lithium concentrator feasibility study project; Elko Mining Group's Mineral Park concentrator restart basic engineering project which is well positioned to transition to EPCM; and Dundee Precious Metals' Loma Larga copper project feasibility update in Ecuador.

Throughout FY2022, the AMER business continued to work on the Pueblo Viejo project and the Quellaveco Mine project.

The APAC business successfully completed the Carmichael Coal Handling (CHP) and Coal Preparation Plant (CPP) project for Bravus Mining and Resources and commenced work on rare earth projects in Western Australia with Lynas and Hastings Technology Metals. Significant engineering work was undertaken for Pilbara Minerals on the Pilgangoora Lithium project in Western Australia.

Both the APAC and AMER businesses continued to enhance relationships with key clients, including Waterton Global, Kinross, Barrick Gold, MMG, Freeport McMoran, Arcelor Mittal, Anglo American, Nemsaka Lithium, Curimining, Foran Mining and Antamina (BHP, Glencore, Teck Resources and Mitsubishi Corporation) to name a few.

KEY APAC/AMER STUDIES ACTIVITY

EL DOMO CURIPAMBA PROJECT

DRA Projects in AMER was engaged to conduct a feasibility study for the El Domo Curipamba Project in Ecuador in March 2020. DRA's efforts in value engineering and advanced process options has led to a successful feasibility and economic model, which subsequently led to the construction decision.

DRA has been executing the engineering procurement contract since February 2022. The design is 50 percent complete and work has begun for a potential project entity set-up in Ecuador to execute a construction management contract.

Commercial production for Curipamba is scheduled for early FY2025, with site-based works starting in April 2024.

PILGANGOORA LITHIUM–TANTALUM CONCENTRATOR PROJECT

In FY2022, DRA Projects in APAC was awarded an engineering services contract for Pilbara Minerals' Pilgangoora Lithium–Tantalum concentrator project, which provides for the recovery of spodumene, as well as tantalite minerals from ore.

DRA has delivered the full suite of engineering services, from concept study through to detailed engineering execution. The expansion services are expected to continue until the end of FY2023.

KINGS MOUNTAIN LITHIUM PROJECT

In FY2022, DRA Projects in AMER was engaged by Albemarle Corporation to undertake a feasibility study for the development of its Kings Mountain concentrator project. Kings Mountain is a strategic critical minerals projects in North Carolina, supported by a US$150 million grant from the Department of Energy to accelerate its development.

DRA was engaged based on our lithium process plant experience, competence and out-of-the-box thinking for innovative engineering solutions.

The study is due for completion in March 2023. DRA is currently in discussions with Albemarle to advance into basic engineering and execution plan development of the project which is expected to start in April 2023.

WHABOUCHI CONCENTRATOR PROJECT

In April 2021, DRA Projects in AMER was engaged to conduct a pre-feasibility and feasibility study for the continuation of Nemaska Lithium's Whabouchi Concentrator Project; a long-life, high-tonnage hard-rock lithium mining operation in Canada.

Construction completion and commissioning of the project is scheduled for FY2024, and DRA is currently in final negotiations for the FEL 4 engineering and procurement contract, which includes the set-up of an integrated owner–EPCM team to be co-located in DRA's Montreal office.

TAILINGS AND WASTE CO-DISPOSAL

In FY2022, DRA Projects in AMER was awarded the completion of a pre-feasibility study for tailings and waste disposal for one of the largest copper mines in Peru. The scope includes tailings dewatering, waste and dewatered tailings mixing, mixing transportation and spreading. The study will be completed in 2023.

KEY APAC/AMER PROJECT ACTIVITY

CARMICHAEL CHP AND CPP PROJECTS

In FY2022, DRA Projects in APAC successfully completed the Carmichael CHP and CPP projects for Bravus Mining and Resources, culminating in the development of a world-class coal facility in Queensland.

The CHP and CPP plants at Carmichael work together to prepare and process the coal to meet market specifications. The CPP is designed to process coal using recycled water and density separation processes so the product that goes into market is more energy efficient and environmentally friendly. The project is a result of ongoing collaboration between DRA and Bravus, from early contractor services through engineering, procurement and construction. DRA recently received a letter of intent for the next phase of expansion, as well as an optimisation project for the existing plant.

LOMA LARGA COPPER PROJECT

DRA Projects in AMER was engaged to develop the new feasibility of the Loma Larga concentrator portion of the project in FY2022. DRA was previously engaged in FY2017 as the full feasibility engineer by INV Metals, the previous owner, and as such came into the project as the incumbent with strong Ecuadorian contractor and supply chain experience.

DRA is presently in discussions with Dundee Precious Metals for the next stage EP portion of the contract and to assist in field-based engineering support and commissioning assistance.

MINERAL PARK CONCENTRATOR RESTART PROJECT

In FY2022, DRA Projects in AMER was engaged by Elko Mining Group, a subsidiary of a large private equity group based in Canada. The mandate of the project was to complete a basic engineering program, plan for restart implementation execution of a 55,000 tonnes per day copper/molybdenum concentrator, engage contractors early for construction optimisation and produce a final budget for construction decision.

DRA Projects in AMER is presently in discussions with Elko Mining Group to initiate EPCM services in April 2023.

MCILVENNA BAY COPPER PROJECT

In FY2022, DRA Projects in AMER was engaged by Foran Mining Corporation to execute detail engineering and procurement services for the McIlvenna Bay Project; Canada's first carbon-neutral copper development project.

This project is supported by large mine financiers, including Sprott Mine Financing and the Ontario Teacher's Pension Fund.

YANGIBANA RARE EARTHS PROJECT

DRA Projects in APAC has been engaged by Hastings Technology Metals since FY2018 on the Yangibana Project, a significant rare earths project containing substantial neodymium and praseodymium resources in Western Australia.

Following the completion of the advanced front-end engineering design (FEED), DRA continues to support Hastings with the project through the Yangibana mine and hydrometallurgy plant in Onslow. EPCM services commenced in January 2022 and include project management, project controls, engineering and design, and procurement.

COARSE PARTICLE FLOTATION

During FY2022, DRA Projects in AMER undertook detail engineering and initiated field engineering services for a project implementation in Peru. This project is a continuation of the feasibility study completed on a previous phase. To be completed in FY2024, the project will be one of the largest coarse particle flotation plants in the world.

The opportunity to work on diverse and interesting projects motivates me to come into work each day. No two days are the same, and there's always a different challenge or problem to solve. Working on the Yangibana Rare Earths Project for Hastings Technology Metals Limited will no doubt be a standout for me in 2023.

Erica Cawdry

Lead Electrical Engineer // APAC
Perth // Australia

OPERATIONS YEAR IN REVIEW

In FY2022, the Group operated 14 processing facilities across a range of commodities, including coal, platinum, gold, iron ore, phosphate and diamonds, generating $412 million of revenue. A first for the Group, we began operating an electric power generation plant during the year. The underground mining operations division continued to show strong performance at its two existing sites in South Africa.

EMEA OPERATIONS OVERVIEW

In the EMEA region, Minopex has a leading track-record of delivering excellence as specialists in the field of outsourced operations and maintenance (O&M) for mineral processing plants with a stable portfolio of contracts.

In FY2022, Minopex saw further growth in the eastern-limb platinum sector, where it was awarded the first phase plant refurbishment and operations and maintenance contract at Bokoni Platinum mines.

The Phola coal plant celebrated some significant operational and maintenance milestones during the year. Despite the continuous power issues in South Africa, the Limpopo Iron Ore, South African Ore Beneficiation and Baobab plants continued to show solid operational performance throughout the year.

The Copperbelt remains a key focus area for growth with further extensions of existing services for personnel deployed to the Democractic Republic of the Congo in FY2022.

Minopex's underground mechanised mining contractor, UMM Contracting Services, continued to deliver operational and safety performance at Gold Fields' South Deep mine as well as Phalaborwa Mining Company's copper mine in Limpopo.

In FY2022, UMM Contracting Services secured mining planning and design consulting services for the Platreef Project for Ivanhoe Mines, Jwaneng Mine for Debswana, Joint-Shaft Project for Ekapa Mining, Letseng Diamonds Mine for Gem Diamonds, and Tongo Diamond Project for Sierra Diamonds and Newfield Resources. In addition, UMM Contracting Services was awarded a contract to supplement the owners team personnel for the Mogalakwena Underground project.

Minopex's laboratory services, QLS, is establishing a new laboratory in the Northern Cape, a rapidly growing mining region in South Africa. As at December 2022, the laboratory is still being established and is intended to service the growing copper and lithium processing markets in the region.

In FY2022, QLS focused on developing methods for analysing lithium-containing materials which is expected to increase the number of samples processed at the laboratory in future. Further, QLS has seen an increase for water sample processing services at its existing Rustenburg facilities from mines and municipalities in the area.

The number of samples processed at Kropz Elandsfontein grew during the year and an annual renewal was secured in September 2022.

QLS's facilities in Rustenburg saw an increase in throughput when it secured three additional project contracts for exploration samples from Sibanye Stillwater - K4 Diamond Drilling project, Kwezi Exploration project and K5 Exploration project.

KEY EMEA PLANT OPERATIONS ACTIVITY

AD DUWAYHI GOLD CARBON-IN-LEACH PROCESSING PLANT

Minopex secured a 12-month extension of the O&M contract for Ad Duwayhi gold CIL processing plant in FY2022 and is engaged in advanced discussions to extend the contract.

The operation, which is owned by Ma'aden Gold and Base Metals, is located in Saudi Arabia and consists of a conventional gold extraction process plant with crushing and milling facilities, and gravity concentration, as well as smelting facilities to produce gold on site.

While the initial contract was secured in FY2015, Minopex has been involved in the project commissioning and other technical support services since FY2012.

> I've always been motivated by results. Working for a global engineering, project delivery and operations management group has allowed me to deliver outcomes and achieve a great sense of accomplishment. Above all, coming to a work environment that prioritises my safety, health and wellbeing gives me peace of mind.
>
> **Jeanette Mokganyetji Molepo**
> Instrument Mechanician // Minopex
> Johannesburg // South Africa

BOKONI UG2 PROJECT

In FY2022, Minopex secured contracts for the Bokoni UG2 platinum concentrator plant refurbishment and O&M for African Rainbow Minerals (ARM).

The platinum mining complex is located in the Limpopo Province of South Africa. Bokoni Platinum Mine was shut down in FY2017 and put under care and maintenance until being acquired by ARM in FY2021.

Work will be carried out in three phases, being an initial plant detailed assessment contract which is currently secured by Minopex, plant refurbishment following the initial assessment and outsourced operations and maintenance of the plant. ARM intends to reach the third stage of the plan and full operations by the end of FY2023.

ARM engaged Minopex to carry out a review of the plant and determine the extent of refurbishments needed, with the aim of entering into an outsourced O&M agreement for the plant.

KROONDAL K2 PROCESS PLANT

Minopex secured a 36-month extension for its O&M contract with Sibanye-Stillwater for the K2 Kroondal platinum concentrator project. Kroondal is a shallow underground platinum group metals mine and concentrator located in the Northwest Province of South Africa.

The underground platinum group metals mine has two concentrators, K1 and K2. DRA built both concentrators and Minopex has operated and maintained these since the initial commissioning period in FY1999.

MANSOURAH-MASSARAH (M&M) POWER PLANT

In FY2022, Minopex secured a three-year O&M contract for the M&M hybrid photovoltaic-low fuel oil electric generation plant; the newest, biggest gold project to be developed by Ma'aden. The processing plant will treat up to 6,000,000 tonnes of run-of-mine ore and produce up to 250,000 ounces of gold per year.

The plant consists of a large 6-megawatt photovoltaic array and six 9-megawatt Wärtsilä internal combustion engine generators with a combined capacity of 54 megawatt at peak performance. The plant is designed to run on low fuel oil and Arabian Light crude oil. Combined with solar power, it helps reduce the reliance on fossil fuels and demonstrates the mine's commitment to sustainability.

The contract is Minopex's first foray into operating a power plant facility and signifies a further strengthening of its relationship with Ma'aden.

MANSOURAH-MASSARAH (M&M) PLANT COMMISSIONING SUPPORT SERVICES

Minopex secured not only the operation of the power plant in FY2022, but also a contract to assist Ma'aden with the commissioning services at the M&M processing plant complex.

The complex consists of a carbon-in-leach, flotation and pressure oxidation circuit to treat refractory gold ore and has a capacity of 6,000,000 tonnes per annum run-of-mine throughput and is designed to produce up to 250,000 ounces of gold per year at full ramp up.

PHOLA COAL HANDLING AND PREPARATION PLANT (CHPP)

Minopex was awarded a five-year contract renewal for the Phola CHPP in FY2022. The renewal marks the third consecutive operational period that Minopex has managed this asset since it was completed by DRA in FY2010. Phola Coal, a joint venture between Thungela and Seriti, is a 16,000,000 tonnes per annum coal processing plant.

KEY EMEA MINING OPERATIONS ACTIVITY

GOLD FIELDS SOUTH DEEP PROJECT

UMM Contracting Services provides primary tunnel support services in the South Deep production sections.

The South Deep project achieved excellent results in terms of safety and production during FY2022. The site ended the year with 17 months of continuous lost time injury free time. The production closed at 108 percent for the year, achieving higher than expected production in terms of the bolts installed and passed.

PHALABORWA MINING COMPANY COPPER MINE

UMM Contracting Services is contracted to undertake underground development, construction and long-hole mining at the Phalaborwa Mining Company's (PMC) copper mine in South Africa. At the end of FY2022, the project performance at PMC was at 88 per cent.

APAC/AMER OPERATIONS OVERVIEW

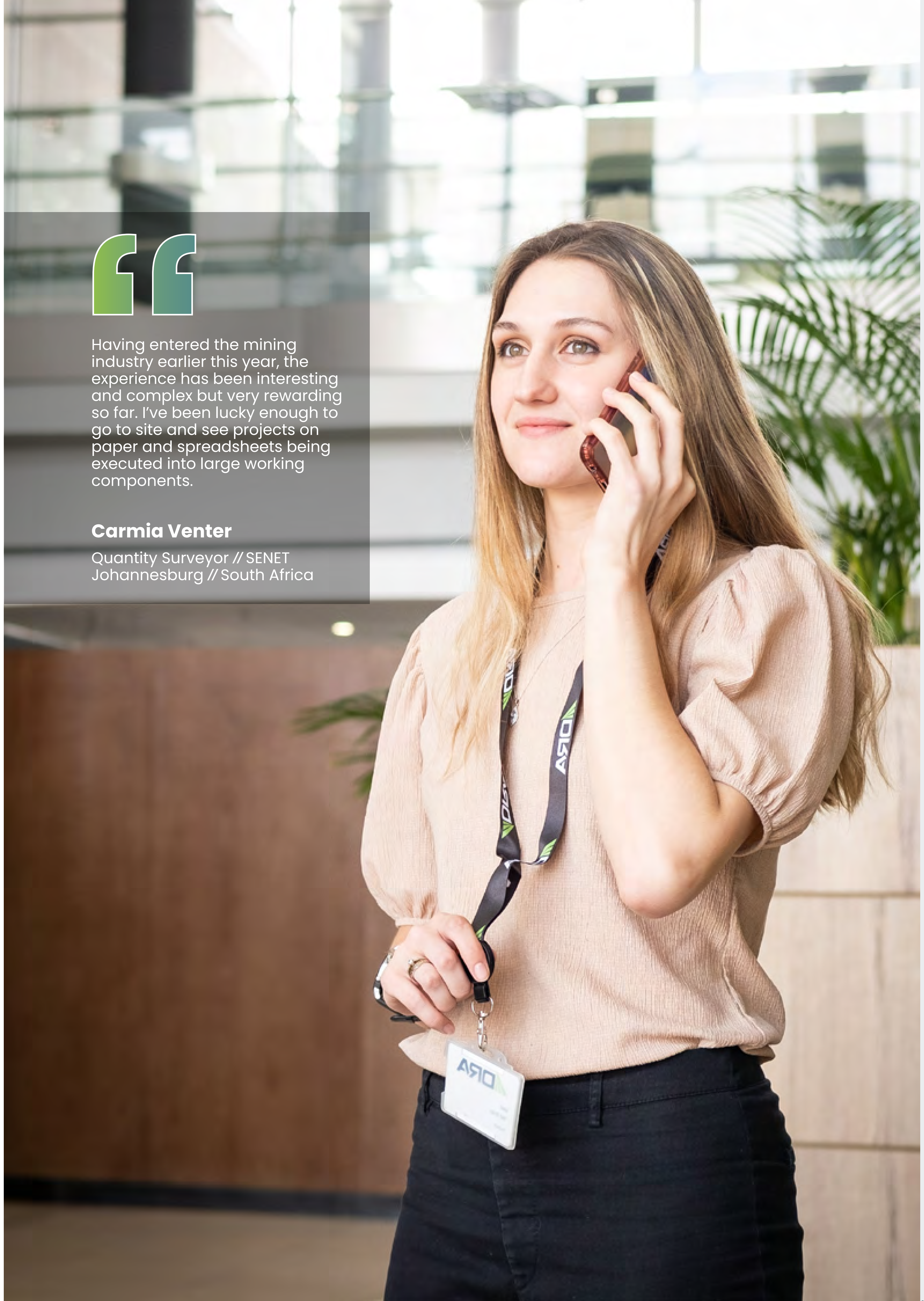
DRA APAC continued its relationship with Bravus Mining and Resources by securing a multi-year O&M contract for the coal handling and preparation plant (CHPP) after successfully completing the Carmichael project. This O&M contract for CHPP is a first for DRA in the APAC region.

KEY APAC/AMER OPERATIONS ACTIVITY

CARMICHAEL CHPP FACILITY

DRA APAC was awarded a three-year contract, with one-year options, with Bravus Mining and Resources for the O&M services of the Carmichael CHPP facility. Located in central Queensland, Australia, the open cut mine produces 10,000,000 tonnes per annum.

Under the contract, DRA is supplying the people and equipment to operate and optimise the plant, including the CHPP. DRA is also supplying people and equipment to provide stockpile management and reclaiming services at the train load-out facility to meet the train loading schedule, and providing maintenance planning, scheduling, and all maintenance requirements.



"Having entered the mining industry earlier this year, the experience has been interesting and complex but very rewarding so far. I've been lucky enough to go to site and see projects on paper and spreadsheets being executed into large working components.

Carmia Venter

Quantity Surveyor // SENET
Johannesburg // South Africa

MINOPEX TECHNICAL ADVISORY YEAR IN REVIEW

DRA is developing and growing its advisory practice and offerings through Minopex Technical Advisory (MTA), which will advise in both the Project and Operation divisions by leveraging existing skills, capabilities, and knowledge from our core businesses.

Merging deep technical expertise in mining projects and operations with traditional consulting techniques, MTA refined their capabilities during FY2022 to focus on our core strengths and create a solid base to grow our offerings and draw on expertise within the Group.

The Advisory product offering includes:

- Sustainability solutions;
- Expert advisory;
- Capital excellence;
- Operational readiness;
- Optimisation and digital;
- Asset care; and
- Supply chain.

Recognising strong local and international client relationships, MTA grew their capability and capacity throughout the year which will help secure new business and establish a stable pipeline of work in FY2023. MTA also continued to focus on developing strategic internal and external partnerships.

MTA further refined and developed the MinoCore platform; a tool which is fundamental to the way we undertake specific workflows and focuses on leveraging almost four decades of expertise within the Group. MTA rolled out operational readiness and optimisation initiatives through the MinoCore platform. Future opportunities to expand this tool within the MTA offering will make us more efficient and competitive in the market.

KEY MTA ACTIVITY

HEAP LEACH SOLVENT EXTRACTION AND ELECTROWINNING RESTART PROJECT

MTA was engaged by Mineral Park, an opportunity developed through our AMER business, to develop a detailed Operational Readiness Plan (ORP) that integrated with the definitive feasibility study and early-stage engineering.

Operational readiness was prioritised with a focus on managing change, health, safety, security, and environmental concerns. Additionally, processing and laboratory requirements, metallurgical accounting, human resource management, training and development, engineering and design, asset maintenance and management, procurement and inventory management, commissioning and ramp-up, and information and communication technology and systems for the project were all addressed.

To fast-track the restart of a brownfield hydrometallurgical project, which had been on care and maintenance for seven years ahead of the planned Phase 2 copper-molybdenum concentrator recommissioning, the ORP identified the key risks in the project and outlined mitigating actions to aid in the smooth transition from a care and maintenance phase to steady state operations.

MTA is currently in discussions with Elko Mining Group to execute similar ORP services for the concentrator restart, and has been working with the AMER Projects team to define operational readiness budgets as part of the project capital expenditure development. MTA is well positioned to execute the ORP, and in the event of a successful EPCM decision on the project, MTA will advance in assisting AMER Operations to execute a potential O&M contract with Mineral Park.

Appendix 4E
We are DRA Global
Year at a glance
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Leadership
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INTEGRATED REMOTE OPERATIONS CENTRE (IROC)

MTA's Optimisation and Digital teams worked hand-in-hand with Black Rock Mining to upgrade its Central Control Room to an iROC to support their value chain digitisation journey.

iROC creates an environment for integrated systems, information sources and management entities to provide a holistic in-time view across the value chain as well as situational awareness. MTA was involved in the consulting and commissioning of the content as well as the design of the large video wall display located above the operator control stations.

A team of global experts led by DRA conducted an evaluation of the iROC and its integration into the client's operations, levering their multi-disciplinary expertise. MTA also provided commissioning support, a review of best practices and factory acceptance testing.

ASSET MANAGEMENT AND MAINTENANCE (AMM) AND SUPPLY CHAIN SERVICES

Initially engaged with ArcelorMittal through an existing relationship within the Group, MTA provided operational readiness services which expanded to the provision of AMM expertise and services during FY2022.

The scope of work included the development of an asset management policy and strategy, a comprehensive analysis of asset criticality, asset care and maintenance plan, and a work management procedure with accompanying process flows.

In addition, the supply chain services team was engaged with a range of activities such as obtaining functional location structure, assisting with the determination of maintenance levels, identification of consumables and reagents, running and evaluating request for quotation processes, inclusive of third-party logistics, as well as order handling for all spares and consumables.

OUTLOOK

DRA has a favourable outlook having secured $638 million in new contract awards and extensions across multiple commodities and regions during FY2022 to support an improved backlog of $858 million at the beginning of FY2023.

Our robust pipeline of $4.3 billion of near and long-term opportunities at various stages of development is diversified between our Projects and Operations divisions across the regions and across a range of commodities, including precious metals, base metals, battery minerals, rare earths and bulk commodities.

The global shift towards energy transition is driving an increased demand in minerals and metals that are required in battery technologies and renewable infrastructure. We are well-positioned for this growth given our strong capabilities in platinum group metals (PGM), cooper, nickle, colbalt, lithium, graphite, maganese and the rare earths.

EMEA

Our businesses in the EMEA region are focused on developing strategic relationships in our established base of African mining clients, and establishing an increased presence in Central, West and East African regions through localised business models. The Middle East and North Africa are also key growth region for EMEA.

The PGM sector continues to drive growth for DRA Projects in South Africa and Zimbabwe. The demands for base metals are expected to rise globally due to the increasing use in renewable energy and electrification projects. We continue to be involved in flagship base metals projects, including Kamoa-Kakula Copper in the Democratic Republic of the Congo and Kabanga Nickel in Tanzania.

DRA Projects continues to see high demand in bulk commodities, such as iron ore and manganese in the Northern Cape and West African regions. While the coal sector is seeing a resurgence, we are not currently involved in any large scale coal projects in Africa.

SENET will continue to focus on its core strengths in copper and gold, and its niche hydrometallurgical capability of solvent extraction and electrowinning. The primary focus will be in the copper belt region of the DRC and Zambia, and the West and North African gold regions. Some of SENET's unique capabilities in battery minerals and rare earths are increasingly being sought after in the APAC and AMER regions.

DRA Projects and SENET have strong pipelines of lithium, graphite, manganese and cobalt studies and projects for clients that are looking to build battery-grade facilities. Having completed a number of studies for many of the key lithium developers worldwide, including two significant lithium projects in Europe, we have the right capabilities and are well placed to continue to service these clients.

Our Minopex business is in a favourable position to leverage the strong DRA Projects pipeline across EMEA, and convert these into outsourced O&M opportunities. Minopex has also broadened their target market into underground mechanised mining (a substantially larger market than outsourced plant operations), mine power plant O&M solutions, engineering solutions and laboratories.

Key capabilities that differentiate us in the market include transition to underground mining, battery-grade minerals processing, energy and power management solutions, hydrometallurgical process capability, and energy-efficient solutions for tailings dewatering and water optimisation. These solutions aim to support environmental, social and governance targets for existing and new clients.

APAC

The divestment of the G&S Engineering business, and restructuring and simplifying the APAC business, has reset and shifted the focus back to delivering on our core strengths of engineering, project delivery and operations business. The outlook is stable, positive and profitable, backed by improved business performance in the second half of FY2022.

Our engineering and project delivery teams are experiencing a strong demand in both Western Australia for gold, lithium, rare earths and base metals, as well as the eastern states of Australia and the wider regional markets, such as Indonesia. We have started to grow our O&M presence in Australia with our first successful project underway.

AMER

The North American team has seen steady growth in studies and near-term projects across a range of commodities. We are anticipating an increase in the proportion of detailed engineering and full delivery projects in the coming years.

Our South American offices in Lima and Santiago continue to grow rapidly, with good access to clients and future skills. The focus is predominantly on studies and brownfields projects for the major mining companies. This field of work is likely to be less affected by the political uncertainty that has prevailed in the region of late.

FY2023 AND BEYOND

Attracting, retaining and developing our people by enhancing the skills of our diverse workforce and creating a positive and inclusive culture will contribute to building our high-performing teams. In an environment of increased competition for skilled talent in an active market, being known as an employer of choice continues to be a high priority.

The immediate future for our key commodity markets appears buoyant, however continued higher than normal inflationary pressures are expected in the near term. We anticipate challenges in navigating macroeconomic headwinds globally, as central banks are expected to increase interest rates, thereby potentially increasing country recession risks. This may have flow-on effects on the financing of future major projects and our pipeline.

While we will seek to further capture growth opportunities in our core EPCM and O&M businesses, we are cognisant of improving our quality of earnings and enhancing cashflow generation, together with re-establishing the strength of the balance sheet.

There is strong alignment between the Board and leadership teams, with a shared vision for achieving our full potential as a company and fulfilling our aspiration. Not only does this alignment and vision set a strong foundation to successfully deliver our Roadmap to 2025, but it also enhances our focus on innovation, collaboration and strategic growth. Long term, this will ensure that we continue to deliver value to our clients, our people, our communities and our shareholders.

LEADERSHIP

BOARD OF DIRECTORS

PETER MANSELL

Chair and Independent Non-Executive Director

Appointed 16 September 2019

Peter Mansell has more than 20 years' experience as a director of listed and unlisted Australian and foreign companies, including ASX 100 companies, which he brings to his role as Chair of DRA Global.

For more than 35 years, Peter practised law in South Africa and Australia. He also has significant experience in managing large organisations, covering a broad range of industries and sectors including mining, media, agribusiness, energy, engineering services, oil and gas, and technology, across Australia, Europe, Africa and North America.

Peter is a Fellow of the Australian Institute of Company Directors and has served as its WA President. He holds a Bachelor of Commerce, Bachelor of Laws, and a Higher Diploma in Tax Law from the University of Witwatersand.

OTHER CURRENT LISTED DIRECTORSHIPS:

- Chair of Ora Banda Mining (ASX).

FORMER LISTED DIRECTORSHIPS:

- Chair of Energy Resources of Australia (ASX).

SPECIAL RESPONSIBILITIES:

- Chair of the Nomination and Governance Committee.
- Member of the People, Culture and Remuneration Committee.

LES GUTHRIE

Independent Non-Executive Director

Appointed 2 January 2020

Les is an engineer with more than 45 years' experience in project delivery and has held senior project management and corporate executive roles for major engineering and resources companies in the UK, Australia, North America and Asia. His significant experience and knowledge are important contributions to the DRA Board.

Additionally, Les is a director of ASX-listed resources companies Neometals and Australian Mines. He is also the Principal and Managing Director of Bedford Road Associates, an independent consultancy providing advice and support for the development and delivery of major capital expenditure projects.

Les is a member of the Australian Institute of Company Directors. He holds a Bachelor of Science (Engineering and Marketing) from the University of the West of Scotland.

OTHER CURRENT LISTED DIRECTORSHIPS:

- Non-Executive Director of Neometals Limited (ASX).
- Non-Executive Director of Australian Mines Limited (ASX).

FORMER LISTED DIRECTORSHIPS:

- None.

SPECIAL RESPONSIBILITIES:

- Chair of the People, Culture and Remuneration Committee.
- Member of the Major Project Approvals Committee.
- Member of the Sustainability, Health, Safety, Environment and Community Committee.

PAUL LOMBARD

Independent Non-Executive Director

Appointed 1 May 2021

Paul brings 37 years' experience in the fields of infrastructure engineering, project financing and planning, management consulting and restructuring of entities to the DRA Board.

Paul has extensive experience working throughout Africa as project leader or planning expert for transportation sector projects, funded by multi-lateral entities, governments and regional economic organisations, and as an engineering executive in Africa, the Middle East and Asia.

During his 30-year tenure at Aurecon, Paul served on the Executive Committee as the Managing Director (Africa and Middle East) and subsequently as Managing Director (Asia and Middle East).

Paul is a Professional Engineer and member of the South African Institution of Civil Engineering. He attended Purdue University in the USA as a Fulbright scholar where he was awarded a PhD and obtained a Master of Science Civil Engineering, both in Urban and Transportation Engineering. He also holds a Bachelor of Engineering (Civil) (Cum Laude) from the University of Pretoria.

OTHER CURRENT LISTED DIRECTORSHIPS:

- None.

FORMER LISTED DIRECTORSHIPS:

- None.

SPECIAL RESPONSIBILITIES:

- Chair of the Sustainability, Health, Safety, Environment and Community Committee.
- Member of the Audit and Risk Committee.
- Member of the Major Project Approvals Committee.

JOHNNY VELLOZA

Independent Non-Executive Director

Appointed 1 January 2022

Johnny brings 30 years' experience as a mining engineer to the DRA Board, with strong credentials in open pit and underground operations throughout Africa, Chile and Australia and across a range of commodities including iron ore, copper, cobalt, gold and diamonds.

Johnny has held senior operational and management roles in global resources companies. He has worked across the full mining value chain including exploration, feasibility studies, developing and commissioning new mines and managing mining operations, and obtained capital markets and capital raising experience.

Johnny is currently the CEO of Kobaloni Energy and a Non-Executive Director of AIM-listed Zanaga Iron Ore and South Africa's National Sea Rescue Institute.

Johnny holds a Higher Diploma (Mining Engineering) from the Technikon Witswatersrand, a Bachelor of Technology (Mining Engineering) from the University of Johannesburg and a Bachelor of Commerce from the University of South Africa.

OTHER CURRENT LISTED DIRECTORSHIPS:

- Zanaga Iron Ore Company Limited (AIM).

FORMER LISTED DIRECTORSHIPS:

- Gem Diamonds Limited (LSE).

SPECIAL RESPONSIBILITIES:

- Chair of the Major Project Approval Committee.
- Member of the People, Culture and Remuneration Committee.
- Member of the Sustainability, Health, Safety, Environment, Community Committee.
- Member of the Nomination and Governance Committee.

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EXECUTIVE COMMITTEE

JAMES SMITH

Chief Executive Officer

James Smith joined DRA in 2018 and was appointed Chief Executive Officer in October 2022.

James is a highly qualified executive with more than 25 years' experience in the mining, industrial and financial sectors. Originally a process engineer in the mining industry, James has held various consulting, investment advisory and operational leadership positions.

He has extensive experience in strategy development and execution, operational excellence, mergers and acquisitions and organisational leadership within the mining and industrial sectors.

MICHAEL SUCHER

Chief Financial Officer

Michael Sucher joined DRA in 2021 and was appointed Chief Financial Officer in September 2022.

Michael has more than 30 years' experience in the accounting and resources sectors, and possesses extensive skills and experience in financial accounting, reporting, governance and business process improvement.

He held senior leadership roles in the corporate and divisional finance teams at major mining companies in Australia and North America.

ALISTAIR HODGKINSON

Chief Operating Officer

Alistair Hodgkinson joined DRA in 2007 and was appointed Chief Operating Officer in 2021.

Alistair has a wealth of experience in engineering and project delivery for large scale mining and minerals processing for greenfields and brownfields resources projects throughout Africa and the Middle East.

His experience extends across a range of commodities, including platinum group metals, gold, base metals and iron ore.

BRONWYN BAKER

Chief Corporate Services Officer

Bronwyn Baker joined DRA in 2021 and was appointed Chief Corporate Services Officer in September 2022.

Bronwyn has more than 20 years' experience in senior roles in the mining industry and leading diverse business services teams, with expertise in human resources, organisation development, business strategy, and culture transformation.

She is passionate about using science-based approaches to create a work environment where employees and teams can grow and thrive.

PEOPLE AND CULTURE

Our people, more than 4,000 globally, are the cornerstone of our business.

We aim to be a magnet for the industry's top talent by embracing innovative ways of working that provides autonomy to employees as well as a range of experiences and career opportunities that fosters learning, growth and engagement globally.

We provide a supportive and connected work culture so our people enjoy coming to work and know they are doing meaningful work while progressing their career goals.

The Group's key people-based initiatives and performance in FY2022 were:

- Completed an Operating Model Review to facilitate better performance and reduce complexity in the business.
- Reshaped our corporate structure and introduced a refreshed Global Leadership Team to help streamline decision-making across the Company and better support our business units.
- Sought feedback for the FY2022 Employee Engagement Survey, which saw a response rate of 75 percent and engagement score of 77, both above the benchmark and an increase from the prior year.
- Launched REACH, a learning management system, to deliver customised training to our people.
- 22 percent female workplace representation by end FY2022, an increase of four percent since the prior year.
- 22,737 e-training courses (including LinkedIn Learning courses) completed.
- 155 senior leaders undertook professional development courses to build their leadership capabilities, including the CONNECT program.

ATTRACTING AND RETAINING THE INDUSTRY'S TOP TALENT

To be the most sought-after company in our field, we aim to attract the right people who contribute to our high performing teams.

The talent market is active and increasingly competitive. In FY2022, we continued to work on our attraction and retention strategies through strategic workforce planning, career paths, talent acquisition, internal talent management and employee value proposition.

At a business unit level, we partnered with universities and professional associations to build awareness of the DRA brand and attract students for our comprehensive graduate programs. In FY2022, we saw 41 new graduates join the Group and 18 existing graduates were promoted internally.

Retention is equally critical to the success of our business. We continually review our strategies to retain employees and build skills for the future through succession and development planning.

> DRA's policy on flexible working arrangements has enabled me to work with project teams across different time zones, including South Africa, America and Australia, while still planning my day to incorporate the needs of my family.
>
> **Alwyn Scholtz**
>
> Study Manager, Engineering // APAC
> Perth // Australia

CREATING MEANINGFUL EMPLOYEE EXPERIENCES

In FY2021, we asked our people to provide their insights about working at DRA via a global Employee Engagement Survey. The intention of the survey was to understand and identify areas where we can improve to ultimately help shape a better workplace experience.

Overall, the results indicated that employees felt a strong sense of camaraderie and purpose, and the work they do at DRA is meaningful. They also showed a need for more conversations about their career and clarity about role progression and development.

In response to the survey, our senior leaders partnered with the people and culture teams to develop and implement action plans that focused on magnifying the positive feedback received around collaboration, and addressing the opportunities around career discussions and wellbeing. The following key outcomes included:

- To better support our business units and enhance internal collaboration, we reshaped our corporate structure and introduced a refreshed Global Leadership Team to help streamline decision-making across the Company.
- To provide our leaders with the right tools and resources to have meaningful conversations with their teams and facilitate better engagement, DRA partnered with the NeuroLeadership Institute to deliver CONNECT: The Neuroscience of Quality Conversations. In FY2022, more than 80 people participated in the program to help build their leadership capabilities. We also enhanced our approach to supporting our people to fulfil their career aspirations through the development of a Career Path Framework which will be implemented in FY2023. The new framework will give our people more insight into career opportunities and provide clarity around role progression at DRA.
- We encourage our teams to work together at the various DRA offices to promote and develop a culture of collaboration, innovation and growth. We recognise the importance of achieving a healthy work and life balance, which is why we are also committed to providing flexible working options, including at senior levels.

In November 2022, we initiated the FY2022 Employee Engagement Survey, which saw a good response rate of 75 percent and engagement score of 77 which were both above the industry benchmark and an improvement on the results from the year prior.

There were positive shifts in all the engagement drivers that were included in the FY2021 survey and a notable improvement in the belief that action would be taken as a result of the feedback received from employees. There were also positive shifts in the areas of collaboration and career path which were the FY2021 focus areas. The survey results will be cascaded throughout the business, and areas of focus and action plans will be developed and implemented in FY2023.

EMPOWERING LEADERS OF TODAY AND TOMORROW

Empowering our leaders of today and tomorrow through access to professional development and learning opportunities is important in our business.

In FY2022, we launched a learning management system called REACH to deliver customised, online training courses to our people. The system boasts a catalogue of more than 120 e-learning courses that can accessed at any time, from any device.

We also offer our people free access to LinkedIn Learning, an online development platform that offers over 13,000 courses from industry leaders and experts.

More than 22,737 e-training courses including LinkedIn Learning courses, were successfully completed by year end.

REMUNERATION AND REWARD

We offer competitive remuneration and invest in development programs to help build capability and drive long-term company performance.

Recognising the buoyant and competitive job market this year, we undertook market analysis and salary reviews to ensure we reward our people with the right remuneration and are positioned well to attract top talent across our various operations and jurisdictions.

A focus on retention also saw our long-term incentive plans undergo a redesign to increase their attractiveness to key employees.

PROMOTING INCLUSION AND DIVERSITY

At DRA, we value inclusion and diversity, equal opportunity, collaboration, sharing knowledge and supporting each other in the workplace and community.

Our commitment includes providing a workplace free of discrimination and unfair bias, where everyone has an opportunity and where each person is valued, respected and supported for their different attributes, skills and experience.

Our values and behaviours underpin how we expect our people to act and treat everyone.

At the end of FY2022, our workforce consisted of 78 percent male and 22 percent female with 23 percent of new hires at DRA filled by women. Our representation of women in leadership roles at year end was 20 percent of our Global Leadership Team, and 19 percent of our Extended Leadership Team, being female.

In South Africa, we confirmed our continued commitment to inclusivity and empowerment of designated groups by proudly maintaining our Level 4 B-BBEE scorecard rating for DRA and Level 2 B-BBEE scorecard rating for Minopex.

OUR PEOPLE AND CULTURE POLICIES

We have a comprehensive set of policies and frameworks that support our purpose, values and expected behaviours.

Our **Code of Conduct** outlines how we carry out business and behave in an ethical manner. It also defines the standard of behaviours expected from all our directors, senior leaders, employees and contractors.

Our **Diversity and Inclusion** standard and policy confirms our commitment to equal opportunity and building an inclusive culture that supports and celebrates all our people. This is supported by an e-learning course to help educate our people about the expected standard of behaviour.

Our **Speak Up** standard and policy outlines how to report any suspected unacceptable conduct and provides protection for those who make a report. DRA will not tolerate any retaliation against those who speak up.

Our standards and policies are available at www.draglobal.com/about/corporate-governance

DRA is big enough to attract exciting projects and people, but feels small enough that you're not just another number. As a global company, there are many rewarding career opportunities for people who put their hand up and want to stretch themselves professionally.

Lauren Rovelli

Senior Manager, Development and Engagement // APAC
Brisbane // Australia

DRA EMEA PROJECTS STAR AWARDS RECOGNISE AND REWARD OUR HIGH-PERFORMING TEAMS

At the end of each year, our DRA EMEA Projects team gathers for the annual STAR Awards. A highly anticipated event in the calendar, Chief Operating Officer Project Alistair Hodgkinson said the awards aimed to recognise and reward our high-performing teams who exemplify the DRA values of safety, integrity, trust, excellence and courage.

"It's our chance to thank the people who have been with us for 5, 10, 15 and 25 years, some who have helped us build the company from the ground up, as well as celebrate those people who live and breathe our values, and have demonstrated excellence during the year," he said.

Our people at the FY2022 DRA EMEA Projects Star Awards

ADDRESSING THE TALENT GAP IN CANADA

Like many companies, we have had to face the challenges of a buoyant job market and increased competition to attract and retain employees in FY2022. The issue around scarcity of talent, combined with an aging workforce and cognitive dissonance between society in general and what the mining industry does, has become increasingly prevalent in Canada.

To engage with a wider audience and attract the next generation of engineers, our teams in Canada used every opportunity to network with future talent.

DRA was a gold sponsor of the Best Practice event at the 2022 Canadian Mining Games. The games provide an opportunity for students to showcase their mining knowledge, problem-solving and adaptive capabilities through a variety of challenges, and for sponsors to create and develop individual events and interact directly with students during competitions. Our event challenged competing teams to find a solution to a technical problem which balanced operational, economic, social and environmental best practices.

We also exhibited at the McGill Tech Fair, a career fair for engineering and technology students, in February 2022 and the CIM Capital Projects Symposium, a conference focused on project execution, project development, financing methods, contracting models and execution methods, in March 2022.

GRADUATES KICK-START THEIR CAREER

Achieving our aspiration and shaping the future of mining starts with our people; from leveraging the skills of our experienced knowledgeable experts to meet our current needs, to mentoring the next generation of top talent to meet our future needs.

The DRA Group has a number of opportunities that provide recent graduates with opportunities to develop professional skills, undertake tailored learning and development activities, and receive mentoring from senior staff across multiple sites and commodities in the mining and minerals resources sector.

Just ask Graduate Metallurgist Denise Pillay, who graduated from the DRA Minopex Graduate Programme in FY2022.

"I was attracted to the DRA Minopex Graduate Exchange Programme because of the vast mentorship opportunities. As a graduate fresh out of university and new to the industry, I felt it was important to join a program that invested in my professional growth through hands-on experience and mentorship," said Denise.

"I've learnt valuable insights from Leanie Naude. Not only is Leanie an outstanding leader, she is a female role model to many in our organisation who motivates employees to unlock their full potential while cementing the power of a values-based culture."

DRA Projects EMEA also has a two-year Graduate Programme where graduates rotate through different disciplines that are aligned with the Engineering Council of South Africa.

More information is available at www.draglobal.com/careers/graduate

CEO James Smith with Minopex's FY2022 graduate engineers who successfully completed the programme.

SUSTAINABILITY

At DRA, we help our clients work towards world-class sustainable mines of the future that minimise their physical and environmental footprint while simultaneously delivering value to their shareholders, employees, people, and the local communities they operate in.

To achieve this, we consider the impacts across the entire mining value chain and strive to find sustainable solutions that balance the economic, environmental and social factors.

Along with our clients, we operate in a critical part of the mining value chain and recognise the essential role we play in transitioning to a low-carbon and resource-efficient future for all. We see data and digitalisation as pivotal tools to model, monitor and manage this transition. With almost four decades of real-world engineering and operational data at our disposal, we are excited about the opportunities that stem from adding a sustainability lens to this data.

HELPING OUR CLIENTS ACHIEVE THEIR SUSTAINABILITY GOALS

During FY2022, we continued to develop innovative mining and process solutions for our clients from concept to execution, with sustainability objectives as an essential driver of crucial technical decisions. To help clients operationalise sustainability as part of daily business, we established a Sustainability Solutions Practice through Minopex Technical Advisory. Our team assists clients to develop enterprise-wide programs to meet net zero and other ESG and sustainability targets.

BUILDING A SUSTAINABLE DRA

Sustainable DRA is one of the strategic pillars in our Roadmap to 2025. **Read more about our pillars on page 14.**

Sustainability features prominently in our client-facing projects, operations and advisory work, and we continued to enhance our corporate sustainability performance and refine our sustainability strategy throughout the year.

We are developing a framework to collect data that will enable us to monitor and manage sustainability performance across our business units. This framework is an essential step towards reporting against the Global Reporting Initiative Standards in the future. In addition, we are updating and refining our policies and procedures to embed ESG and sustainability considerations in our decision-making, which we expect to complete in FY2023.

FUTURE OF MINING

At DRA, our advantage is that we bring deep mining, minerals processing and operations expertise, coupled with advisory capabilities, to develop and deliver project solutions to help achieve client sustainability objectives. We leverage the expertise within our team to highlight considerations for mining companies and their value chains to navigate the future with confidence.

We feature thought-leadership from DRA senior leaders and experts through our Future of Mining series at www.draglobal.com/future-realities

"The idea of being able to contribute every day to the health and wellbeing of the DRA team is my motivation. It's about making a difference where I can and motivating others to do the same.

Simon Dent

Senior Health Safety and Environment Manager // APAC
Perth // Western Australia

HEALTH, SAFETY AND WELLBEING

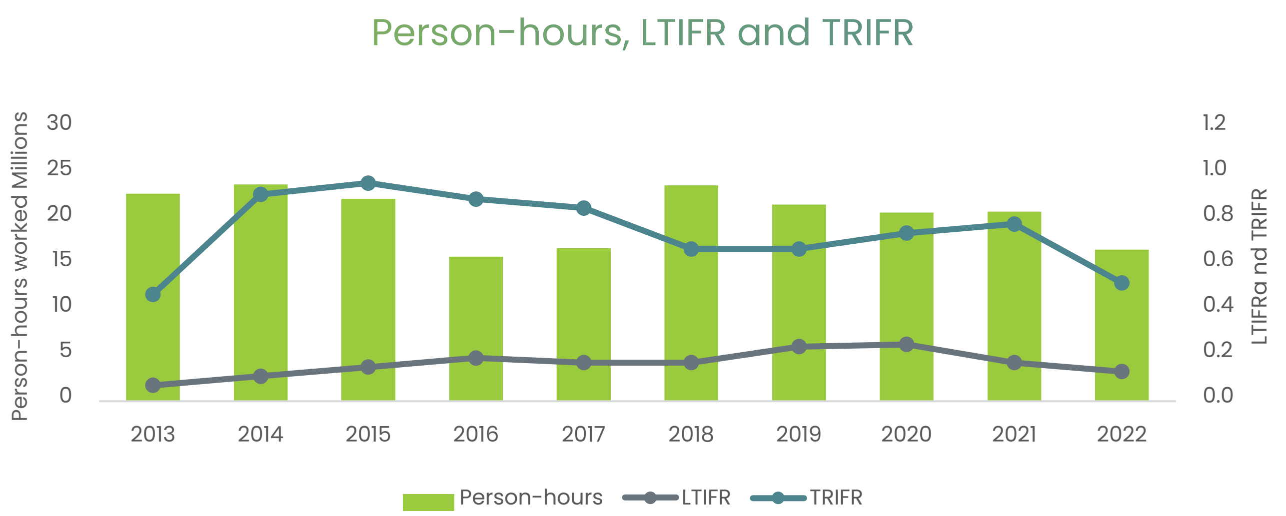
DRA conducts business in a responsible way to protect the health, safety and wellbeing of our people, contractors and communities.

Our most important commitment is that everyone goes home safe at the end of each workday. To achieve our commitment, we recognise the importance and impacts of having a robust culture of safety, continually improving our safety performance and actively caring for our people in everything we do.

The Group's health and safety performance, and key wellbeing initiatives, for FY2022 were:

- Recorded improved lost time injury frequency rate (LTIFR) and total recordable incident frequency rate (TRIFR) result from the prior year.
- Focused on active leadership participation and rolled out several awareness programs.
- 0.13 LTIFR, down 23 percent from FY2021, and 0.52 TRIFR, down 33 percent from FY2021.
- Reported person-hours on 29 projects by year end with 28 being LTI-free, and 58 maintenance and operation sites with 52 being LTI-free.
- 12 mental health first aiders in Australia.
- 38 wellbeing events held.
- Maintained ISO 45000 accreditation.
- Progressed with ISOMETRIX implementation.

SAFETY PERFORMANCE



CREATING A CULTURE OF SAFETY

In FY2022, we continually looked for ways to improve the way we operate, reduce risk to frontline employees and increase leadership visibility. As a result, we improved our safety performance and recorded a better LTIFR and TRIFR results from the prior year.

We recorded a 0.13 LTIFR, down 23 percent from FY2021, and 0.52 TRIFR, down 33 percent from FY2021. Additionally, we reported person-hours on 29 projects by year end with 28 being LTI-free, and 58 maintenance and operation sites with 52 being LTI-free.

A contributing factor of our success is working closely with contractors and business partners to ensure alignment of our safety culture and expectations. In FY2022, we ran monthly awareness campaigns with specific safety topics to promote our safety culture, and to encourage our people to report unsafe behaviours and conditions, participate in developing controls and following them, to take precautionary measures to ensure they are not putting themselves at-risk. This approach of engagement and coaching ensures we reach frontline workers and those people who are most at-risk. Our leaders and employees also received ongoing safety training and education of expected behaviours throughout to reduce potential harm.

In addition to robust employee education, we continued to enhance and reinforce visible leadership and leader engagement to prevent risk events. This approach ensures that health and safety accountability is placed at all levels across the Group, and ensures we develop a sense of belonging that underpins our safety culture.

We have clear mandatory minimum performance standards and frameworks to identify, assess and manage safety risks and their potential impacts, and monitor the health of our workforce. Our **Health and Safety Policy** is available at www.draglobal.com/about/sustainability

TAKING CARE OF OUR WELLBEING AND MENTAL HEALTH

Wellbeing and mental health continued to be a key global focus, particularly as we navigated through operational changes and uncertainly brought by COVID-19.

At DRA, our people, their families and dependants have access to the free and confidential Employee Assistance Program. We continued to make significant progress with our regional health and wellbeing strategies.

We have 12 mental health champions in APAC who undertook accredited mental health first aid training during the year. Their role is to increase mental health awareness and education among employees and help mitigate any psychosocial risks in the workplace.

In FY2022, we supported mental health and wellbeing initiatives across our offices and sites that were focused on promoting healthy lifestyle choices, building resilience, creating a supportive culture and giving back to the community.

LET'S TALK – ENCOURAGING OUR PEOPLE TO SPEAK UP ABOUT SAFETY

In a considered effort to improve workplace safety, and ensure our employees are contributing to the creation of a safe, positive and healthy workplace, Minopex launched an internal campaign called Let's Talk in FY2022.

The employee-driven campaign aimed to embed behaviours aligned with our purpose and values and encourage employees to speak up about safety, wellbeing, mental health and any other health-related issues in the workplace across work sites and head office using diverse communication and engagement strategies.

The comprehensive campaign included regular employee events to discuss safety, storytelling and communications, videos and visual cues including t-shirts, posters and banners. To further demonstrate the importance of this initiative, we placed suggestion boxes in all the common areas to seek feedback about how we can improve and acted on those suggestions.

The Let's Talk campaign has been well-received by all our teams, and everyone is taking accountability to make Minopex a safer workplace.

The Minopex team engaging with the Let's Talk safety campaign.

DRA's strong focus on safety aligns with my values. As we get older, the value we place on our families grows exponentially. Knowing that I work for a company that genuinely cares for its employees' health and preservation, especially in a risk-laden industry, provides me and my loved ones with comfort and surety.

Bradley Pather

Civil and Structural Engineer // SENET
Johannesburg // South Africa

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COMMUNITY

DRA is deeply aware of social, environmental and economic disparities across the world and in the places where we operate. We endeavour to leave a positive legacy by supporting local people, enhancing livelihoods and contributing to the upliftment of communities.

Some of the community initiatives that we proudly funded or were involved with across the Group in FY2022 were:

- Together with Foran Mining Company, we set up an indigenous student scholarship program at academic institutions in Saskatchewan, Canada, to support training and development of the country's first nations people.
- Together with other organisations, we collectively raised just under $3 million for Youth Focus allowing them to continue to provide vital mental health and suicide prevention services for youth across Western Australia.
- Donated funds to the Gift of the Givers for flood and drought relief efforts in Kwa-Zulu Natal and the Eastern Cape as well as disaster management efforts in Jagersfontein, South Africa.
- Supported the Bangwanate Disabled Project by funding the construction of a new sports field and fencing in South Africa.
- Donated uniforms to three schools in Phalaborwa, Limpopo.
- Upgraded the local community clinic in Witbank, Mpumalanga.
- Adopted Mabande Comprehensive School in Phola, Mpumalanga, for a math and science project for the next three years, in collaboration with Phola Coal.
- Handed over a newly constructed community creche in the Phalaborwa area, Limpopo, to help improve the wellbeing of children and young people.
- Donated food parcels to the JD Caring Centre in Pofadder, Northern Cape.
- Donated furniture to a police station in Ogies, Mpumalanga.
- Held a charity golf day with proceeds going to St Giles Association in Gauteng, Johannesburg.
- Teams collected and donated around 200 tinned cans of food and food parcels to various causes for Mandela Day.

MORE THAN SHELTER, IT'S A SENSE OF BELONGING

It's estimated that 3,500 babies survive abandonment each year in South Africa and that for every baby found alive, it is estimated that two will die.

The Maletsatsi Foundation aims to address this statistic by providing a temporary and safe 'stop over' home for babies and children in need until they can be reunited with their family or transitioned into a permanent family.

The foundation's undertakings are centred around re-creating an environment that is nurturing, connected, supported and encouraged - where a baby's future can be positively impacted and inspired by the surroundings.

This philosophy is aligned with our core values at DRA, which is why we donated ZAR 100,000 towards shelter for these vulnerable beneficiaries.

CREATING A SAFE ENVIRONMENT AT LYDENBURG PRIMARY SCHOOL

In partnership with our valued client Northam - Booysendal, DRA donated ZAR 378,692 for the safe removal of asbestos from classrooms at the Lydenburg Primary School in Mpumalanga.

After asbestos was discovered in the 30-year-old building, the Lydenburg Primary School was required to dismantle the classrooms and remove the asbestos. We were more than willing to aid after Northam - Booysendal received a request from the school to assist with this work.

Northam - Booysendal, along with partners, will rebuild four new classrooms for Lydenburg Primary School and its 800-plus primary school students.

SUPPORTING INCLUSION THROUGH THE CHAELI CAMPAIGN

For the past seven years, DRA has proudly supported The Chaeli Campaign; a social justice foundation that aims to champion a more ability-focused and inclusive world.

The campaign started in 2004 when a group of life-long friends between the ages of six and 12 started a project to raise money with their friend, Chaeli Mycroft, to purchase her first motorised wheelchair. Through their can-do spirit, Chaeli, her three friends and sister managed to achieve their goal of raising ZAR 20,000 in just seven weeks. Not only did this open a new realm of independence and possibilities for Chaeli, the five founders found their purpose and The Chaeli Campaign was established.

In FY2022, we proudly donated ZAR 250,000 to support the Inclusive Education Programme with a focus on early childhood development. The campaign partners with more than 40 pre-schools to provide skills development for pre-schoolers, their parents and teachers. Inclusion, ability and possibility are key themes for creating a supportive, accepting, creative learning environment for children of all abilities.

Student Jordan with DRA Draftsperson Avril Jason.

DRA Project Engineer, Mark Burton, and Managing Director DRA Water, Scott Alexander, with students Tyler and Jordan.

MINOPEX INVESTS IN EARLY CHILDHOOD DEVELOPMENT

Minopex has always understood that quality early childhood development provides life-long benefits to children, and society, long after they have left pre-school. This is why Minopex has dedicated its resources towards a number of community social initiatives to tackle early childhood development related challenges in the locations where we operate.

In April 2022, Minopex handed over a newly constructed creche in the Phalaborwa area, Limpopo, to the community. The new creche aims to improve the wellbeing of disadvantaged children and change the future for young South Africans.

As part of our Back-to-School Programme, Minopex also donated 210 packs of stationery and school uniforms to two local schools in Phalaborwa in FY2022.

Minopex handed over a newly constructed creche in the Phalaborwa area, Limpopo, to the community.

CORPORATE GOVERNANCE STATEMENT

DRA is listed on both the ASX and JSE. DRA's primary listing is on the ASX, and accordingly, DRA is required to publicly report its application of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.

For FY2022, we have reviewed our corporate governance practices against the Corporate Governance Principles and Recommendations (Fourth Edition). DRA's Corporate Governance Statement reflects its corporate governance practices for the financial year ended 31 December 2022 and was approved by the Board on 27 February 2023. During the year, unless otherwise disclosed, DRA has applied all the principles and met the recommendations.

The FY2022 Corporate Governance Statement has been lodged with the ASX and is available at www.draglobal.com/about/corporate-governance/

CORPORATE GOVERNANCE

DRA's corporate governance structure and processes support the delivery of our strategic direction, and are critical to fulfilling our stakeholders' expectations, achieving sustainable long-term success for our business, and promoting investor confidence.

The Board, Executive Committee and senior leaders have an ongoing commitment to applying the principles of corporate governance and demonstrating integrity and ethics in the Company's activities.

CORPORATE GOVERNANCE STRUCTURE

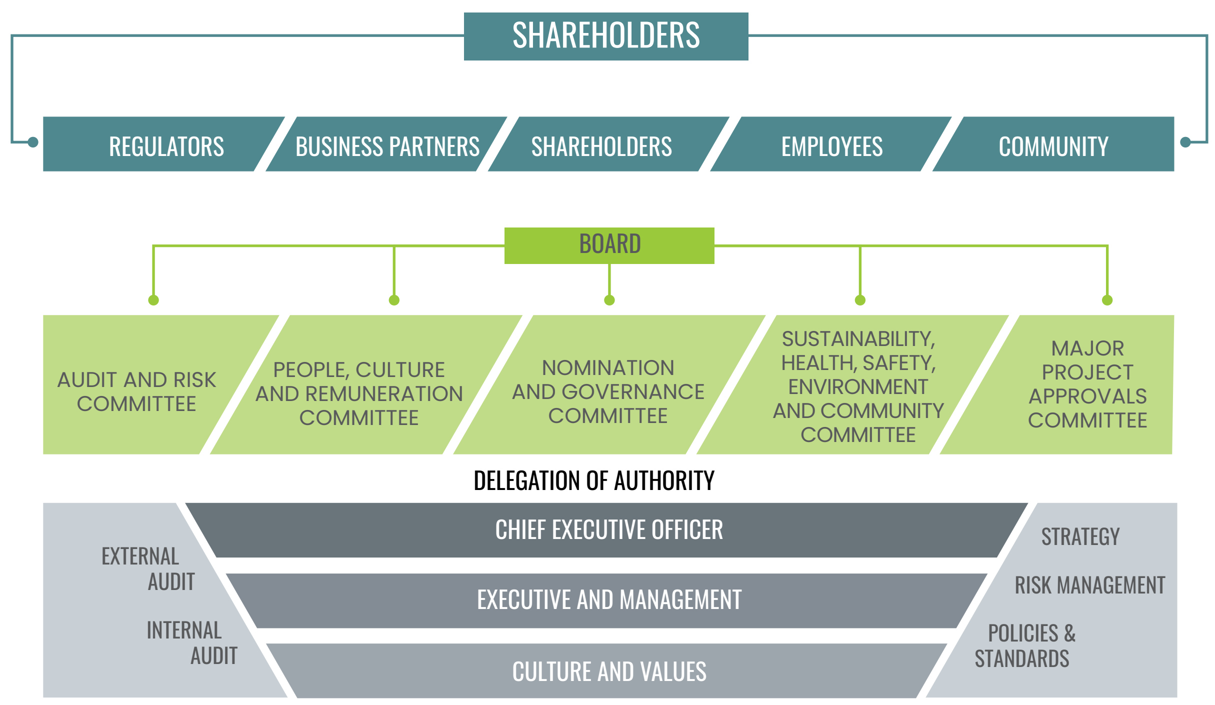
DRA's corporate governance structure consists of a Board of Directors whose role is to provide strategic guidance to and oversight of the Company, support the business to generate value for shareholders, and promote a culture which supports its core values.

As outlined in the **Board Charter**, the Board also has responsibilities to the Company's employees, customers, and suppliers, and to the welfare of the communities in which we operate.

The Board has five sub-committees to assist with discharging its responsibilities:

- Audit and Risk Committee;
- Major Project Approvals Committee;
- Nomination and Governance Committee;
- People, Culture and Remuneration Committee; and
- Sustainability, Health, Safety, Environment and Community Committee.

Overview of DRA's Governance Framework



> The level of determination and passion everyone puts into their work makes us grow beyond what we thought was capable and prepares us for any challenges we face. It drives me to be a better employee.
>
> **Adelaide De Wet**
> Executive Assistant // EMEA
> Johannesburg // South Africa

STRONG FOUNDATIONS OF GOVERNANCE

DRA seeks to adopt leading practices and contemporary governance standards which we apply in a manner that is consistent with our culture and values. This is underpinned by our four governance foundations of integrity, transparency, stewardship and accountability.

OPERATING WITH INTEGRITY

DRA's **Code of Conduct** defines the standards of behaviour that we expect from our Directors, management and people, based on our values. It embodies our commitment to good corporate governance and responsible business practice.

We are committed to working in compliance with relevant laws and regulations in all jurisdictions of operation, and we expect all parties to uphold these standards.

In FY2022, we continued to strengthen our commitment to honest and ethical behaviour by communicating our expectations to our people and business partners. As part of our communications, we also encouraged our people to have the courage to speak up about unacceptable behaviours or conduct that do not align with our values.

DRA's **Speak Up Policy** and **Standard** outlines how to raise concerns about unacceptable conduct and how matters will be managed. The Board, Executive Committee and senior leaders are committed to ensuring that individuals can report matters of suspected unacceptable conduct without fear of reprisal or detrimental treatment, and that all reports made under the standard are treated seriously and confidentially.

MAINTAINING TRANSPARENCY

We endeavour to be transparent about our structure, operations and performance to all our stakeholders. Policies and standards that support our commitment to transparency include Fair Competition, Market Disclosure and Communication, Securities Trading, Conflicts of Interest and the Code of Conduct.

RESPONSIBLE STEWARDSHIP

Fundamental to our purpose is the recognition that DRA is managed for the benefit of its shareholders, and considering the interests of other stakeholders. Our strategy provides direction on how we attain shareholder value over time. External and internal audits are conducted to provide independent assurance on the control and performance of DRA.

TAKING ACCOUNTABILITY

Enabling the right people to make effective and efficient decisions is a cornerstone of good corporate governance. In FY2022, we commenced a review of our decision-making processes, including our risk appetite and Delegation of Authority Framework. Our Code of Conduct also outlines our expected standard of accountability and appropriate actions that may take place when the right processes or standards have not been followed.

Our charters and policies are available at www.draglobal.com/about/corporate-governance/

Our people are DRA. Despite the challenges we've faced this year, collectively we have remained focused on the positives and have never lost sight of the common goals we all want to achieve.

Micheal Tassone

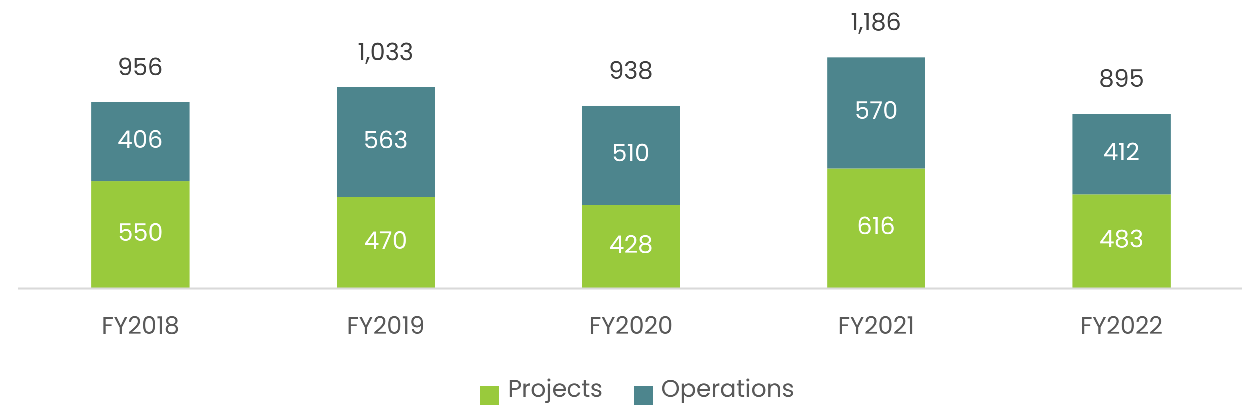
Head of Tax - APAC and AMER // Global
Perth // Australia

FINANCIAL REVIEW

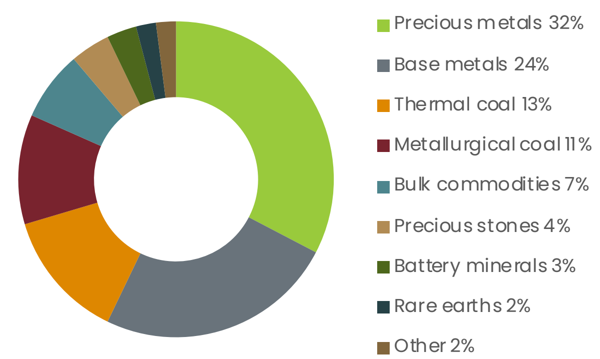
FINANCIAL PERFORMANCE

A) REVENUE AND EARNINGS

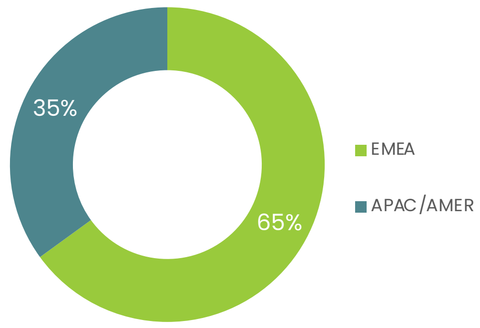
Revenue ($ million)



FY2022 revenue by commodity



FY2022 revenue by operating segment



REVENUE

DRA generates its revenue through the provision of consulting services, including the assessment of mineral projects through to the completion of feasibility studies, engineering design and construction of mining, mineral and metals processing assets, procurement and construction management of mining projects. We also generate revenue through the provision of operation and maintenance services of mining related operations.

Group revenue in FY2022 was $895 million, a decrease of 24.6 percent compared to FY2021. Operations revenue in FY2021 included a number of large fixed-price construction contracts in APAC. During H1 FY2022, the Group incurred significant losses associated with such contracts as it progressed completing works and commercial resolutions. The Group made the decision to pause any further pursuit of these types of contracts, with the combined result being a year-on-year reduction in Operations revenue in FY2022. In addition, FY2021 Operations revenue included the full year activity of G&S Engineering business as compared to FY2022 when it was successfully sold in September 2022, as well as revenue from the US Energy Operations business which ceased activity in January 2022. Projects revenue was also lower partly due to certain large-scale EPC contracts being completed during the year as compared to a full year of revenue in FY2021.

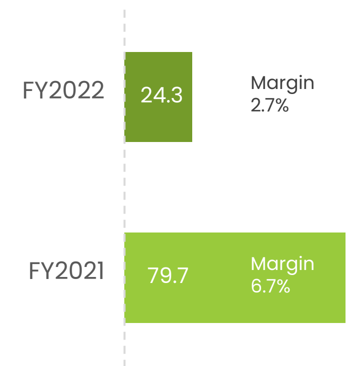
Our revenue continues to be well diversified geographically and across service offerings, commodities and clients. With offices and presence around the globe, we were able to provide local experience to our clients while leveraging our teams of professionals to best service clients. This diversification strategy has enabled the Group to absorb the underperforming parts of the business and stands it in good stead for steady growth in future years.

RECONCILIATION OF STATUTORY TO UNDERLYING RESULTS

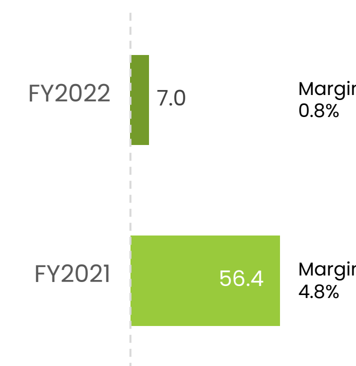
	FY2022 $M	FY2021 $M
Profit after income tax for the year (NPAT)	(21.4)	53.5
Adjusting for:		
Income tax expense	20.3	23.5
Net finance expense/(income)	2.6	(11.5)
Earnings before interest and tax (EBIT)	1.5	65.5
Adjusting for:		
Amortisation expense	4.9	5.7
Earnings before interest, tax and amortisation (EBITA)	6.4	71.2
Depreciation expense	12.4	17.6
Earnings before interest, tax, depreciation and amortisation (EBITDA)	18.8	88.8

	EBITDA		EBIT		NPAT	
	FY2022 $M	FY2021 $M	FY2022 $M	FY2021 $M	FY2022 $M	FY2021 $M
Statutory results	18.8	88.8	1.5	65.5	(21.4)	53.5
Adjustments:						
IPO costs (non-recurring)	-	1.9	-	1.9	-	1.9
Fair value gain on UPRs	(17.9)	(13.0)	(17.9)	(13.0)	(17.9)	(13.0)
Impairment of goodwill and intangibles	23.0	-	23.0		20.6	-
G&S loss on sale (non-recurring)	2.7	-	2.7	-	2.5	-
Legal costs related to pre-IPO disputes	2.3	2.0	2.3	2.0	1.7	2.0
Dispute settlements	(4.6)	-	(4.6)	-	(1.2)	-
Underlying results	24.3	79.7	7.0	56.4	(15.7)	44.4
Statutory margin as a % of total revenue	2.1%	7.5%	0.2%	5.5%	(2.4%)	4.5%
Underlying margin as a % of total revenue	2.7%	6.7%	0.8%	4.8%	(1.8%)	3.7%

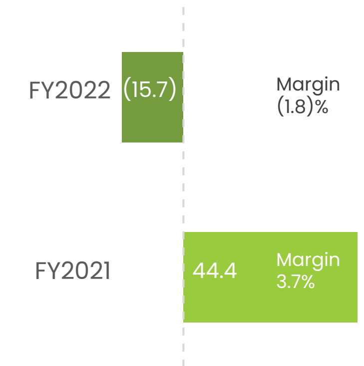
Underlying EBITDA
$ million



Underlying EBIT
$ million



Underlying NPAT
$ million



EARNINGS

Statutory EBIT decreased to $1.5 million from $65.5 million in the prior year. Statutory NPAT was a loss of $21.4 million as compared to a profit of $53.5 million in the prior year. In discussing the operating results of the Group, the focus is on underlying profit measures such as Underlying EBITDA, Underlying EBIT and Underlying NPAT.

In arriving at Underlying EBITDA, EBIT, and NPAT, certain adjustments were made to the statutory results to better reflect the underlying performance of DRA:

- IPO costs – These were costs paid to advisors specifically for the IPO in FY2021.
- 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 the prior financial year and is not representative of DRA's underlying financial performance.
- Impairment of goodwill and other intangibles – This includes a non-cash impairment of goodwill of $15.7 million in relation to the APAC Cash Generating Unit (CGU), as well as non-cash impairments of other intangible assets of $7.3 million in relation to the APAC CGU and EMEA CGU. The impairments relating to the APAC CGU of $18.9 million relate to the divestment of the G&S Engineering business.
- G&S loss on sale - The pre-tax loss on the sale of the G&S Engineering business, which completed in September 2022, was $2.7 million.
- Legal costs related to pre-IPO disputes and dispute settlements – DRA incurs or provides for legal expenses on and settles claims relating to pre-IPO disputes for certain onerous contracts. Within the EMEA business, there were two notable settlements of pre-IPO disputes, Liqhobong and Fraser Alexander, which had a net positive impact on EBIT of $2.3 million and increased interest expense by $3.0 million during H1 FY2022.
- The tax effect of all pre-tax adjustments was a tax benefit of $2.7 million.

Underlying EBIT for the current year includes a $(49.8) million loss associated with the G&S Engineering business in APAC.

The majority of the operating losses occurred in the first half of the year and related to legacy fixed-price construction contracts which were entered into during prior years. The contracts were terminated during the year and contract claims were commercially resolved. The first half losses also included a $9.0 million adjustment to the recoverability of a material contract asset position on a previously completed construction contract following conclusion of commercial settlement negotiations.

There was some continuation of fixed-price construction contract losses in the second half of the year prior to the successful sale of the G&S Engineering business in September 2022, which followed a decision earlier in the year to divest the non-core maintenance and construction business, which entered into the loss-making fixed-price construction contracts.

The corresponding prior year Underlying EBIT included the benefit of $10.6 million profit from the US Energy Operations business which ceased in January 2022 following termination of a US tax credit scheme on 31 December 2021.

In FY2021, DRA's Underlying EBIT was impacted by the continuing challenges associated with COVID-19. APAC profitability was specifically affected by productivity on fixed-price construction projects, COVID-19 related border closures, labour shortages, and disruptions specifically in Western Australia. These impacts continued to affect profitability of the Group early in FY2022.

Underlying NPAT was a loss of $15.7 million and includes underlying net interest expense of $2.7 million and underlying income tax expense of $20.3 million. Underlying income tax expense includes $18.4 million for the derecognition of historical tax losses in the current year based on an assessment of recoverability for accounting purposes.

EMEA REGION

EMEA revenue slightly reduced by 4.7 percent to $579 million, as compared to FY2021. This was mainly driven by a decrease in water treatment project activity and fewer EPC projects in FY2022. Growth continued in the region's Operations division while the remaining Projects division remained steady year-on-year. In FY2022, we successfully closed out of a number of major projects.

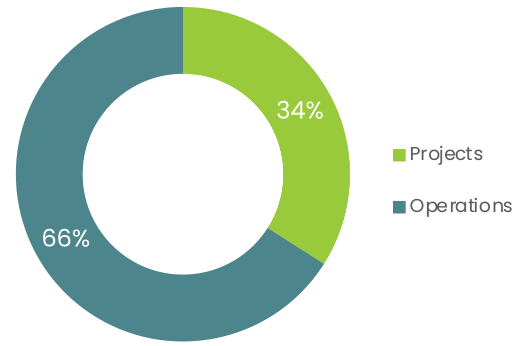
Underlying EBIT for the region of $62 million was down 25.8 percent compared to FY2021 partly driven by the reduction in revenue and associated margin from water projects, an increase in wages and salary costs, and a reversal of doubtful debt provisions that occurred in the prior year.

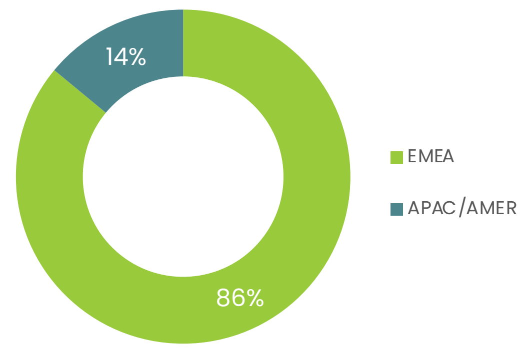
APAC/AMER

Revenue contribution from APAC/AMER reduced by 45.4 percent to $316 million, as compared to FY2021. Prior year Operations revenue included the full year activity of G&S Engineering business, which included large fixed-price constructions contracts, as compared to FY2022 when it was successfully sold in September 2022, as well as revenue from the US Energy Operations business which ceased activity in January 2022. Projects revenue was also lower partly due to certain large-scale EPC contracts being completed during the year as compared to a full year of revenue in FY2021.

Following the exit of these non-core operations, and an organisational restructure of the APAC business, growing DRA's presence and market share in the APAC/AMER region continues to be an area of strategic focus for the Company. Underlying EBIT loss for APAC/AMER of $35 million was affected by the unfavourable impacts from loss-making legacy fixed-price construction contracts and an adjustment to the recoverability of a material contract asset position on a previously completed construction contract following conclusion of commercial settlement negotiations in APAC which significantly impacted the first half of the year. The APAC/AMER region showed a return to profitability in the second half of the year. Performance in AMER, both North and South America, excluding the US Energy Operations results of the prior year, saw revenue grow by 43 percent with notable increases in the number of projects and the level of activity on existing projects.

B) WORK-IN-HAND





As at 31 December 2022, work-in-hand, which represents secured work not yet performed in relation to the next and subsequent financial years, was a healthy $858 million.

Work-in-hand comprised of less EPC and fixed-price construction work (high revenue, low margin) and more high margin core EPCM and O&M work, which is consistent with the intention to focus on improving the quality of earnings.

The Group continues to have a robust diversified pipeline of opportunities at various stages of development across a range of commodities and regions.

C) FINANCIAL POSITION

	FY2022 $M	FY2021 $M	Variance $M	Variance %
Cash	142.2	171.0	(28.8)	(17)
Debt*	(83.1)	(109.7)	26.6	(24)
Net cash	59.1	61.3	(2.2)	(4)
Net working capital**	58.6	29.3	29.3	100
Net assets	253.4	266.1	(12.7)	(5)

	FY2022	FY2021	Variance	Variance %
Number of shares *** (M)	54.4	49.5	4.9	10
Net asset per share ($/share)	4.66	5.38	(0.72)	(13)

* Includes interest-bearing borrowings, other financial liabilities and lease liabilities.

** Includes trade and other receivables, contract assets, inventories, trade and other payables and contract liabilities.

*** Excludes any issued shares classified as Settlement Shares.

NET CASH

Cash for the Group reduced by $28.8 million compared to FY2021, mainly due to cash outflows from operating activities associated with completing loss-making fixed-price construction contracts, final payment of amounts owed as part of the Stockdale share buy-back transaction, repayment of lease liabilities resolving pre-IPO litigation matters, and capital expenditure on property, plant and equipment.

This was partly offset by a net drawdown on the Group's working capital facilities to support operating activities, receipts from external loans and proceeds from the sale of the Settlement Shares. The Group's working capital facilities were fully drawn at 31 December 2022.

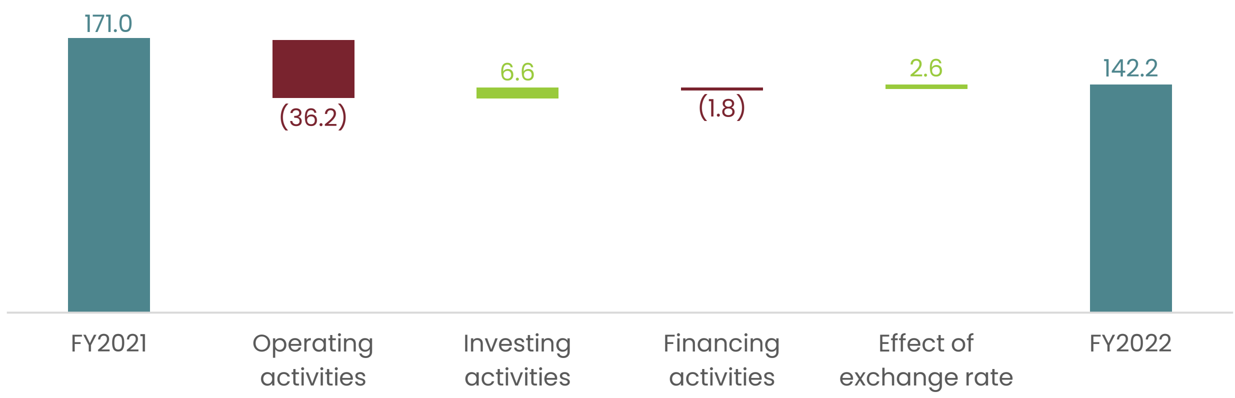
NET ASSETS

Net assets decreased mainly due to the sale and associated impairment of the G&S Engineering business as well as the finalisation of loss-making legacy fixed-price construction contracts.

The net assets per share of the Group decreased as a result of the sale of the already issued Settlement Shares and are therefore no longer classified as treasury shares of the Company. The net current asset position of the Group has improved significantly year-on-year from $87 million to $154 million.

D) CASH FLOWS

FY2022 cash movements
$ million



OPERATING ACTIVITIES

Cash outflows from operating activities for FY2022 was $36.2 million (FY2021: $12.7 million inflow). The reduction is mainly due to significant cash losses which were incurred on loss-making legacy fixed-price construction contracts in the G&S Engineering business in APAC. Income taxes paid by the Group in FY2022 ($22.1 million) were in line with the prior year.

INVESTING ACTIVITIES

Cash inflows from investing activities of $6.6 million mainly relates to repayment of loan receivables of $9.5 million and net proceeds received from the sale of the G&S Engineering business ($2.0 million), partially offset by net payments for property, plant and equipment ($5.7 million) which was 55 percent lower than the prior year.

FINANCING ACTIVITIES

Cash outflows from financing activities of $1.8 million mainly relates to final payment of amounts owed to Stockdale as part of the share buy-back transaction ($16.3 million) and payment of lease liabilities ($6.8 million) during the year, offset by the net drawdown of working capital facilities ($13.3 million) and the receipt of from the sale of the Settlement Shares ($7.9 million).

RISK MANAGEMENT

Delivering DRA's strategy and sustainable long-term value to our shareholders requires comprehensive risk management practices.

Recognising that we operate across multiple geographical locations, and we are exposed to global and local risk factors that may impact the delivery of our strategy, strong practices enable the Board and management to make strategic decisions about where to take risks to realise opportunities while enhancing and preserving value.

Our **Risk Management Framework**, which is aligned to International Standard ISO 31000 for risk management, provides a whole of business approach and sets out the process for the identifying, evaluating, monitoring, reviewing and reporting of risk to help us achieve our plans and objectives.

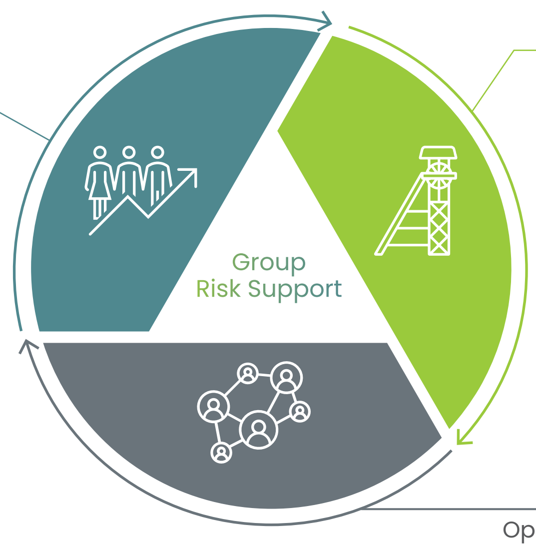
We have three risk environments - strategic, operational and project - with functional support in place to set direction and guide management of risk and opportunity.

Risks are managed in the context of the risk appetite, as approved by the Board, that provides guidance on risk tolerability across the Group. The Audit and Risk Committee assists the Board with oversight of the Group's risk management practices and material risks.

Group risk support framework

STRATEGIC RISK

Strategic risk refers to events that will affect the achievement of DRA's strategy and business objectives. This includes both negative and positive impacts.



PROJECT RISK

Project risk is anything that might have an impact on DRA's ability to get the project or operation completed in line with the contract.

OPERATIONAL RISK

Operational risk refers to the effective management of DRA business units internal process, people and systems and the achievement of the business unit goal.

EMERGING RISKS

The global economy continues to experience periods of uncertainty driven by various factors, including re-emerging from the COVID-19 pandemic, geopolitical tensions, climate change, increasing ESG expectations, evolving mining services, rising interest rates, supply chain disruption, rapidly rising inflation and variability of commodity prices.

This complex landscape highlights the importance of a whole of business approach to risk management to proactively analyse the impact of these factors on our strategic and operational objectives, so we can react and respond effectively.

STRATEGIC RISKS

Our strategic risks are reviewed each year in line with the dynamic industry and economic environments in which we operate.

In FY2022, we identified 11 strategic risks that could influence the sustainability of our business. These risks with an outline of our response are set out in no particular order and are not an exhaustive list of risks that may impact DRA, however are currently considered to be the most significant.

Risk and context	Our response
Attract, develop and retain talent	
It's vital to have the right people to deliver safe and predictable performance. Attracting, retaining and developing employees continues to be a high priority for DRA, but has been increasingly difficult in FY2022 as a result of increased competition for skilled talent in an active market.	We recognise that having resource capacity and capability is core to our business. Our priorities include: • having a well-defined employee value proposition to attract and engage top talent; • mapping competencies to enable access to people with the right expertise; • a graduate program that focuses on training and development of our employees; • implementing reward, remuneration and recruitment strategies that positions the Group relative to the market; • targeted retention strategies for critical roles and key talent; and • leadership and mentoring programs to strengthen our capability.
Material litigation	
DRA continues to face increasing competition in a number of its markets, which may impact client contracting terms, margins and the consequence of increased risk. We are aware that sometimes a commercial dispute could occur which cannot be resolved and results in litigation.	We strive to resolve any dispute with minimal impact. This involves: • actively engaging in stakeholder and client dialogue; • contract reviews and oversight to ensure we agree to acceptable contract terms; • a focus on early intervention related to contract issues or potential disputes; and • internal and external legal support with advice on commercial negotiation, as well as relevant laws and regulations.

Risk and context	Our response
Harm to our people	
A safe and healthy work environment is fundamental to living our values. The nature of our work means some of our people work on mines and construction sites where they are at higher risk of experiencing incidents, including life-changing events which have the potential to cause physical or psychological harm.	We are committed to protecting the health, safety and wellbeing of our staff, contractors and other relevant stakeholders at all times. We support this through: • comprehensive health and safety policies, standards and systems designed to prevent and mitigate potential exposure to health, safety and security risks; • investigating actual and potential significant events that could have led to injury or harm; • regularly reviewing and auditing our health and safety systems and processes; • being prepared with emergency, incident and crisis management plans; and • providing regular hazard awareness, sharing of lessons learned and training.
Access to capital	
An inability to access capital could adversely impact the Group's ability to meet its growth ambitions and meet other funding requirements, as and when required.	Our approach to managing access to capital is addressed through active treasury management, including: • a comprehensive Treasury Framework; • maintaining policies which define appropriate financial controls and governance; • undertaking a disciplined capital allocation process; and • targeting and maintaining an appropriately balanced debt and equity capital structure, including having access to various potential sources of funding.
Safe, reliable and efficient operations	
A failure to deliver safe, reliable and efficient operations could prevent us from delivering on our strategic objectives and impact shareholder value. DRA builds resilience and predictability into our business by keeping our people safe and healthy, applying our operating and project management processes and providing quality services to our clients.	We continuously improve our project and operational management so we can deliver stable and predictable performance. To do this we: • embed and continuously verify and improve our safety and risk management systems across our business; • review and improve the effectiveness of our project and operational management by implementing fit-for-purpose and consistent practices, standards and controls; • have established contract oversight and management to support good commercial outcomes; and • conduct assurance and review activities to identify improvement opportunities.

Risk and context	Our response
Geopolitical and sovereign country	
DRA operates across multiple geographical locations. Some of the jurisdictions within which DRA operates are subject to sovereign, human rights and security risks. Changes in government, regulation and tax in overseas jurisdictions has the potential to impact our performance and financial returns.	We ensure our people have a comprehensive understanding of the overseas jurisdiction before entering it through: • our Code of Conduct and Compliance Management Framework which encompasses antibribery and corruption, human rights, sanctions, business partner due diligence, entity governance as well as detailed specific requirements and approvals for entry into a country or jurisdiction; • regularly monitoring our tax risks and engaging specialist independent advice and assurance; and • monitoring current and potential geographies' political, economic and social conditions on an ongoing basis.
Drive growth and commercialise opportunities	
With demand for certain commodities set to increase and sustainability becoming a bigger focus, DRA is purposeful in preparing for future markets and growth opportunities.	Continuing to assess strategic options to capture optimum long-term shareholder value remains in focus for DRA. We are: • continuing our efforts in winning and maintaining quality contracts to enable organic growth; • monitoring the mining services market and new technologies; • assessing opportunities for commodity diversification; and • continuing to build client and stakeholder relationships.
Cyber	
The growing volume and complexity of cybercrime is increasing. DRA could experience business interruptions to critical IT services or other breaches of its information systems that could lead to loss of intellectual property.	Our cyber-security program improves the handling of cyber-security risks, which includes: • continuing to invest in systems, tools and infrastructure to protect our assets; • having layered security techniques, including endpoint and perimeter protection; • ongoing security education and awareness campaigns; • penetration testing and supporting independent assurance of our control framework; and • business resilience plans for cyber-related scenarios.
Shareholder engagement	
Shareholder misunderstanding can be disruptive. Effective shareholder engagement can enhance the long-term performance of DRA.	We aim to foster a good relationship with our shareholders. Strategies include: • regular market updates; • informative half-year and annual reporting; • encouraging attendance and participation at our Annual General Meetings; • investor and shareholder engagement plans; and • policies and standards on market disclosure and communication.

Risk and context	Our response
Workplace culture	
As a multinational company, fostering behaviours that are aligned to DRA's values can be challenging. Over time, this may constrain performance, create value erosion and reputational damage.	By fostering an understanding of our global footprint and the evolving needs of our people, business and broader stakeholders, we are able to identify strategies that are conducive to the culture we aspire towards. To do this we: • actively assess our culture through annual employee surveys which act as a 'check-up' and allows us to track the DNA of DRA; • continue to communicate and educate our people about the DRA values and Code of Conduct to create awareness of the expected behaviours; • renewed our leadership program to strengthen alignment to our preferred culture and behaviours; and • embedded an inclusive and diverse workplace strategy that incorporates our Inclusion and Diversity Policy and Standard, which sets out our commitments and approach.
Social license to operate	
A failure to meet evolving societal expectations for ESG performance could damage our reputation and negatively impact our licence to operate. This could limit our ability to access capital, retain and attract employees and grow our business in existing and new jurisdictions.	We strive to balance economic outcomes with social and environmental outcomes, both now and into the future. In our decision-making, we look to minimise ESG impacts, respect human rights and create enduring social, environmental and economic value for all our stakeholders through: • working to build strong, positive and meaningful relationships with local communities; • reporting on our risks, opportunities, regulatory obligations, commitments and areas where we are working; • contributing to pragmatic ESG strategies and plans in partnership with our clients; • looking for opportunities to transition to a low-carbon and resource-efficient future and make a difference to the communities we work in; and • evaluate opportunities of circular business models to minimise waste, carbon emissions and other pollutants.

DIRECTORS' REPORT

The Directors present their report, together with the financial statements, on the consolidated entity (referred to as the 'Group') consisting of DRA Global Limited and the entities it controlled at the end of, or during, the financial year ended 31 December 2022.

DIRECTORS

The following persons were Directors of DRA during FY2022 and up to the date of this report, unless stated otherwise.

- Peter Mansell, Chair and Independent Non-Executive Director.
- Lee (Les) Guthrie, Independent Non-Executive Director.
- Paulus (Paul) Lombard, Independent Non-Executive Director.
- Jonathan (Johnny) Velloza, Independent Non-Executive Director.
- Kathleen Bozanic, Independent Non-Executive Director (resigned 31 December 2022).
- Andrew Naudé, Director (resigned 31 October 2022).

Particulars of their qualifications, experience, special responsibilities and any directorships of other listed companies held within the last three years are set out in this Annual Report under the Leadership heading on pages 42 to 43 and form part of this Directors' Report, other than for Directors who resigned during FY2022 whose details are as follows.

KATHLEEN BOZANIC

Independent Non-Executive Director

Appointed 2 January 2020 (resigned 31 December 2022)

Kathleen Bozanic is an accountant and finance professional with more than 25 years' experience in the resources, engineering and contracting sectors as a registered company auditor, partner of a Big-4 professional services firm, finance general manager and chief financial officer. In these roles, she was responsible for compliance, risk and financial management, and was significantly involved in business planning and strategy, and managing commercial transactions.

Kathleen is a member of Chartered Accountants ANZ and is a graduate member of the Australian Institute of Company Directors. She holds a Bachelor of Commerce from the University of Western Australia.

OTHER CURRENT LISTED DIRECTORSHIPS:

- None.

FORMER LISTED DIRECTORSHIPS:

- Non-Executive Director of IGO Limited (ASX).
- Non-Executive Director of Great Southern Mining Limited (ASX).
- Non-Executive Director of DRA Global (ASX/JSE).

SPECIAL RESPONSIBILITIES:

- Chair of the Audit and Risk Committee.
- Member of the Nomination and Governance Committee.
- Member of the People, Culture and Remuneration Committee.

ANDREW NAUDÉ

Director

Appointed 31 October 2017 (resigned 31 October 2022)

Andrew Naudé joined DRA in 2013 and was appointed to the Board in 2017. Andrew is a corporate finance and strategy professional who has worked in financial services and corporate finance covering a broad range of industries for more than 20 years. He served as DRA's interim CEO during 2016, CFO from 2016 to 2019, and Managing Director and CEO from 2019 to 2022.

OTHER CURRENT LISTED DIRECTORSHIPS:

- None.

FORMER LISTED DIRECTORSHIPS:

- Director of DRA Global Limited (ASX/JSE).

SPECIAL RESPONSIBILITIES:

- Chief Executive Officer of DRA (until 2022).

DIRECTORS' INTERESTS IN THE SHARES AND OPTIONS OF THE COMPANY

The interests of the Directors in the shares and options of DRA at the date of this Report are as follows:

Director	Ordinary shares	Options
Peter Mansell	71,777	8,421
Les Guthrie	16,912	4,211
Paul Lombard	9,364	4,211
Johnny Velloza	4,211	4,210

COMPANY SECRETARY

BEN SECRETT

Appointed 1 January 2021

Ben Secrett has more than 15 years' experience as a legal, corporate advisory and governance professional for Australian and foreign listed entities, having worked for top tier law firms, the ASX and entities in the resources and technology sectors. He holds a Bachelor of Economics from the University of Western Australia, a Juris Doctor law degree from the University of Notre Dame Australia, and a Graduate Diploma of Applied Corporate Governance from the Governance Institute of Australia.

PRINCIPAL ACTIVITIES

DRA, listed on the ASX and JSE, is an international multi-disciplinary engineering, project management and operations management group focused on the mining, minerals and metals sector. DRA has expertise in mining, minerals and metals processing and related non-process infrastructure including ESG, water and energy solutions for the mining industry.

DRA delivers advisory, engineering and project delivery services throughout the capital project lifecycle from concept through to operational readiness and commissioning as well as ongoing operations and maintenance services. DRA has an extensive global track record spanning more almost four decades and more than 8,000 studies and projects as well as operations and maintenance solutions across a wide range of commodities.

OPERATING AND FINANCIAL REVIEW

Information on the operations and financial position of the Group and its business strategies and prospects is set out in the operational review on pages 25 to 41 and financial review on pages 67 to 73, and forms part of this Directors' Report.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Sale of G&S Engineering business

During the reporting period the Group conducted a review of its business portfolio and divested its non-core G&S Engineering business to KAEFER Integrated Solutions. The G&S Engineering business had incurred the majority of fixed-price construction contract losses of the APAC/AMER region for the reporting period.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The Group plans to continue providing diversified advisory, engineering, project delivery and operations and maintenance services globally. Further information is set out in the operational review on pages 25 to 41 and forms part of this Directors' Report.

DIVIDENDS

No dividends have been declared for the financial year ended 31 December 2022, nor for the previous corresponding period being the financial year ended 31 December 2021.

MEETINGS OF DIRECTORS

The number of meetings of the Company's Board of Directors held during the year ended 31 December 2022, and the number of meetings attended by each Director are as follows:

		Board		Independent Directors Committee		Audit and Risk Committee		People, Culture and Remuneration Committee		Sustainability, Health, Safety, Environment and Community Committee		Nomination and Governance Committee		Major Project Approvals Committee	
		M	A	M	A	M	A	M	A	M	A	M	A	M	A
Peter Mansell	iNED	40	39	6	6	0	4	4	4	0	4	2	2	0	1
Les Guthrie	iNED	40	38	6	5	0	4	4	4	4	4	0	2	1	1
Paul Lombard	iNED	40	36	6	5	5	4	0	4	4	4	0	2	1	1
Johnny Velloza	iNED	40	34	6	6	5	5	4	4	4	4	1	1	1	1
Kathleen Bozanic	iNED	40	36	6	6	5	4	3	3	0	4	2	2	0	0
Andrew Naudé	Exec	36	32	0	1	0	4	0	3	0	3	0	2	0	0

M - The number of meetings held during the period the Director was a member of the Board and/or Committee.

A - The number of meetings attended by the Director during the period the Director was a member of the Board and/or Committee.

(grey)	Member
(green)	Chair

ENVIRONMENTAL REGULATION

The Group is subject to environmental regulation in respect of its Projects and Operations business activities in different countries. The Group aims to ensure the appropriate standard of environmental care is achieved, and in doing so, that it is aware of, and is in compliance with, relevant environmental legislation.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

On 23 February 2023, the Company was notified that Andrew Naudé (previous CEO) filed an Originating Application in the Federal Court of Australia against the Company, its Directors, some members of management and other respondents. DRA is taking legal advice in relation to defending the claims. No other matters or circumstances have arisen that have significantly affected or may significantly affect the operations of DRA, the results of those operations, or the state of affairs of DRA in subsequent years that is not otherwise disclosed in this report.

SHARES UNDER OPTION

The number of unissued ordinary shares of DRA Global Limited under option at the date of this report are detailed below:

Grant date	Expiry date	Exercise price	Number
14 May 2020*	30 March 2024	$0.00	210,206
29 June 2021*	31 March 2026	$0.00	900,939
31 December 2020*	31 March 2025	$0.00	1,065,456
1 December 2021	30 June 2025	$0.00	150,000
30 January 2023*	30 January 2025	$0.00	25,264
			2,351,865

The options issued on the grant dates marked * include options granted as remuneration to the Directors and the five most highly remunerated officers during the year.

The Non-Executive Directors are entitled to sacrifice the value of up to 30 percent of their annual remuneration (excluding superannuation and any payment made in lieu of receiving superannuation in jurisdictions where superannuation is not required to be paid) and receive that part of their remuneration through the issue of options under the DRA Global Limited Employee Share Scheme. There are no vesting conditions attached to these options as the options are issued in lieu of a cash remuneration entitlement. The issue of these options requires shareholder approval which was obtained in FY2022 for the issue of options in respect of the period from FY2019 to FY2022. If shareholder approval is not given for future options, a lump sum cash payment is made instead. The total accumulated value of options that may be issued as at 31 December 2021 was $60,000.

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the Company or of any other entities.

Details of options granted to Directors and KMP are disclosed in the Remuneration Report on pages 88 to 108. In addition, the following options were granted to officers who are among the five highest remunerated officers of the Company and the Group, but are not KMP and therefore not disclosed in the Remuneration Report.

Name of officer	Grant date	Exercise price	Number
Pierre Julien - EVP AMER	14 May 2020	$0.00	11,618
	31 December 2020	$0.00	79,732
	29 June 2021	$0.00	23,585

SHARES ISSUED ON THE EXERCISE OF OPTIONS

There were 244,254 ordinary shares of DRA issued on the exercise of options during the year ended 31 December 2022 and up to the date of this Directors' Report.

INDEMNITY AND INSURANCE OF OFFICERS

In accordance with DRA's Constitution, except as may be prohibited by the *Corporations Act 2001*, every officer of the Group shall be indemnified out of the property of the Group against any liability incurred by him or her in his or her capacity as officer of the Group or any related corporation in respect of any act or omission whatsoever and howsoever occurring or in defending any proceedings, whether civil or criminal. The contracts of insurance contain confidentiality provisions that preclude disclosure of the premiums paid, the nature of the liability covered by the policies, the limit of liability and the name of the insurer.

INDEMNITY AND INSURANCE OF AUDITOR

To the extent permitted by law, the Company has agreed to indemnify its auditor, BDO Audit (WA) Pty Ltd, as part of the terms of its audit engagement agreement against claims by third parties arising from DRA's breach of their agreement. No payment has been made to indemnify BDO Audit (WA) Pty Ltd during or since the end of the financial year.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

NON-AUDIT SERVICES

Details of the amounts paid or payable to the auditor for non-audit services provided during the reporting period by the auditor are outlined in note 37 to the financial statements.

The Directors are satisfied that the provision of non-audit services during the financial year ended 31 December 2022 by the auditor (or by another person or firm on the auditor's behalf) is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

Based on advice received from the Audit and Risk Committee, the Directors are of the opinion that the services as disclosed in note 37 to the financial statements do not compromise the external auditor's independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 172.

REMUNERATION REPORT (AUDITED)

The audited Remuneration Report is set out on pages 88 to 108 and forms part of this Directors' Report.

ROUNDING OF AMOUNTS

The Company is of a kind referred to in *Corporations Instrument 2016/191*, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars (K or '000), or in certain cases, the nearest dollar.

SIGNING

This report is made in accordance with a resolution of the Board of Directors.

Peter Mansell
Chair

28 February 2023

REMUNERATION REPORT

LETTER FROM THE CHAIR OF THE PEOPLE, CULTURE AND REMUNERATION COMMITTEE

Dear shareholders

I am pleased to present DRA Global's Remuneration Report (Report) for the financial year ending 31 December 2022.

PERFORMANCE SUMMARY

In FY2022, we focused on strengthening the business and delivering outcomes in line with our global strategic direction, DRA's Roadmap to 2025.

On a global scale, competition for skilled talent in an active market and wage inflation were some of the biggest challenges facing our industry throughout the year. To address these trends, we continued to prioritise the health and wellbeing of our people, while also focusing on professional development opportunities.

Each year, the Board sets the balanced scorecard KPIs and targets, taking into consideration the budget, company strategy and expectations, appropriate benchmarks and economic conditions. Overall business performance is then measured against the balanced scorecard. The overall balanced scorecard result was 74 percent which was primarily driven by our challenging EBIT performance for the year. Pleasingly the second-half financial returns exceeded the target set in the scorecard, and stronger results were achieved across the safety, operational excellence, talent and client focus areas.

A more detailed disclosure of the FY2022 Group outcomes against set strategic areas is included in this Report.

KMP REMUNERATION CHANGES/OUTCOMES

During the year, there were changes to the Key Management Personnel (KMP) with the appointments of James Smith and Michael Sucher to the roles of Chief Executive Officer (CEO) and Chief Financial Officer (CFO) respectively, following the resignations of former CEO Andrew Naudé and former CFO Adam Buckler.

The FY2021 Remuneration Report was not adopted at our last Annual General Meeting (AGM), with 59.02 percent of the votes cast being against. During the year, we took deliberate actions in response to shareholder concerns about KMP remuneration that were raised at the 2022 AGM.

The following outlines a series of remuneration changes and outcomes applied during the year.

- Improved the robustness of remuneration benchmarking methodology, including a review and enhancement of the peer companies used for KMP remuneration benchmarking so DRA's KMP remuneration practice is compared against companies that are closely aligned with our operations and size to ensure a fair outcome.
- Reviewed and moderated executive total fixed remuneration (TFR) levels, including the appointment of James Smith and Michael Sucher to the role of CEO and CFO, respectively, at a significantly lower TFR level than their predecessors (i.e. 40 percent lower than the former CEO and 22 percent lower than the former CFO). No change in TFR was made for Alistair Hodgkinson, Chief Operating Officer (COO), during the year.
- No short term incentive (STI) payment was made to Executive KMP for FY2022 in recognition of the Group's financial performance. Recognising that it was a challenging year where key financial performance hurdles at a Group level were not met, the Board determined that no STI award payment would be awarded to KMP despite some positive achievements across non-financial areas. Further, James Smith and Michael Sucher elected to forgo any STI award for the period of the year that they were not KMP.
- Adjusted long term incentive (LTI) incentive opportunity for KMP to improve alignment with market and shareholder expectations, which included reducing the maximum opportunity to 73 percent of TFR for the CEO (vs 115 percent in FY2021), and between 68 and 72 percent of TFR for other KMP (vs 90 percent in FY2021).
- Incorporated relative Total Shareholder Return (TSR) performance hurdles in the FY2022 LTI awards (in addition to Absolute TSR and Earning Per Share (EPS) to improve the alignment of LTI design with market peers and ensure a balanced and representative assessment of business value in a fluctuating and cyclical market.
- Applied a 10 percent reduction in Non-Executive Director (NED) fees, effective from 1 November 2022 in response to the specific shareholder concerns.
- Applied a staged increase in the opportunity for settlement of NED fees through equity from 20 percent to 30 percent, effective from 1 November 2022 to further align NED remuneration with shareholder experience.

Further details regarding our response to the "No vote" are provided within this report.

Given the critical need to motivate and retain KMP in order to progress our strategic objectives and deliver the best outcomes for shareholders, we believe the remuneration structure and quantum for the current KMP are fair and competitive in the global market, and reflective of our organisation and industry.

We're committed to transparency and creating an ongoing dialogue with shareholders about remuneration. To this end, we have made changes to the FY2022 Remuneration Report to improve the quality of KMP remuneration disclosure.

THANKS

I would like to recognise the exceptional leadership and continued efforts of our people throughout the year which has enabled us to deliver for our clients.

Thank you to our shareholders for your continued support. As always, we welcome your feedback and comments on any aspect of the Remuneration Report.

Sincerely

Les Guthrie
Chair – People, Culture and Remuneration Committee

INTRODUCTION

This Remuneration Report has been prepared in accordance with section 300A of the *Corporations Act 2001 (Cth)* (Act) and accounting standards. The Report outlines the remuneration approach and arrangements for Key Management Personnel (KMP) of DRA Global Limited (DRA or the Group) for the financial year ended 31 December 2022.

This Report contains the following main sections:

1. Who is covered by this Remuneration Report.
2. Response to "No vote".
3 Remuneration governance.
4. Remuneration philosophy.
5. Executive KMP remuneration arrangements.
6 Non-Executive Directors' remuneration.
7. FY2022 Remuneration outcomes and links to performance.
8. Executive KMP employment contracts.
9. Details of remuneration.
10 Additional remuneration disclosure.

1. WHO IS COVERED BY THIS REMUNERATION REPORT

For the purpose of this Report, KMP are defined as those persons who have authority and responsibility for planning, directing and controlling the Group's activities, including Executive KMP and Non-Executive Directors of DRA.

The table below shows the KMP of the Group at any time during the financial year ended 31 December 2022 and, unless otherwise stated, were KMP for the entire period.

Name	Position
Non-Executive Director (NED)	
Peter Mansell	Non-Executive Chair
Kathleen Bozanic	NED (until 31 December 2022)
Lee (Les) Guthrie	NED
Paulus (Paul) Lombard	NED
Jonathan (Johnny) Velloza	NED
Executive KMP	
Andrew Naudé [(1)]	Director (until 31 October 2022) Managing Director (MD) (until 25 October 2022) Chief Executive Officer (until 25 October 2022)
James Smith	Interim Chief Executive Officer (appointed 11 March 2022) Chief Executive Officer (appointed 13 October 2022)
Michael Sucher	Acting Chief Financial Officer (appointed 21 March 2022) Chief Financial Officer (appointed 1 September 2022)
Alistair Hodgkinson	Chief Operating Officer
Adam Buckler	Chief Financial Officer (until 10 May 2022)

1. Andrew Naudé ceased to exercise executive authority from 19 March 2022 when he was placed on 'gardening leave' pursuant to clause 23.6 of his employment contract.

2. RESPONSE TO "NO VOTE"

The Act requires that publicly listed companies include a Remuneration Report in each annual Directors' Report, which details the Company's remuneration practices and arrangements, and the compensation paid to KMP during the relevant reporting period. The Remuneration Report must also be voted on by shareholders (excluding the votes of any KMP and their associates) at the Company's AGM by way of a non-binding advisory vote. The objective of these legislative provisions is to increase levels of transparency and accountability on remuneration arrangements, strengthen alignment of remuneration with performance, and provide for greater shareholder engagement and feedback on remuneration matters.

At the AGM held on 17 May 2022, 59.02 percent of shareholders voted against adoption of the FY2021 Remuneration Report. As the percentage of the "no vote" exceeded 25 percent, the Group incurred a 'first strike' pursuant to section 250R of the Act.

The Company has considered the feedback raised in the 2022 AGM in relation to the Remuneration Report and sought to address the concerns regarding remuneration arrangements by taking actions including reviewing KMP remuneration, obtaining further market insights from external remuneration consultants, and considering all business outcomes in determining remuneration outcomes for FY2022. Full details of the changes implemented as a consequence of the 2022 AGM vote are outlined in this Report.

The table below provides further information on key remuneration matters raised by shareholders and the Group's response.

Issue	Company response
NED remuneration is perceived high considering share price performance over the year	During the year DRA reviewed the remuneration of NEDs and relevant benchmarking methodology and applied the following changes: • reviewed and revised the comparator group companies for the purpose of benchmarking to ensure those selected are closely aligned with DRA's current operations and size so that a more appropriate and valid comparison with the market can be conducted. The criteria used to select the peers during the review include the nature of business (industrials, engineering and project delivery), company size (comparable revenue, market capitalisation), complexity (operations across multiple jurisdictions). • reduced NED remuneration by 10 percent effective 1 November 2022 and until at least 31 December 2023, at which time annual remuneration will be reviewed again, and increased the opportunity for settlement of remuneration through equity from 20 percent to 30 percent. The changes help further align NED remuneration with long-term shareholder outcomes and also maintain the ongoing appropriateness against market and internal policy (i.e., target between the 50th percentile (P50) and 75th percentile (P75) for KMP remuneration) to ensure attraction and retention of people.
There are no performance criteria for NED equity	NED equity is delivered in lieu of the cash fee and not in addition to the cash fee. The purpose of NED equity is to promote shareholding among NEDs and align the financial interest of NEDs with that of DRA shareholders over the long term. To increase this alignment, the Board approved the NEDs to sacrifice 30 percent (vs. 20 percent in FY2021) of their fees in equity effective 1 November 2022. The increase will be aligned with shareholder approvals regarding the number of options that can be granted to Directors. • NED equity grants are made without performance conditions (i.e., zero exercise priced options which are subject to a service only requirement) to ensure NED independence in Board decision making.
Executive KMP remuneration is high	Following the review of executive KMP remuneration against the market, based on revised peer companies, the Board: • appointed James Smith and Michael Sucher to the CEO and CFO roles respectively at a significantly lower remuneration level than their predecessors (i.e. 40 percent lower than former CEO, Andrew Naudé, 22 percent lower than the former CFO, Adam Buckler). No remuneration increase was offered to Alistair Hodgkinson (the COO) during the year. • reduced the LTI maximum opportunity to 73 percent of TFR for the CEO (vs 115 percent in FY2021), and between 68 and 72 percent of TFR for other Executive KMP (vs. 90 percent in FY2021). • The Board considered that Executive KMP remuneration (post review) is aligned appropriately to comparable companies in the market.

Issue	Company response
The alignment between KMP reward and Group performance is perceived to be low	While there has been no specific shareholder concern over STI and LTI plans, the Board reviewed STI and LTI plan designs to ensure they are affordable, robust and consistent with good governance and remuneration practices. The following changes/decisions were made during the year: • the Board incorporated two additional relative Total Shareholder Return (TSR) performance hurdles in the FY2022 LTI awards (in addition to the existing Absolute TSR and EPS hurdles) to improve the alignment of design with market and robustness of LTI assessment. • the Board recognised the alignment of KMP remuneration with performance may not have been clearly demonstrated in the FY2021 Remuneration Report and has made efforts to further improve the quality and disclosure in the FY2022 Remuneration Report. • the Board is contemplating changes in the FY2023 STI plan in terms of performance weightings and incentive opportunity. These changes will be disclosed in the FY2023 Report.

In the event that shareholders return a “no vote” on the Remuneration Report at the 2023 AGM, this will result in “no votes” being cast at two consecutive AGMs, and will require shareholders to vote at the 2023 AGM regarding whether the Directors (excluding any Managing Director) need to stand for re-election at a general meeting to be held within 90 days of the second “no vote” being cast. This vote to ‘spill’ the Board of Directors is passed if 50 percent or more of eligible votes cast vote in favour of the resolution. While the votes of KMP and their associates are excluded from voting on the non-binding advisory vote and any ‘spill’ vote, in the event the ‘spill’ vote is passed they are not excluded from voting on resolutions to remove a director at the subsequent general meeting of shareholders.

3. REMUNERATION GOVERNANCE

KMP remuneration decision making is guided by DRA’s remuneration governance framework as follows.

Board	The Board: • considers the recommendations and considerations of the People, Culture and Remuneration Committee. • approves the remuneration arrangements of Executive KMP including fixed and at-risk elements (STI and LTI plans). • proposes the aggregate remuneration of NEDs for shareholder approval and sets remuneration for individual NEDs.
People, Culture and Remuneration Committee (PCR Committee)	The PCR Committee assists the Board to fulfil its responsibilities in relation to people, culture and remuneration matters, including: • the establishment of remuneration strategies and practices that reward performance aligned with the Company’s strategic objectives and long-term stakeholder interests. • having oversight of KMP remuneration arrangements. • meeting regularly throughout the year, with external consultants and senior management attending PCR Committee meetings by invitation where their input is required. Executive KMPs are not present during any PCR Committee discussions about their own remuneration arrangements.
External Remuneration Consultants	To ensure the PCR Committee is fully informed when making remuneration decisions, it may seek external, independent remuneration advice on remuneration related issues. Remuneration consultants may be engaged either directly by the PCR Committee or senior management. During FY2022, the PCR Committee engaged consultants, including The Reward Practice Pty Ltd, Old Mutual Limited and Aon Hewitt to provide remuneration services in respect to Australia and South African benchmarking data and market insights for KMP remuneration. No remuneration recommendations as defined in section 9B of the Act were provided by the consultants during the period.

4. REMUNERATION PHILOSOPHY

The Company’s remuneration philosophy is to retain, develop and attract talented people with appropriate remuneration packages that are aligned to the DRA purpose and strategy.

The DRA KMP remuneration arrangements are guided by the following principles:

- Total remuneration quantum should be market competitive - target the middle to upper quartile of the markets that DRA operates in;
- There should be a mix of cash and equity awards so that over time executives and employees are aligned with the long-term strategy and growth in shareholder value;
- Remuneration outcomes should reflect good corporate governance aligned to the Group’s values and risk appetite; and
- Executives should be rewarded fairly in alignment with performance against agreed short and long-term objectives.

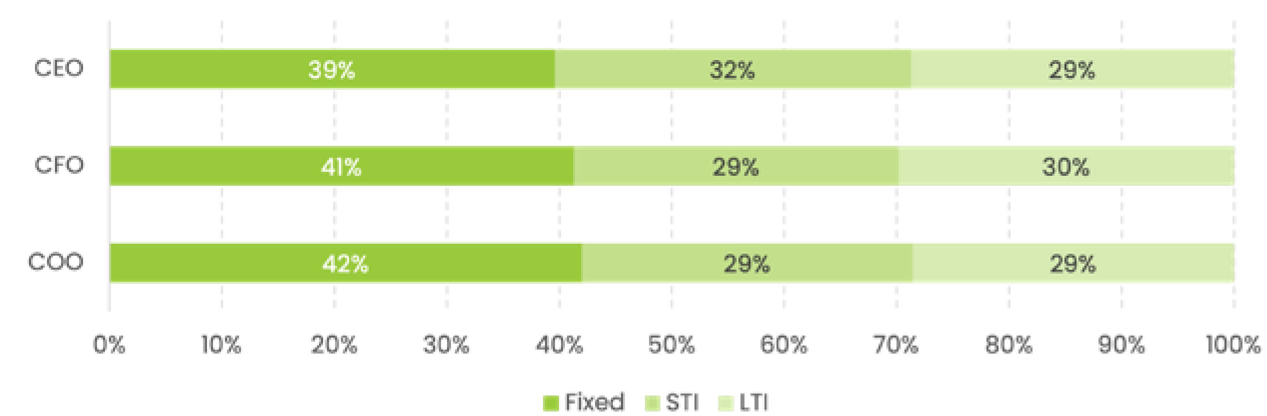
5. EXECUTIVE KMP REMUNERATION ARRANGEMENTS

Executive remuneration is comprised of both fixed and at-risk remuneration components. The at-risk remuneration component is delivered through the STI and LTI plans. The purpose of each remuneration component, how each component is delivered and how each component links to performance is summarised below.

Remuneration component	Purpose	Delivered through	Link to performance
Total fixed remuneration	Recognise responsibilities and proficiency of the employee.	Base salary, superannuation and fixed benefits. Fixed remuneration is benchmarked against the 50th percentile of the market, with total remuneration including at-risk components benchmarked between the 50th and 75th percentile.	Reviewed annually considering the sustained performance of the individual and the Company.
STI plan	Reward for the achievement of annual objectives and sustained business value.	Annual cash award unless Board discretion is applied (i.e. grant of share options).	STI awards are based on performance against set KPIs that are critical to the success of DRA.
LTI plan	Reward for long-term shareholder value creation and encourage ownership behaviours.	Annual zero exercise price options (ZEPOs) awarded under the Company’s Incentive Option Plan.	Vesting is dependent on the Group’s performance of TSR and EPS growth, typically measured over a three-year period.

The following diagram sets out the mix of fixed and at-risk remuneration for Executive KMP at maximum opportunity level for FY2022.

FY2022 Remuneration Mix (at maximum opportunity)



TOTAL FIXED REMUNERATION

Executive KMP TFR comprises base salary, superannuation and fixed benefits. It is designed to recognise the responsibilities and proficiency of the executive employee.

TFR is reviewed by the Committee at least annually against external benchmarks. The Company benchmarks fixed remuneration against the median of relevant markets for talent (in consideration of factors such as industry sectors, span of operations, revenue and market capitalisation).

STI PLAN

The following table details the STI arrangements for KMP and executive employees.

What is the purpose?

An annual at-risk cash award designed to motivate and reward executive employees to achieve annual objectives and create sustained business performance.

Remuneration contemplated under the STI plan is considered payment for performance, as any payment made under the STI plan is considered at-risk as it is subject to the achievement of specific KPIs during the financial year.

Who is eligible?

Executive employees engaged on a permanent or fixed/maximum term contract basis who have been employed for the full performance period, with a pro-rata award permitted at the Board's discretion for service of six or more months during the performance period.

How is it paid?

Award is delivered in cash unless Board discretion is applied (i.e. grant of share options).

What is the incentive opportunity?

STI incentive opportunity expressed as a percentage of TFR as below:

	Target opportunity	Maximum opportunity*
CEO	50% of TFR	80% of TFR
Other executives	45% of TFR	70% of TFR

* Represents the award payable where stretch targets are achieved on every KPI.

What is the performance period?

The DRA financial year is from 1 January to 31 December.

How is performance assessed?

STI performance is measured against a balanced scorecard comprising a diverse range of financial and non-financial measures. Each year, the Board sets the KPIs and targets, taking into consideration the budget, company strategy and expectations, appropriate benchmarks, and economic conditions.

During FY2022, the KPIs are in relation to:

- Safety (15 percent)
- Operational excellence (20 percent)
- Talent (15 percent)
- Clients (10 percent)
- Shareholder value (40 percent)

In addition to the above the Board also considers individual performance (i.e. specific individual goal achievements and demonstration of Company values) in the STI assessment.

What STI award is determined?

For each KPI, the performance targets are set at various levels resulting in different levels of STI outcomes as below:

STI outcomes (as a percentage of weighted score in relation to the KPI)	
Threshold	80%
Target	100%
Stretch	120%

What is the gateway?

In order for an employee to qualify for an at-risk STI award the following gateways must be satisfied:

- Group level: minimum levels of EBIT, balanced scorecard and safety performance must be achieved;
- Individual level: a participant's performance must meet expectations during the performance assessment in relation to demonstration of leadership skills, etc.

Cessation of employment

The Board considers the recommendation of the PCR Committee to determine the at-risk STI award (if any) to be paid to executive employees in any year. No STI award is payable in the event an executive employee ceases to be employed by the Group before an STI payment is made, subject to Board discretion. The CEO does not make recommendations to the PCR Committee regarding their own remuneration.

LTI PLAN

The following table outlines the FY2022 LTI arrangements in detail.

What is the purpose?

The plan is designed to reward executives for the creation of long-term shareholder value, support retention and attraction, and encourage ownership behaviours.

How is it paid?

LTI award is delivered in zero exercise price options (ZEPOs) which will vest after the set performance period. Vested options must be exercised within two years of vesting.

What is the LTI opportunity?

LTI incentive opportunity/value is set as a percentage of TFR as below:

	Maximum opportunity*
CEO	73% of TFR
Other executive employees	68-72% of TFR

* Represents the value of the options awarded which could vest if stretch targets are achieved for set performance measures.

What is the performance period?

Three years typically. For FY2022 awards, the performance period is from 1 October 2022 to 31 March 2025. The reduced performance time frame for the FY2022 plan is due to the management restructure and plan redesign that occurred during the year. It is expected that the LTI award for FY2023 will have a three year performance period.

How is performance assessed?

For each KPI, the performance targets are set at various levels resulting in different levels of STI outcomes as below:

Measure	Weighting
Compound Annual Growth Rate (CAGR) in EPS	50%
Absolute TSR	30%
Relative TSR (DRA CAGR vs. a ranked peer group of ASX-listed companies agreed by the Board at the commencement of the performance period)	10%
Relative TSR (DRA CAGR vs. the FTSE/JSE Mid-Cap index)	10%

How the LTI vesting is determined?

Target performance against these measures is set by the Board each year at the time of the grant. Where threshold performance is not achieved at the end of the vesting period, no awards shall vest and awarded ZEPOs will expire. Pro-rata vesting of an award will occur if only one performance criteria is achieved.

EPS	
Threshold: CAGR is 2% or above	25%
Target: CAGR is 4% or above	50%
Stretch: CAGR is 6% or greater	100%

Absolute TSR	
Threshold: CAGR is 5% or above	25%
Target: CAGR is 10% or above	50%
Stretch: CAGR is 15% or greater	100%

Relative TSR against a peer group of ASX-listed companies	
Threshold: 40th percentile of peer group	25%
Target: 50th percentile of peer group	50%
Stretch: 75th percentile of peer group	100%

Relative TSR against the FTSE/JSE Mid-Cap index	
Threshold: 99% of the index	25%
Target: 100% of the index	50%
Stretch: 2% premium over the index	100%

Cessation of employment

No ZEPOs awarded under the LTI shall vest in the event that an executive employee ceases to be employed by the Company before the vesting date, subject to Board discretion.

6. NON-EXECUTIVE DIRECTORS' REMUNERATION

Remuneration of NEDs reflects the demands and responsibilities of their role. NED remuneration is reviewed regularly by the Board to ensure it is appropriate and consistent with market expectations in order to attract and retain NEDs with the required skills and experience to execute board and governance responsibilities. As approved by shareholders at the 20 May 2021 AGM, the maximum aggregate fee DRA can pay NEDs is $900,000 per annum.

In response to shareholder concern over the quantum of remuneration, the PCR Committee reviewed the NED fee levels and structure in FY2022 against market practice of relevant companies. The Board considered recommendations from the PCR Committee and approved a 10 percent reduction in fees for the Chair and other Directors, effective from 1 November 2022 until 31 December 2023, at which time annual remuneration will be reviewed again.

The following table sets out annual fees (excluding superannuation or payments in lieu of receiving superannuation in jurisdictions where superannuation is not required to be paid) for NEDs for FY2022.

NED Fee	Chair		Other Directors	
	FY2022*	FY2021	FY2022*	FY2021
Base fee	$216,000	$240,000	$108,000	$120,000
Committee fee	Nil - included in base fee		Nil - included in base fee	

*Effective 1 November 2022.

To promote share ownership by NEDs, subject to shareholder approval each year the Board may approve NEDs to receive a portion of their annual remuneration (excluding superannuation and any payment made in lieu of receiving superannuation in jurisdictions where superannuation is not required) in ZEPOs. If shareholder approval is not given, then the NEDs will be paid cash for the full amount of their annual remuneration. There is no performance condition applied to the ZEPOs issued to NEDs.

For the period up to 31 October 2022, NEDs received 20 percent of their annual fees in ZEPOs. Following the FY2022 NED fee review, for the purpose of improving the remuneration alignment with shareholder interest, the equity portion is being increased to 30 percent over two stages. Effective 1 November 2022, the equity portion increased to 20.34 percent aligned with the current shareholder approved options cap and will be further increased to 30 percent effective 1 January 2023 until 31 December 2023, subject to DRA obtaining shareholder approval to issue ZEPOs to NEDs in lieu of cash payment as part of their annual remuneration. If shareholder approval is not given then the NEDs will be paid cash for the full amount of their annual remuneration.

7. FY2022 REMUNERATION OUTCOMES AND LINKS TO PERFORMANCE

COMPANY PERFORMANCE

The following table summarises key measures of Group performance for FY2022 and the previous four financial years.

	FY2022 $'000	FY2021 $'000	FY2020 $'000	FY2019 $'000	FY2018 $'000
Sales revenue	894,732	1,186,370	938,249	1,033,219	956,655
EBIT	1,482	65,555	39,014	59,004	(39,168)
Profit after tax	(21,435)	53,454	25,619	36,009	(42,129)
Share price range ($)	1.88-3.40	3.20-4.69	-	-	-

The factors that are considered to affect shareholder value are summarised below:

	FY2022	FY2021	FY2020	FY2019	FY2018
Share price at financial year end ($)	2.00	3.35	-	-	-
Total dividends declared (cents per share)	-	-	-	-	2.88
Basic earnings per share (cents per share)	(43.96)	87.10	27.90	43.78	(57.22)
Diluted earnings per share (cents per share)	(43.96)	58.81	27.79	43.78	(57.22)

FIXED REMUNERATION OUTCOMES FOR FY2022

The following sets out FY2022 TFR compared to FY2021.

- Regarding new KMP appointments during FY2022, TFR was set at a lower level compared to their predecessors.
- No increase was made to the TFR of the COO.

FY2022 Executive KMP fixed remuneration outcomes:

	FY2022 TFR	FY2021 TFR
Andrew Naudé, MD and CEO (resigned as CEO 25 October 2022)	A$810,000 (1)	A$783,937
Adam Buckler, CFO (resigned 10 May 2022)	A$535,579 (2)	A$524,141
James Smith, CEO	A$482,245 (3) (ZAR 5,500,000)	-
Michael Sucher, CFO	A$415,292 (4)	-
Alistair Hodgkinson, COO	A$441,072 (ZAR 5,000,004)	A$443,103 (5) (ZAR 5,000,004)

1. Effective 1 January 2022
2. Effective 1 January 2022
3. Effective 11 March 2022
4. Effective 21 March 2022
5. Contracted in ZAR, AUD conversion difference explained by exchange rate variation

STI OUTCOMES FOR FY2022

The Group did not achieve the EBIT or Scorecard gateway hurdles set for the financial year. As a result, the Board determined no payments to be made under the STI Plan for the year. The Group's scorecard performance and STI outcomes against various measures are detailed on the following page.

FY2022 BALANCED SCORECARD

Why	Target Weighting	Goal	Performance Measure	Weighted score	Threshold	Target	Stretch
Safety	**15%**			**12%**			
Maintain a safe work environment	5%	Industry benchmarks in workforce safety	Lost Time Injury Frequency Rate (LTIFR)				●
	5%		Total Recordable Injury Frequency Rate (TRIFR)				●
	5%		Severity Rate (days lost per 200,000 hours)		●		
Operational Excellence	**20%**			**20.4%**			
Operational excellence and delivery	10%	Deliver our promises against customer objectives	Achievement against internal agreed project targets regarding project scope, managing client's budget, schedule and zero environmental impact			●	
	10%		Achievement against internal agreed operational KPIs regarding ramp-ups, throughput, recoveries, utilisation and operational expenditure			●	
Talent	**15%**			**13.5%**			
Create a culture in which employees can grow and thrive	10%	Create a culture and work environment in which employees can grow and thrive by listening and responding to employee feedback	Detailed action plans developed to address priority areas from the FY2021 engagement survey results with such plans implemented and outcomes communicated to employees		●		
Develop and retain top talent	5%	Develop DRA leaders and provide a shared language so that they can create a work culture and environment that attracts and retains top talent	Number of DRA leaders and key employees who attend optional leadership skills building sessions			●	
Clients	**10%**			**11%**			
Client satisfaction and preferred choice for customers	5%	Net promoter score (NPS)	Significant and strategic client satisfaction improvement using the NPS score based on survey results			●	
Secure and predictable sales pipeline	5%	Secured revenue backlog for the following year	Backlog revenue secured as a percentage of the FY2023 budget (as at 31 December 2022)				●
Shareholder Value	**40%**			**17.1%**			
Deliver on financial commitments and total shareholder return	25%	Deliver financial returns (EBIT)	Performance against targets ($M)		●		
Deliver H2 FY2022 profitability	10%	Deliver H2 FY2022 financial returns (Underlying EBIT)	Performance against targets ($M) (Underlying EBIT)			●	
Effective cash management	5%	Achievement of target DSO	Achievement of budget DSO				●
Total	**100%**			**74%**			

LTI OUTCOMES FOR FY2022

During the year, the one-off share option offer granted to James Smith (CEO), Alistair Hodgkinson (COO) and other employees on 14 May 2020 vested on 30 June 2022. These one-off equity awards were offered at the time of grant for retention purposes and vested based on service only. No further grants of such nature have been made to Executive KMP since FY2020.

Executive KMP	Award	Number of Options Granted	Exercise price $	Number of Options Vested	Number of Options Forfeited %
James Smith	One-off Share Option Plan	70,000	0	100%	0
Alistair Hodgkinson	One-off Share Option Plan	70,000	0	100%	0

8. EXECUTIVE KMP EMPLOYMENT CONTRACTS

Remuneration and other terms of employment for Executive KMP are formalised in employment contracts. The employment contracts specify the components of remuneration, benefits and notice periods. Participation in STI and LTI plans are subject to the Board's discretion.

The following outlines the details of contracts with Executive KMP.

Executive KMP	Position	Terms of Agreement	TFR A$	Notice period*
Key details of the employment contracts with current KMP:				
James Smith	CEO	No fixed term	$482,245	6 months
Michael Sucher	CFO	No fixed term	$415,292	6 months
Alistair Hodgkinson	COO	No fixed term	$441,072	6 months
Key details of the employment contracts of the former KMP:				
Andrew Naudé (Until 25 October 2022)	Managing Director and CEO	No fixed term	$810,000	Resignation -12 months Termination without cause – the period from when notice is given until 1 June 2023 and thereafter 12 months' notice
Adam Buckler (Until 10 May 2022)	CFO	No fixed term	$535,579	3 months

* Notice by either the Company or themselves.

Executive KMP have no entitlement to termination payments in the event of removal for misconduct.

Should any Executive KMP not provide sufficient notice, they will forfeit the monetary equivalent (calculated based on fixed remuneration) of any shortfall in the notice period.

9. DETAILS OF REMUNERATION

Details of the statutory remuneration of KMP of the Group are set out in the following tables

	FY2022 fixed remuneration				FY2022 variable remuneration			
	Cash salary and fees $	Super-annuation $	Non-monetary benefits $	Annual and long service leave $	Termination benefits $	Cash bonus $	Equity settled $	Total remuneration opportunity $
Non-Executive Directors:								
Peter Mansell	188,000	18,960	-	-	-	-	48,000	254,960
Kathleen Bozanic (1)	117,312	11,961	-	-	-	-	24,001	153,274
Les Guthrie (2)	125,694	12,799	-	-	-	-	24,001	162,494
Paul Lombard (3)	103,869	-	-	-	-	-	24,001	127,870
Johnny Velloza (3)	103,632	-	-	-	-	-	23,999	127,631
Executive KMP:								
James Smith (4)	397,945	-	-	3,709	-	-	171,179	572,833
Michael Sucher (5)	306,000	18,538	3,528	17,314	-	-	48,766	394,146
Alistair Hodgkinson	441,072	-	7,384	34,594	-	-	132,692	615,742
Andrew Naudé (6)	655,360	24,430	962	84,946	-	-	(497,033)	268,665
Adam Buckler (7)	184,455	11,537	1,604	14,189	-	(261,602)	(233,688)	(283,505)
	2,623,339	98,225	13,478	154,752	-	(261,602)(8)	(234,082)(9)	2,394,110

1. In addition to NED fees, received a payment of $23,314 for undertaking the Acting Chief Financial Officer role for the period from 3 March 2022 to 16 March 2022.
2. In addition to NED fees, received a payment of $31,696 for undertaking the Interim Chief Executive Officer role for the period from 28 February 2022 to 10 March 2022.
3. NED fee includes minor payroll correction relating to FY2021.
4. James Smith was appointed Interim CEO on 11 March 2022. Remuneration is shown from this date.
5. Michael Sucher was appointed Acting CFO on 21 March 2022. Remuneration is shown from this date.
6. Andrew Naudé resigned as Managing Director on 28 October 2022 and as CEO on 25 October 2022. Equity settled remuneration was forfeited in FY2022 as a result of resignation.
7. Adam Buckler resigned as CFO on 10 May 2022. Equity settled remuneration was forfeited in FY2022 as a result of resignation. In addition, the FY2021 accrued cash bonus was not paid in FY2022 as a result of resignation.
8. Negative value for total Cash Bonus as no STI was awarded for FY2022 and the FY2021 accrued cash bonus for Adam Buckler was not paid in FY2022 as a result of resignation.
9. Negative value for total equity settled as remuneration was forfeited in FY2022 due the resignation of Andrew Naudé and Adam Buckler.

	FY2021 fixed remuneration				FY2021 variable remuneration			
	Cash salary and fees $	Super-annuation $	Non-monetary benefits $	Annual and long service leave $	Termination benefits $	Cash bonus $	Equity settled $	Total remuneration opportunity $
Non-Executive Directors:								
Peter Mansell	192,000	18,720	-	-	-	-	48,000	258,720
Kathleen Bozanic	96,000	9,360	-	-	-	-	24,000	129,360
Les Guthrie	96,000	9,360	-	-	-	-	24,000	129,360
Paul Lombard	70,080	-	-	-	-	-	16,000	86,080
Johnny Velloza	-	-	-	-	-	-	-	-
Kenneth Thomas(1)	25,877	-	-	-	-	-	(22,000)	3,877
Executive KMP:								
James Smith	-	-	-	-	-	-	-	-
Michael Sucher	-	-	-	-	-	-	-	-
Alistair Hodgkinson	405,341	-	-	13,687	-	194,371	273,510	886,909
Andrew Naudé	761,306	22,631	-	63,926	-	412,500	347,109	1,607,472
Adam Buckler	501,510	22,631	-	19,823	-	261,602	168,549	974,115
Greg McRostie(2)	184,802	10,847	-	-	154,888	(140,000)	(56,118)	154,419
	2,332,916	93,549	-	97,436	154,888	728,473	823,050	4,230,312

1. Resigned on 11 January 2021. Equity settled remuneration was paid out as cash salary.
2. Resigned as a Director and KMP on 4 May 2021. Equity settled remuneration and cash bonus were reversed in FY2021.

The proportions of remuneration which are fixed and linked to performance are as follows.

	Fixed remuneration		At risk – STI		At risk - LTI	
	FY2022	FY2021	FY2022	FY2021	FY2022	FY2021
Non-Executive Directors:						
Peter Mansell	100%	100%	-	-	-	-
Kathleen Bozanic	100%	100%	-	-	-	-
Les Guthrie	100%	100%	-	-	-	-
Paul Lombard	100%	100%	-	-	-	-
Johnny Velloza	100%	100%	-	-	-	-
Executive KMP:						
James Smith	70%	-	-	-	30%	-
Michael Sucher	88%	-	-	-	12%	-
Alistair Hodgkinson	78%	47%	-	22%	22%	31%
Andrew Naudé	100%	53%	-	26%	-	21%
Adam Buckler	100%	56%	-	27%	-	17%

The following tables show how much each Executive KMP's at-risk STI cash bonus was awarded and how much was forfeited in FY2022 and FY2021.

	Total opportunity* $	Awarded* %	Awarded $	Forfeited %	Forfeited $
FY2022 award accrued in FY2022					
James Smith	308,750	-	-	100%	308,750
Michael Sucher	227,785	-	-	100%	227,785
Alistair Hodgkinson	308,750	-	-	100%	308,750
FY2021 award accrued in FY2021					
Alistair Hodgkinson	302,355	64.2	194,371	35.8	107,984
Andrew Naudé	626,400	68.8	430,650	31.2	195,750
Adam Buckler	366,242	71.4	261,602	28.6	104,640

* The Total Opportunity dollar value is determined based on maximum at-risk STI opportunity calculated as a percentage of fixed remuneration pro-rated for the period served as a KMP in the financial year. The Awarded Percentage reflects percentage of total opportunity and not the actual at-risk STI opportunity. Refer to "STI Plan" section for an understanding of the maximum at-risk STI opportunities.

The following table shows an analysis of FY2021 STI accrued in FY2021 and paid in FY2022.

	Awarded $	Cash paid %	Variance $
Alistair Hodgkinson	194,371	194,371	-
Andrew Naudé	430,650	430,650	-
Adam Buckler*	261,602	-	261,602

* Amount paid was $0 and effectively forfeited as a result of resignation prior to the payment date.

10. ADDITIONAL REMUNERATION DISCLOSURE

REMUNERATION REALISED FOR THE YEAR ENDED 31 DECEMBER 2022

The amounts disclosed in the following table reflect the actual benefits realised by each KMP during the reporting period. The remuneration values disclosed below have been determined as follows.

FIXED REMUNERATION

Fixed remuneration includes base salary received, payments made to superannuation funds, the taxable value of non-monetary benefits received and any once-off payments such as sign-on bonuses or termination benefits. Fixed remuneration excludes any accruals of annual or long-service leave.

CASH BONUS

The cash bonus represents the sum of FY2021 STI payment settled in FY2022.

VESTED EQUITY SETTLED OPTIONS/ZEPOS

The value of vested options was determined based on the closing price at vesting date multiplied by the numbers of options.

	Fixed remuneration $	Cash bonus $	Termination benefits $	Vested equity settled options $	Realised remuneration received $
Peter Mansell	206,960	-	-	48,000	254,960
Kathleen Bozanic[1]	129,273	-	-	24,001	153,274
Les Guthrie[2]	138,493	-	-	24,001	162,494
Paul Lombard[3]	103,869	-	-	24,001	127,870
Johnny Velloza[3]	103,632	-	-	23,999	127,631
James Smith[4]	397,945	183,472	-	135,450	716,867
Michael Sucher[5]	328,066	-	-	-	328,066
Alistair Hodgkinson	448,456	194,371	-	135,450	778,277
Andrew Naudé[6]	680,752	430,650	-	-	1,111,402
Adam Buckler[7]	197,596	-	-	-	197,596
	2,735,042	808,493	-	414,902	3,958,437

1. In addition to NED fees, received a payment of $23,314 for undertaking the Acting Chief Financial Officer role for the period from 3 March 2022 to 16 March 2022.
2. In addition to NED fees, received a payment of $31,696 for undertaking the Interim Chief Executive Officer role for the period from 28 February 2022 to 10 March 2022.
3. NED fee includes minor payroll correction relating to FY2021.
4. James Smith was appointed Interim CEO on 11 March 2022. Remuneration realised is shown from this date.
5. Michael Sucher was appointed Acting CFO on 21 March 2022. Remuneration realised is shown from this date.
6. Andrew Naudé resigned as Managing Director on 28 October 2022 and as CEO on 25 October 2022. Remuneration realised is shown to this date.
7. Adam Buckler resigned as CFO on 10 May 2022. Remuneration realised is shown to this date.

The amounts disclosed above are not the same as remuneration expensed in relation to each KMP in accordance with Australian Accounting Standards (see Section 9).

SHARE-BASED PAYMENTS

ISSUE OF SHARES

There were no shares issued to KMP as part of compensation during the year ended 31 December 2022.

SHARE OPTIONS/ZEPOS

The number of share options held by KMP, including the movements in share options held during FY2022 is as follows.

	Balance at the start of the year	Granted as part of remuneration[1]	Fair value of granted options as part of remuneration $	Exercised price Paid per option $0.00	Value of options at exercise $	Forfeited	Vested balance at end of the year	Unvested balance at the end of the year
Non-Executive Directors:								
Peter Mansell	20,283	16,842	48,000 [2]	37,125	72,765	-	-	-
Kathleen Bozanic	8,491	8,421	24,001 [2]	16,192	31,736	-	-	-
Les Guthrie	8,491	8,421	24,001 [2]	16,192	31,736	-	-	-
Paul Lombard	943	8,421	24,001 [2]	9,364	18,353	-	-	-
Johnny Velloza	-	4,211	23,999 [2]	4,211	8,254	-	-	-
Executive KMP:								
James Smith	220,487	145,229	227,573 [3]	-		-	70,000	295,716
Michael Sucher	-	124,482	195,063 [3]	-		-	-	124,482
Alistair Hodgkinson	242,505	124,482	195,063 [3]	-		-	70,000	296,987
Andrew Naudé	415,790	-	-	-		(415,790)	-	-
Adam Buckler	203,605	-	-	-		(203,605)	-	-
	1,120,595	440,509	761,701	83,084	162,844	(619,395)	140,000	717,185

1. The fair value of these options at grant date is calculated in accordance with AASB 2 Share-based Payment. The fair value of these options is allocated as share-based payment expense over the vesting period.
2. Options were granted under the NED Share Option during the year as part of remuneration. Does not include options for the period 1 July 2022 to 31 December 2022, which will be issued in January 2023.
3. Options were granted under the FY2022 LTI Share Option plans during the year as part of remuneration.

	Plan / Offer	Tranche	Number Granted	Grant date	Vesting date	Expiry date	Exercise price	Value per option at grant date	Performance achieved	% Vested
Non-Executive Directors:										
Peter Mansell	NED Share Option Plan [a]	1	20,283	28-Sep-21	28-Sep-21	30-Jun-23	$0	$4.24	N/A	100
	NED Share Option Plan [b]	1	8,421	30-May-22	30-May-22	30-May-24	$0	$2.85	N/A	100
	NED Share Option Plan [c]	1	8,421	29-Jul-22	29-Jul-22	28-Jul-24	$0	$2.85	N/A	100
Kathleen Bozanic	NED Share Option Plan [a]	1	8,491	28-Sep-21	28-Sep-21	30-Jun-23	$0	$4.24	N/A	100
	NED Share Option Plan [b]	1	4,210	30-May-22	30-May-22	30-May-24	$0	$2.85	N/A	100
	NED Share Option Plan [c]	1	4,211	29-Jul-22	29-Jul-22	28-Jul-24	$0	$2.85	N/A	100
Les Guthrie	NED Share Option Plan [a]	1	8,491	28-Sep-21	28-Sep-21	30-Jun-23	$0	$4.24	N/A	100
	NED Share Option Plan [b]	1	4,210	30-May-22	30-May-22	30-May-24	$0	$2.85	N/A	100
	NED Share Option Plan [c]	1	4,211	29-Jul-22	29-Jul-22	28-Jul-24	$0	$2.85	N/A	100

	Plan / Offer	Tranche	Number Granted	Grant date	Vesting date	Expiry date	Exercise price	Value per option at grant date	Performance achieved	% Vested
Paul Lombard	NED Share Option Plan [a]	1	943	28-Sep-21	28-Sep-21	30-Jun-23	$0	$4.24	N/A	100
	NED Share Option Plan [b]	1	4,210	30-May-22	30-May-22	30-May-24	$0	$2.85	N/A	100
	NED Share Option Plan [c]	1	4,211	29-Jul-22	29-Jul-22	28-Jul-24	$0	$2.85	N/A	100
Johnny Velloza	NED Share Option Plan [c]	1	4,211	29-Jul-22	29-Jul-22	28-Jul-24	$0	$2.85	N/A	100
Executive KMP:										
James Smith	One-off Share Option Plan [d]	1	70,000	14-May-20	30-Jun-22	30-Jun-24	$0	$4.00	N/A	100
	FY2020 LTI/Share Option Plan [e]	ATSR Tranche 1	39,866	31-Dec-20	31-Mar-23	31-Mar-25	$0	$1.66	TBD	Nil
	FY2020 LTI/Share Option Plan [e]	EPS Tranche 2	39,866	31-Dec-20	31-Mar-23	31-Mar-25	$0	$3.97	TBD	Nil
	FY2021 LTI/Share Option Plan [f]	ATSR Tranche 1	35,378	29-Jun-21	31-Mar-24	1-Mar-26	$0	$1.98	TBD	Nil
	FY2021 LTI/Share Option Plan [f]	EPS Tranche 2	35,378	29-Jun-21	31-Mar-24	31-Mar-26	$0	$3.90	TBD	Nil
	FY2022 LTI Share Option Plan [g]	ATSR Tranche 1	43,569	16-Dec-22	31-Mar-25	31-Mar-27	$0	$1.07	TBD	Nil
	FY2022 LTI Share Option Plan [g]	RTSR ASX Tranche 2	14,523	16-Dec-22	31-Mar-25	31-Mar-27	$0	$1.27	TBD	Nil
	FY2022 LTI Share Option Plan [g]	RTSR JSE Tranche 3	14,523	16-Dec-22	31-Mar-25	31-Mar-27	$0	$1.19	TBD	Nil
	FY2022 LTI Share Option Plan [g]	EPS Tranche 4	72,614	16-Dec-22	31-Mar-25	31-Mar-27	$0	$2.00	TBD	Nil
Michael Sucher	FY2022 LTI Share Option Plan [g]	ATSR Tranche 1	37,345	16-Dec-22	31-Mar-25	31-Mar-27	$0	$1.07	TBD	Nil
	FY2022 LTI Share Option Plan [g]	RTSR ASX Tranche 2	12,448	16-Dec-22	31-Mar-25	31-Mar-27	$0	$1.27	TBD	Nil
	FY2022 LTI Share Option Plan [g]	RTSR JSE Tranche 3	12,448	16-Dec-22	31-Mar-25	31-Mar-27	$0	$1.19	TBD	Nil
	FY2022 LTI Share Option Plan [g]	EPS Tranche 4	62,241	16-Dec-22	31-Mar-25	31-Mar-27	$0	$2.00	TBD	Nil

	Plan / Offer	Tranche	Number Granted	Grant date	Vesting date	Expiry date	Exercise price	Value per option at grant date	Perform-ance achieved	% Vested
Alistair Hodgkinson	One-off Share Option Plan (d)	1	70,000	14-May-20	30-Jun-22	30-Jun-24	$0	$4.00	N/A	100
	FY2020 LTI/Share Option Plan (e)	ATSR Tranche 1	39,866	31-Dec-20	31-Mar-23	31-Mar-25	$0	$1.66	TBD	Nil
	FY2020 LTI/Share Option Plan (e)	EPS Tranche 2	39,866	31-Dec-20	31-Mar-23	31-Mar-25	$0	$3.97	TBD	Nil
	FY2021 LTI/Share Option Plan (f)	ATSR Tranche 1	46,387	29-Jun-21	31-Mar-24	1-Mar-26	$0	$1.98	TBD	Nil
	FY2021 LTI/Share Option Plan (f)	EPS Tranche 2	46,386	29-Jun-21	31-Mar-24	31-Mar-26	$0	$3.90	TBD	Nil
	FY2022 LTI Share Option Plan (g)	ATSR Tranche 1	37,345	16-Dec-22	31-Mar-25	31-Mar-27	$0	$1.07	TBD	Nil
	FY2022 LTI Share Option Plan (g)	RTSR ASX Tranche 2	12,448	16-Dec-22	31-Mar-25	31-Mar-27	$0	$1.27	TBD	Nil
	FY2022 LTI Share Option Plan (g)	RTSR JSE Tranche 3	12,448	16-Dec-22	31-Mar-25	31-Mar-27	$0	$1.19	TBD	Nil
	FY2022 LTI Share Option Plan (g)	EPS Tranche 4	62,241	16-Dec-22	31-Mar-25	31-Mar-27	$0	$2.00	TBD	Nil

TBD To be determined, N/A - Not applicable

a. Certain NEDs were entitled to sacrifice cash payment of 20 percent of their annual remuneration (excluding superannuation and any payment made in lieu of receiving superannuation in jurisdictions where superannuation is not required to be paid) and receive that part of their remuneration through the issue of options under DRA's incentive option plan when the Company listed on the ASX in respect of the period from their appointment date up to 30 June 2021. There are no vesting conditions attached to these options as the options are issued in lieu of a cash remuneration entitlement.

b. NEDs have elected to sacrifice cash payment of 20 percent of their annual remuneration (excluding superannuation and any payment made in lieu of receiving superannuation in jurisdictions where superannuation is not required to be paid) and, with Shareholder approval obtained on 17 May 2022, receive that part of their remuneration through the issue of options under DRA's incentive option plan in respect of the period from 1 July 2021 to 31 December 2021. There are no vesting conditions attached to these options as the options are issued in lieu of a cash remuneration entitlement.

c. NEDs have elected to sacrifice cash payment of 20 percent of their annual remuneration (excluding superannuation and any payment made in lieu of receiving superannuation in jurisdictions where superannuation is not required to be paid) and, with Shareholder approval obtained on 17 May 2022, receive that part of their remuneration through the issue of options under DRA's incentive option plan in respect of the period from 1 January 2022 to 30 June 2022. There are no vesting conditions attached to these options as the options are issued in lieu of a cash remuneration entitlement.

d. The Company granted a one-off share option offer to James Smith, Alistair Hodgkinson and other employees on 14 May 2020. The options vested on 30 June 2022 and were subject to the employees remaining employed by the Company. The fair value per option at grant date is determined using an internal valuation based on an earnings multiples method and market conditions at the grant date.

e. FY2020 LTI/Share Option Plan - Performance Period: 1 April 2020 to 31 March 2023, three years. A straight-line vesting schedule will be used to determine vesting outcomes between threshold, target and stretch targets. No ZEPOs awarded in the event that an executive employee ceases to be employed by the Company before the vesting date, subject to Board discretion.

Performance Measure	Weighting	Threshold KPI	Options to Vest %	Target KPI	Options to Vest %	Stretch KPI	Options to Vest %
aTSR (CAGR) Tranche 1	50%	2%	12.5	4%	25	8%	50
EPS Growth Tranche 2	50%	2%	12.5	4%	25	8%	50
Total	**100%**		**25**		**50**		**100**

f. FY2021 LTI/Share Option Plan - Performance Period: 1 April 2021 to 31 March 2024, three years. A straight-line vesting schedule will be used to determine vesting outcomes between threshold, target and stretch targets. No ZEPOs awarded in the event that an executive employee ceases to be employed by the Company before the vesting date, subject to Board discretion.

Performance Measure	Weighting	Threshold KPI	Options to Vest %	Target KPI	Options to Vest %	Stretch KPI	Options to Vest %
aTSR (CAGR) Tranche 1	50%	2%	12.5	4%	25	8%	50
EPS Growth Tranche 2	50%	2%	12.5	4%	25	8%	50
Total	**100%**		**25**		**50**		**100**

g. FY2022 LTI/Share Option Plan - Performance Period: 1 October 2022 to 31 March 2025, two and half years. A straight-line vesting schedule will be used to determine vesting outcomes between threshold, target and stretch targets. No ZEPOs awarded in the event that an executive employee ceases to be employed by the Company before the vesting date, subject to Board discretion.

Performance Measure	Weighting	Threshold KPI	Options to Vest %	Target KPI	Options to Vest %	Stretch KPI	Options to Vest %
aTSR (CAGR) Tranche 1	30%	5%	7.5	10%	15	15%	30
rTSR to ASX Peer Group (CAGR) Tranche 2	10%	40th percentile of the peer group	2.5	50th percentile of the peer group	5	75th percentile of the peer group	10
rTSR to All Share JSE Mid Cap Index (CAGR) Tranche 3	10%	TSR equal to (CAGR) to 99% of the index	2.5	TSR equal to (CAGR) to index growth	5	2% TSR premium (CAGR) over-index	10
EPS Growth Tranche 4	50%	2%	12.5	4%	25	6%	50
Total	**100%**		**25**		**50**		**100**

SHAREHOLDINGS

The number of ordinary shares in the Company held during the financial year by each Director and other members of KMP of the Group, including their related parties.

	Balance at the start of the year	Additions	Disposals	Other changes during year	Balance at the end of
Ordinary shares					
Non-Executive Directors:					
Peter Mansell	34,652	37,125	-	-	71,777
Kathleen Bozanic	12,658	16,912	-	-	29,570
Les Guthrie	-	16,912	-	-	16,912
Paul Lombard	-	9,364	-	-	9,364
Johnny Velloza	-	4,211	-	-	4,211
Executive KMP:					
James Smith	799,990	-	(236,406)	-	563,584
Michael Sucher	-	-	-	-	-
Alistair Hodgkinson	953,478	-	(285,973)	-	667,505
Andrew Naudé	1,217,096	-	(1,004,069)	3,313,491(1)	3,526,518(2)
Adam Buckler	-	-	-	-	-
	3,017,874	84,524	(1,526,448)	3,313,491	4,889,441

1. Comprised of a) 617,952 shares acquired from Inyaninga Investments Pty Ltd as part of a restructure of Andrew Naude's holdings, and b) received as a result of a distribution of DRA shares from VMF Investments Limited to beneficiaries of the VMF Investment Trust.
2. Andrew Naudé resigned as a Director on 31 October 2022 and as CEO on 25 October 2022, balance is at this date.

OTHER TRANSACTIONS WITH KMP

During the financial year, Quality Labs Pty Ltd, a subsidiary of DRA transacted with TN Ceramics (Pty) Ltd for the provision of locally sourced ceramic consumable goods. Total value transacted was $106,298. TN Ceramics (Pty) Ltd is controlled by a family trust where James Smith (CEO) is a trustee and beneficiary of the trust. The transaction is based on normal arms-length commercial terms and conditions.

LOANS TO KMP AND THEIR RELATED PARTIES

Loans were advanced to certain employees including two Executive KMP during FY2022 to facilitate employees meeting their income tax obligations when the One-Off Share Options vested during the year.

The terms and conditions of the loans are:

- The loan incurs an annual interest rate of 6.5 percent;
- Loan and interest repayments are deducted equally over ten months via payroll deductions which started in October 2022; and
- Should the employee's employment terminate for any reason prior to the loan being repaid, the Company shall be entitled to set-off and/or to deduct any amount due by the employee to the Company in respect of the loan from any amount payable to the employee by the Company.

	Balance at the start of the year $	Interest paid and payable for the year $	Balance at the end of the year $	Highest indebtedness during the year $
FY2022	-	1,784	87,256	125,320
FY2021	-	-	-	-

There are no other transactions and balances with KMP and their related parties.

This concludes the remuneration report, which has been audited.

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2022

	Note	2022 $'000	2021 $'000
Continuing operations			
Revenue	3	894,732	1,186,370
Cost of sales		(745,275)	(980,304)
Gross profit		149,457	206,066
Other income - net	4	5,976	8,264
Other gains – net	5	1,954	5,150
Fair value gain on Upside Participation Rights (UPRs)	22	17,865	13,000
Initial public offering (IPO) transaction costs		-	(1,892)
General and administrative expenses		(150,929)	(165,439)
Share of net profit/(loss)of associates accounted for using the equity method	33	155	406
Impairment loss	7	(22,996)	-
Operating profit		1,482	65,555
Net finance (expense)/income	8	(2,666)	11,399
(Loss)/profit before income tax expense		(1,184)	76,954
Income tax expense	9	(20,251)	(23,500)
(Loss)/profit after income tax expense for the year		(21,435)	53,454
(Loss)/profit for the year is attributable to:			
Non-controlling interest		437	3,454
Owners of DRA Global Limited		(21,872)	50,000
		(21,435)	53,454

		Cents	Cents
Basic (loss)/earnings per share	10	(43.96)	87.10
Diluted (loss)/earnings per share	10	(43.96)	58.81

The above consolidated statement of profit or loss should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2022

	2022 $'000	2021 $'000
(Loss)/profit after income tax expense for the year	(21,435)	53,454
Other comprehensive (loss)/income		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	1,601	(1,161)
Reclassification of exchange differences to profit or loss on closure of foreign operations	-	5
Other comprehensive income/(loss) for the year, net of tax	1,601	(1,156)
Total comprehensive (loss)/income for the year	(19,834)	52,298
Total comprehensive income/(loss) for the year is attributable to:		
Non-controlling interest	437	3,468
Owners of DRA Global Limited	(20,271)	48,830
	(19,834)	52,298

The above consolidated statement of other comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

	Note	2022 $'000	2021 $'000
Assets			
Current assets			
Cash and cash equivalents	11	142,192	171,024
Trade and other receivables	12	151,112	128,839
Contract assets	3	23,081	62,076
Inventories		3,501	2,923
Financial assets measured at fair value through profit or loss	13	3,119	3,202
Other financial assets at amortised cost	14	32,745	17,791
Current income tax assets		9,282	7,716
Total current assets		365,032	393,571
Non-current assets			
Trade and other receivables	12	-	2,808
Investments accounted for using the equity method	33	2,321	2,379
Other financial assets at amortised cost	14	-	26,705
Property, plant and equipment	15	13,822	19,933
Right-of-use assets	16	22,098	29,035
Intangibles	17	84,393	112,250
Deferred tax assets	9	56,133	53,599
Total non-current assets		178,767	246,709
Total assets		543,799	640,280
Liabilities			
Current liabilities			
Trade and other payables	18	86,226	141,180
Contract liabilities	3	32,868	23,392
Interest-bearing borrowings	19	1,618	2,289
Leases liabilities	16	3,590	6,496
Current income tax liabilities		4,072	5,135
Employee benefits	20	33,218	37,648
Provisions	21	45,306	50,443
Other financial liabilities	22	3,635	39,613
Total current liabilities		210,533	306,196
Non-current liabilities			
Interest-bearing borrowings	19	52,079	35,051
Leases liabilities	16	22,179	26,218
Deferred tax liabilities	9	4,933	4,342
Employee benefits	20	709	2,397
Total non-current liabilities		79,900	68,008
Total liabilities		290,433	374,204
Net assets		253,366	266,076
Equity			
Issued capital	23	168,632	160,780
Reserves	24	(86,276)	(87,840)
Retained earnings		162,063	183,935
Equity attributable to the owners of DRA Global Limited		244,419	256,875
Non-controlling interests		8,947	9,201
Total equity		253,366	266,076

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2022

	Issued capital $'000	Reserves $'000	Retained profits $'000	Non-controlling interests $'000	Total equity $'000
Balance at 1 January 2021	162,547	6,000	133,935	6,150	308,632
Profit after income tax expense for the year	-	-	50,000	3,454	53,454
Other comprehensive income/(loss) for the year, net of tax	-	(1,170)	-	14	(1,156)
Total comprehensive income/(loss) for the year	-	(1,170)	50,000	3,468	52,298
Transactions with owners in their capacity as owners:					
Put option (note 22)	-	18,890	-	-	18,890
Issue of ordinary shares (note 23)	500	-	-	-	500
Share issue transaction costs (note 23)	(2,267)	-	-	-	(2,267)
Share buy-back (note 23)	-	(114,904)	-	-	(114,904)
Share-based payments (note 36)	-	3,344	-	-	3,344
Dividend paid by subsidiaries to minority interests	-	-	-	(417)	(417)
Balance at 31 December 2021	160,780	(87,840)	183,935	9,201	266,076

	Issued capital $'000	Reserves $'000	Retained profits $'000	Non-controlling interests $'000	Total equity $'000
Balance at 1 January 2022	160,780	(87,840)	183,935	9,201	266,076
Profit/(loss) after income tax expense for the year	-	-	(21,872)	437	(21,435)
Other comprehensive income/(loss) for the year, net of tax	-	1,601	-	-	1,601
Total comprehensive income/(loss) for the year	-	1,601	(21,872)	437	(19,834)
Transactions with owners in their capacity as owners:					
Sale of settlement shares (note 23)	7,852	-	-	-	7,852
Share-based payments (note 36)	-	(88)	-	-	(88)
Acquisition of minority interests	-	-	-	(355)	(355)
Dividend paid by subsidiaries to minority interests	-	-	-	(336)	(336)
Other	-	51	-	-	51
Balance at 31 December 2022	168,632	(86,276)	162,063	8,947	253,366

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2022

	Note	2022 $'000	2021 $'000
Cash flows from operating activities			
Receipts from customers		923,375	1,117,251
Payments to suppliers and employees		(937,459)	(1,078,895)
		(14,084)	38,356
Finance income received		2,787	1,998
Finance cost paid		(2,774)	(3,463)
Income tax paid		(22,116)	(24,162)
Net cash (used in)/from operating activities	35	(36,187)	12,729
Cash flows from investing activities			
Payments for property, plant and equipment		(5,704)	(12,708)
Proceeds from sale of property, plant and equipment and software		523	4,741
Payments for intellectual property and software development costs		(1,034)	(1,358)
Proceeds from other financial assets		13,021	1,687
Dividends received from associates		213	126
Acquisition of non-controlling interests		(288)	-
Payment of contingent consideration in relation to acquisition		(2,134)	-
Proceeds from sale of G&S Engineering assets and liabilities (net of transaction costs)		1,980	-
Net cash from/(used in) investing activities		6,577	(7,512)
Cash flows from financing activities			
Proceeds from borrowings		19,615	41,467
Repayment of principal elements of borrowings		(6,268)	(4,720)
Repayment of principal elements of lease payments		(6,777)	(9,262)
Proceeds from issue of shares		-	500
Share issue and IPO transaction payments		-	(4,114)
Sale of settlement shares		7,852	-
Payments for share buy-backs		(16,266)	(64,830)
Net cash (used in) financing activities		(1,844)	(40,959)
Net (decrease) in cash and cash equivalents		(31,454)	(35,742)
Cash and cash equivalents at the beginning of the financial year		171,024	204,809
Effects of exchange rate changes on cash and cash equivalents		2,622	1,957
Cash and cash equivalents at the end of the financial year	11	142,192	171,024

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. BASIS OF PREPARATION

INTRODUCTION

DRA Global Limited (DRA or the Company) is a for-profit company limited by shares incorporated and domiciled in Australia with a primary listing on the Australian Securities Exchange (ASX) and a secondary listing on the Johannesburg Stock Exchange (JSE). The address of the Company's registered office is 256 Adelaide Terrace, Perth WA 6000, Australia.

The consolidated financial statements of the Company comprise the Company and its controlled entities (the Group) for the year ended 31 December 2022, was approved and authorised for issue by the Board of Directors on 28 February 2023. The Directors have the power to amend and reissue the financial statements.

DRA is an international multi-disciplinary engineering, project management and operations management group predominantly focused on the mining, minerals and metals industry. DRA has expertise in mining, minerals and metals processing and related non-process infrastructure, including ESG, water and energy solutions for the mining industry. DRA delivers advisory, engineering and project delivery services throughout the capital project lifecycle from concept though to operational readiness and commissioning as well as ongoing operations and maintenance services.

BASIS OF PREPARATION

The consolidated financial statements are general purpose financial statements which:

- have been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB);
- have been prepared on a historical cost basis, except for defined benefit plans, certain financial assets and liabilities (including derivative instruments) and certain property, plant and equipment which are required to be measured at fair value;
- is presented in Australian dollars with all values rounded to the nearest thousand dollars ($'000 or $K) unless otherwise stated, in accordance with ASIC Corporations (Rounding in Financial/Directors' Report) Instrument 2016/191;
- presents reclassified comparative information where required for consistency with the current year's presentation;
- adopts all new and amended Accounting Standards and Interpretations issued by the AASB that are relevant to the Group and effective for reporting periods beginning on or before 1 January 2022; and
- does not early adopt Accounting Standards and Interpretations that have been issued or amended but are not yet effective.

BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Group. A list of significant controlled entities (subsidiaries) at year end is contained in note 32.

The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

FOREIGN CURRENCY TRANSLATION

The financial statements are presented in Australian dollars, which is DRA Global Limited's functional and presentation currency.

Transactions denominated in foreign currencies are initially recorded in the functional currency using the exchange rate ruling at the date of the underlying transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange at year end. Exchange gains or losses on retranslation are included in profit or loss.

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each reporting period presented are translated at the closing rate at the reporting date;
- income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies are included in the respective notes or note 39.

NOTE 2. OPERATING SEGMENTS

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) in DRA.

The CODM assesses the financial performance and position of the Group and makes strategic decisions. The CODM comprises the Executive Committee.

IDENTIFICATION OF REPORTABLE OPERATING SEGMENTS

The CODM has identified its operating segments based on the internal reports that are used in assessing performance and in determining the allocation of resources. Operating segments are identified based on the geographical regions of operation.

The Group aggregates two or more operating segments into a single reportable operating segment when the Group has assessed and determined the aggregated operating segments share similar economic and geographical characteristics, such as the type of customers for the Group's services and similar expected growth rates and regulatory environment.

The Group has the following reportable segments:

- Europe, the Middle East and Africa (EMEA) - this part of the business provides project and/or operation services in the mining industries throughout EMEA;
- Australia, Asia Pacific and Americas (APAC/AMER) - this part of the business provides project and/or operation services in the mining industries in the Asia Pacific, North and South America; and
- Group and unallocated items.

The following activities are not allocated to operating segments as they are not considered part of the core trading operations of any segment:

- Group finance;
- Information technology;
- Origination;
- Treasury;
- Corporate secretarial; and
- Corporate development.

These amounts are presented in *'Group and unallocated items'* in the operating segment information below. The *'Group and unallocated items'* also include intercompany eliminations.

The performance of each segment forms the basis of all reporting to the CODM and the Board. The CODM and the Board primarily uses Earnings Before Interest and Tax (EBIT) to assess the performance of a segment. It will also review the assets and working capital of each segment on a regular basis. The accounting policies adopted for internal reporting to the CODM and the Board are consistent with those adopted in the financial statements.

In reporting the EBIT to the CODM and the Board, results for the normal operations of the segment separately show reporting of the effect of significant items of income and expenditure which may have an impact on the quality of earnings such as depreciation, amortisation and impairment losses.

OPERATING SEGMENT INFORMATION

2022	EMEA $'000	APAC/ AMER $'000	Group and unallocated items $'000	Total $'000
Revenue				
Segment revenue	592,045	316,727	10,769	919,541
Inter-segment revenue	(13,274)	(766)	(10,769)	(24,809)
Total revenue	578,771	315,961	-	894,732
EBIT	59,928	(56,579)	(1,867)	1,482
Net finance income/(expense)	980	(846)	(2,800)	(2,666)
Profit/(loss) before income tax expense	60,908	(57,425)	(4,667)	(1,184)
Income tax expense				(20,251)
Loss after income tax expense				(21,435)
Material items include:				
Share of net profit of associates	155	-	-	155
Share-based payment expense/(reversal)	-	-	88	88
Fair value gain on UPRs	-	-	17,865	17,865
Depreciation expense	(3,496)	(2,295)	(171)	(5,962)
Amortisation expense	(4,398)	(467)	(61)	(4,926)
Impairment of goodwill	-	(15,705)	-	(15,705)
Impairment of intangibles	(4,093)	(3,198)	-	(7,291)

2022	EMEA $'000	APAC/ AMER $'000	Group and unallocated items $'000	Total $'000
Assets				
Segment assets	406,290	117,170	20,339	543,799
Total assets				543,799
Segment assets include:				
Investments in associates	2,321	-	-	2,321
Acquisition of non-current assets	6,852	2,583	172	9,607
Liabilities				
Segment liabilities	71,998	180,769	37,666	290,433
Total liabilities				290,433

2021	EMEA $'000	APAC/ AMER $'000	Group and unallocated items $'000	Total $'000
Revenue				
Segment revenue	623,493	580,476	27,508	1,231,477
Inter-segment revenue	(16,148)	(1,451)	(27,508)	(45,107)
Total revenue	607,345	579,025	-	1,186,370
EBIT	80,622	(12,132)	(2,935)	65,555
Net finance income/(expense)	10,298	(1,326)	2,427	11,399
Profit/(loss) before income tax expense	90,920	(13,458)	(508)	76,954
Income tax expense				(23,500)
Profit after income tax expense				53,454
Material items include:				
Share of net profit of associates	406	-	-	406
Share-based payment expense	-	-	(3,344)	(3,344)
Fair value gain on UPRs	-	-	13,000	13,000
Depreciation expense	(7,930)	(8,531)	(1,119)	(17,580)
Amortisation expense	(4,480)	(133)	(1,064)	(5,677)
Assets				
Segment assets	437,803	169,903	32,574	640,280
Total assets				640,280
Segment assets include:				
Investments in associates	2,379	-	-	2,379
Acquisition of non-current assets	5,965	7,823	278	14,066
Liabilities				
Segment liabilities	109,276	172,884	92,044	374,204
Total liabilities				374,204

GEOGRAPHICAL INFORMATION

	2022 $'000	2021 $'000
Non-Current Assets by Location		
South Africa	96,330	141,631
Australia	63,466	56,142
Mozambique	4,848	4,877
Canada	4,041	3,364
Mauritius	2,108	1,981
Others	7,974	38,714
	178,767	246,709

Appendix 4E
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NOTE 3. REVENUE

Disaggregation of revenue by major service lines and geographical regions:

	EMEA $'000	APAC/ AMER $'000	Total $'000
2022			
Revenue recognised over time:			
Projects	243,378	239,161	482,539
Operations	335,393	76,800	412,193
	578,771	315,961	894,732
2021			
Revenue recognised over time:			
Projects	309,658	306,599	616,257
Operations	297,687	272,426	570,113
	607,345	579,025	1,186,370

Total revenue by geographical location is as follows:

	2022 $'000	2021 $'000
APAC/AMER		
Australia	242,578	491,899
Canada	44,784	38,290
United States	6,355	49,663
Others	23,011	624
Inter-segment revenue	(767)	(1,451)
	315,961	579,025
EMEA		
South Africa	489,137	511,563
Lesotho	34,629	29,901
Democratic Republic of Congo	21,369	19,324
Saudi Arabia	19,066	19,690
Mozambique	10,952	20,421
Others	16,892	22,594
Inter-segment revenue	(13,274)	(16,148)
	578,771	607,345

RECOGNITION AND MEASUREMENT

The Group provides project and operation services to its clients. Revenue is recognised when control of the goods or services are transferred to the client at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods and services before transferring them to the client.

PROJECT REVENUE

The Group derives project revenue through provision of consulting services that includes the assessment of mineral projects through the completion of feasibility studies and design and construction of mineral process plants. These activities involve extensive engineering expertise in the engineering disciplines of process, electrical

and instrumentation, mechanical, civil, structural and infrastructure as well as the associated disciplines of project management, materials handling and procurement.

These projects generally contain one performance obligation due to the highly integrated activities, that in combination, forms the deliverable of the contract for the client. The activities cannot easily be distinguished from one another. In rare circumstances, some projects will have multiple performance obligations. For these contracts, the total value of the contract will be allocated to the individual performance obligations based on a standalone selling price.

Work is typically performed on assets that are controlled by the client or on assets that have no alternative use to the Group, with the Group having right to payment for performance to date. As performance obligations are satisfied over time, project revenue is recognised over time using input methods such as labour hours expended or costs incurred.

OPERATION REVENUE

The Group derives operation revenue from fixed-term contracts involving the operation and maintenance of mineral process plants, which includes associated services relating to metallurgical quality management, control and analysis as well as process optimisation.

Under these contracts, the services are delivered through the provision of labour and specialist capabilities in systems integration, recruitment and human resource management, skills development and training, purchasing and cost control, stores and asset management, health and safety and environmental management. These services provided are the performance obligation in respect of each contract.

The contracts are typically structured at a fixed price per month over the contract period. Additional costs incurred on behalf of a client on an ad-hoc basis are recoverable from the client on a reimbursable basis. These additional costs are a separate distinct performance obligation per the contract.

Performance obligations are fulfilled over time as the Group largely enhances assets which the client controls. Operation revenue is recognised when the services are rendered based on the amount of the expected transaction price allocated to each performance obligation noted above. Typically this is based a schedule of rates or a cost plus basis.

Clients are generally invoiced monthly as per the structure of the contract, which are aligned with the stand-alone selling prices for each performance obligation. Payment is received following invoice on normal commercial terms.

COSTS TO FULFIL A CONTRACT

Costs incurred prior to the commencement of a contract may arise due to mobilisation or site setup costs. Where these costs are expected to be recovered, they are capitalised and amortised over the course of the contract consistent with the transfer of service to the client.

VARIABLE CONSIDERATION

It is common for contracts to include performance bonuses or penalties assessed against the timeliness or cost effectiveness of work completed or other performance related indicators. Where consideration in respect of a contract is variable, the expected value of revenue is only recognised when any uncertainty associated with the variable consideration is subsequently resolved.

Variable consideration is typically billed based on the achievability of agreed metrics based on clearly defined parameters. Once achieved, the Group will invoice the client for the agreed amount.

In relation to variable consideration, the expected value of revenue is only recognised when it is highly probable that a significant reversal will not occur. Expected revenue is recognised consistently in a contract based on the expected value method or the most likely amount method whichever is more appropriate.

Certain contracts are subject to claims which are enforceable under the contract. If the claim does not result in any additional goods or services, the transaction price is updated and the claim accounted for as variable consideration.

WARRANTY AND DEFECT LIABILITY

Generally, contracts include defect and warranty periods following completion of the project. These obligations are not deemed to be separate performance obligations and are therefore estimated and included in the total costs of the contracts. Where required, amounts are recognised according to AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*.

A provision is made for the difference between the expected cost of fulfilling a contract and the expected unearned portion of the Group's transaction price where the forecast costs are greater than the forecast revenue.

FINANCING COMPONENTS

The Group does not expect to have any contracts where the period between the transfer of goods or services to the client and payment by the client exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

CONTRACT MODIFICATION

The accounting for contract modifications is dependent on whether the contract modification is accounted for as a separate contract or not under the principles set out in AASB 15 *Revenue from Contracts with Customers* (AASB 15).

The Group accounts for the modification as a separate contract if the scope of contract increases because of the addition of promised goods and services that are distinct, and the price of the contract increases by an amount of consideration that reflects the Group's stand-alone selling prices of the additional promised goods or services, and any other appropriate adjustments to that price to reflect the circumstances of the particular contract.

Other than the above, all other contract modifications are not accounted for as a separate contract. The effect of the contract modification has on the transaction price, and on the Group's measure of progress towards a complete satisfaction of the performance obligation, is recognised as an adjustment to revenue on a cumulative basis at the date of the contract modification.

SIGNIFICANT JUDGEMENTS AND ESTIMATES

EXPECTED COSTS TO COMPLETE

For project revenue recognised using an input method based on costs incurred, management is required to estimate the expected forecast costs to complete. Fundamental to this calculation, is a reliable estimate of the total forecast costs to complete the project. The Group estimates its forecast costs to complete based on its budget derived from the tender process and reassessed at each reporting period end by its project manager based on the best available information and the current progress of the project.

VARIABLE CONSIDERATION

In determining transaction price (total contract revenue), variable consideration including bonuses, penalties, claims, and contract variations are only included to the extent it is highly probable that a significant reversal in revenue will not occur in the future. Each claim or contract variation, until they are approved, are subject to a level of uncertainty, both in terms of the amounts that the customer will pay and the collection thereof, which usually depends on the outcome of negotiations between the parties or decisions taken by judicial or arbitration bodies.

The Group considers all the relevant information for each individual claim or contract variation such as the contract terms, business and negotiating practices of the industry, the Group's historical experiences with similar contracts, inputs from external and internal experts and consideration of those factors that affect the variable consideration that are out of the control of the Group or other supporting evidence.

ASSESSMENT OF COLLECTABILITY OF CONSIDERATION FROM CUSTOMERS

In evaluating whether collectability of an amount of consideration is probable, the Group considers the customer's ability and intention to pay that amount of consideration when it is due in accordance with AASB 15. If the collectability of an amount of consideration condition is not probable, the Group shall continue to assess the contract to determine whether the condition is subsequently met.

ASSETS AND LIABILITIES RELATED TO CONTRACTS WITH CLIENTS

	Note	2022 $'000	2021 $'000
The Group has recognised the following assets and liabilities related to contracts with clients:			
Current assets			
Contract assets - projects		14,576	32,491
Contract assets - operations		9,110	30,611
Expected credit loss allowance	26	(605)	(1,026)
		23,081	62,076
Current liabilities			
Contract liabilities - Projects		32,212	23,037
Contract liabilities - Operations		656	355
		32,868	23,392

In FY2021, the Group recognised a contract asset of $17,583K in relation to an unapproved claim with a customer based on its best estimates as at 31 December 2021. In June 2022, the Group concluded and agreed a formal settlement with the customer. As a result of the formal settlement, a reduction of revenue and contract asset of $9,013K was recognised during the financial year.

CONTRACT ASSETS AND LIABILITIES

Contract assets and contract liabilities refer to what is commonly known as 'unbilled or accrued revenue' and 'deferred revenue' respectively. Contract assets represent the Group's right to consideration which is conditional on something other than the passage of time (for example, the Group's future performance). If the Group's right to an amount of consideration is unconditional (other than the passage of time), the contract asset is reclassified as a receivable.

Contract liabilities arise where payment is received from the customer ahead of scheduled transfer of goods and services to the client.

REVENUE RECOGNISED IN RELATION TO CONTRACT LIABILITIES

	2022 $'000	2021 $'000
Revenue recognised that was included in contract liabilities at the beginning of the year	23,392	53,718
Revenue recognised from performance obligations satisfied or partially satisfied in previous periods	-	17,782

REMAINING PERFORMANCE OBLIGATIONS (WORK IN HAND)

Contracts which have remaining performance obligations as at 31 December 2022 are set out below:

	2022 $'000	2021 $'000
Project revenue	291,817	302,077
Operations revenue	565,996	487,938
	857,813	790,015

Contracts in different operating segments have different lengths. Revenue is typically earned over these varying timeframes. The average duration of contracts is given below:

Projects revenue	1 - 3 years
Operations revenue	1 - 5 years

NOTE 4. OTHER INCOME - NET

	2022 $'000	2021 $'000
Fair value (loss)/gain on other financial assets measured at fair value through profit or loss (i)	(2,094)	1,843
Government grants (ii)	7,519	6,233
Jobkeeper payments	-	39
Other	551	149
Other income - net	5,976	8,264

i. Included in the balance is the fair value revaluation of listed shares. Refer to note 13.

ii. The Group received Employment Tax Incentive (ETI) grants from the South African government through employing qualifying individuals involved in mining operations. There are no unfulfilled conditions or other contingencies attaching to these grants. The ETI received has been spent on training programs to enable these individuals to acquire relevant skills and experience.

NOTE 5. OTHER GAINS - NET

	2022 $'000	2021 $'000
Profit on disposal of property, plant and equipment	133	763
Foreign exchange gain	4,582	2,690
Profit on foreign currency contracts	158	1,187
(Loss)/profit on disposal of other financial assets	(202)	510
(Loss) on disposal of G&S Engineering assets and liabilities	(2,717)	-
Other gains - net	1,954	5,150

SALE OF G&S ENGINEERING BUSINESS

On 11 May 2022, DRA announced that it was undertaking a review of its business portfolio to optimise shareholder value.

Management identified that the business of G&S Engineering Services Pty Ltd (G&S Engineering), a wholly owned subsidiary of DRA, did not fit into the current strategy for the Group. The G&S Engineering business incurred the majority of the fixed-price construction contract losses of the APAC/AMER region for the period. A subsidiary of DRA entered into an agreement to dispose certain assets, liabilities and contracts of the G&S Engineering business. The sale of G&S Engineering was completed on 10 September 2022. The G&S Engineering business is included in the Group's APAC/AMER operating segment.

G&S ENGINEERING BUSINESS ASSETS AND LIABILITIES DISPOSAL

Loss on disposal of assets and liabilities in relation to the G&S Engineering business:

	2022 $'000
Proceeds (net of costs to sell)	1,980
Assets Disposed	
Property, plant and equipment (including right-of-use assets)	7,360
Goodwill and intangible assets (net of impairment)	899
Inventories	323
Prepaid expenses	105
	8,687
Liabilities Disposed	
Lease liabilities	(1,855)
Employee benefits	(2,135)
	(3,990)
Loss on disposal of G&S Engineering assets and liabilities	(2,717)

IMPAIRMENT OF ASSETS

Immediately before the classification of G&S Engineering assets and liabilities as a disposal group held for sale, the recoverable amount was estimated for the identified disposal assets. An impairment loss of $18,903K is recognised for the period to reduce the carrying amount of intangible assets that form part of the disposal group to their fair value less costs to sell.

	Goodwill $'000	Customer relationships $'000	Total $'000
Reclassification from goodwill and intangibles at net book value	15,705	4,097	19,802
Impairment loss	(15,705)	(3,198)	(18,903)
Intangible assets included in the disposal group	-	899	899

PROFIT CONTRIBUTION FROM G&S ENGINEERING BUSINESS

The G&S Engineering business did not qualify as a discontinued operation under AASB 5 *Non-current Assets Held for Sale and Discontinued Operations* as the G&S Engineering business on its own did not represent a separate major line of business or geographic area of DRA and therefore the results of G&S Engineering were included in continuing operations.

An analysis of the G&S Engineering business' contribution to DRA's results is as follows:

	2022 $'000	2021 $'000
Revenue	62,878	233,957
Cost of sales	(88,743)	(223,864)
General and administrative expenses	(22,306)	(32,119)
Other (loss)/gain	(1,578)	662
Finance income	29	7
Finance expense	(2,105)	(2,123)
Loss for the year before tax	(51,825)	(23,480)

NOTE 6. EXPENSES

Included in cost of sales and general and administrative expenses are expenses of the following nature:

	Note	2022 $'000	2021 $'000
Employee expenses		(437,544)	(578,009)
Expected credit loss (expense)/reversal on trade receivables and contract assets	26	(1,009)	3,902
Expected credit loss on loan receivable measured at amortised cost		(2,697)	(1,586)
Share-based payments (expense)/reversal	36	88	(3,344)
Depreciation expense of right-of-use assets	16	(6,390)	(9,748)
Depreciation expense of property, plant and equipment	15	(5,962)	(7,832)
Amortisation expense of intangible assets	17	(4,926)	(5,677)

NOTE 7. IMPAIRMENT LOSS

	2022 $'000	2021 $'000
Impairment of goodwill (i)	(15,705)	-
Impairment of intangibles (ii)	(7,291)	-
	(22,996)	-

i. Impairment of goodwill relates to the G&S Engineering business goodwill. Refer to note 5 for information on the G&S Engineering assets and liabilities disposal.

ii. Impairment of intangibles includes G&S Engineering customer relationships intangible. Refer to note 5 for information on the G&S Engineering assets and liabilities disposal. Also included in the balance is the impairment of other customer relationships intangibles. Refer to note 17 for information.

NOTE 8. NET FINANCE (EXPENSE)/INCOME

	2022 $'000	2021 $'000
Finance income		
Interest income on cash deposits	1,664	2,106
Interest income on other financial assets (i)	4,803	12,756
	6,467	14,862
Finance expense		
Interest expense on interest-bearing borrowings, lease liabilities and other financial liabilities	(9,133)	(3,463)
Net finance (expense)/income	(2,666)	11,399

i. Included in finance income was interest income recognised during FY2022 of $3,111K (FY2021: $10,591K). The interest income related to a loan receivable owing from a customer who was placed into business rescue in FY2019. Prior to FY2021, the loan receivable was not recognised as it did not meet the accounting recognition criteria. Similarly, interest income accrued on the loan receivable since FY2019 was not recognised until the loan receivable met the recognition criteria in FY2021. Refer to note 14 for further information.

NOTE 9. INCOME TAX

A) INCOME TAX EXPENSE

	2022 $'000	2021 $'000
Income tax expense/(benefit)		
Current tax on profits for the year	20,798	12,559
Adjustments for current tax of prior periods	(726)	354
Foreign withholding tax written off	5,462	1,542
Deferred tax - Originating and reversing temporary differences	(3,673)	8,308
Adjustments for deferred tax of prior periods	(1,610)	737
Aggregate income tax expense	20,251	23,500
Numerical reconciliation of income tax expense and tax at the statutory rate		
(Loss)/profit before income tax expense	(1,184)	76,954
Tax at the statutory tax rate of 30%	(355)	23,086
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Difference in overseas tax rates	(486)	(3,224)
Tax losses not recognised	18,423	341
Non-deductible expenses	4,062	4,699
Non-assessable income	(5,359)	(4,717)
Adjustments for current and deferred taxes of prior periods	(2,336)	1,091
Foreign withholding tax written off	5,462	1,542
Other items	840	682
Income tax expense	20,251	23,500

B) DEFERRED TAX BALANCES

	2022 $'000	2021 $'000
Deferred tax assets	56,133	53,599
Deferred tax liabilities	(4,933)	(4,342)
Net deferred tax assets	51,200	49,257

	Net deferred tax 2022 $'000	Net deferred tax 2021 $'000	(Charged)/ credited to profit or loss 2022 $'000	(Charged)/ credited to profit or loss 2021 $'000
Type of temporary difference:				
Tax losses	28,431	23,397	5,034	(1,747)
Employee benefits	9,064	11,906	(2,842)	(1,944)
Allowance for expected credit losses	4,261	1,219	3,042	(4,597)
Contracts in progress	3,096	387	2,709	(2,898)
Lease liabilities	884	3,102	(2,218)	1,065
Property, plant and equipment and right-of-use assets	98	(6,478)	6,576	91
Provisions	7,148	19,690	(12,542)	(1,389)
Other items	(1,782)	(3,966)	5,524	2,374
	51,200	49,257	5,283	(9,045)

	2022 $'000	2021 $'000
Movements:		
Opening balance	49,257	53,416
Credited/(charged) to profit or loss	5,283	(9,045)
Foreign currency exchange adjustment	(3,340)	4,886
Closing balance	51,200	49,257

C) TAX LOSSES

	2022 $'000	2021 $'000
Unused tax losses for which no deferred tax asset has been recognised	61,412	14,698
Potential tax benefit at statutory tax rate	18,423	4,005

The unused tax losses were incurred by subsidiaries that are not likely to generate sufficient taxable income in the foreseeable future.

RECOGNITION AND MEASUREMENT

Income tax expense for the period comprises current and deferred tax.

CURRENT TAX ASSETS AND LIABILITIES

Current tax comprises normal income tax on companies. Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities/(assets) for the current and prior periods are measured at the amount expected to be paid to/(recovered from) the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

DEFERRED TAX ASSETS AND LIABILITIES

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which, at the time of the transaction, affects neither accounting profit/(loss) nor taxable profit/(loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction which, at the time of the transaction, affects neither accounting profit/(loss) nor taxable profit/(loss).

A deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income; or
- a business combination.

Current and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly to equity.

TAX CONSOLIDATION LEGISLATION

DRA Global Limited and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation.

The parent entity, DRA Global Limited, and the controlled entities in the tax consolidated group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a stand-alone taxpayer in its own right.

In addition to its own current and deferred tax amounts, the entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

SIGNIFICANT JUDGMENTS AND ESTIMATES

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due, or when the Group concludes it is not probable that the taxation authority will accept an uncertain tax treatment. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The Group recognises the net future tax benefit related to deferred tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred tax assets requires the Group to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Group to realise the net deferred tax assets recorded at the reporting date could be impacted.

Deferred tax assets that relate to carried-forward tax losses of the Group are recognised on the basis that the Group will satisfy applicable tax legislation requirements at the time of proposed recoupment of those tax losses. An assessment will be performed at the time when those tax losses are utilised.

NOTE 10. EARNINGS PER SHARE

(I) EARNINGS PER SHARE

	Note	2022 $'000	2021 $'000
(Loss)/profit after income tax		(21,435)	53,454
Non-controlling interest		(437)	(3,454)
(Loss)/profit after income tax attributable to the owners of DRA Global Limited		(21,872)	50,000
Fair value adjustment on UPRs	22	(17,865)	(13,000)
(Loss)/profit after income tax attributable to the owners of DRA Global Limited used in calculating diluted earnings per share		(39,737)	37,000

	Cents	Cents
Basic (loss)/earnings per share	(43.96)	87.10
Diluted (loss)/earnings per share	(43.96)	58.81

ACCOUNTING POLICY FOR EARNINGS PER SHARE

BASIC EPS

Basic EPS is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

DILUTED EPS

Diluted EPS adjusts the figures used in the determination of basic EPS to take into account the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

The adjustment for the calculation of diluted EPS in the table above does not take into account any options accrued but not yet issued under the Non-Executive Directors Share Option Plan. The potential number of ordinary shares that could be issued under these arrangements were excluded from the adjustment for the calculation of diluted EPS in the table above given the number of options over ordinary shares to be issued will only be determined at a future date based on future valuations which are unable to be reliably estimated at the date of this report.

(II) BASIC EARNINGS PER SHARE (EXCLUDING REVALUATION OF UPRS)

Included in profit or loss is the revaluation of UPRs which is driven by the Company's share price and the remaining life of the UPRs. The Directors are of the opinion that any gain or loss from revaluation of UPRs is not representative of the underlying operation of the Group. In order to provide a more accurate representation of the performance of the Group, a revised basic earnings per share which excludes the gain or loss from revaluation of UPRs is provided in the table below:

	2022 $'000	2021 $'000
(Loss)/profit after income tax attributable to the owners of DRA Global Limited	(21,872)	50,000
Fair value adjustment on UPRs	(17,865)	(13,000)
(Loss)/profit after income tax excluding revaluation of UPRs	(39,737)	37,000

	Cents	Cents
Basic earnings per share (excluding revaluation of UPRs)	(79.87)	64.45

(III) HEADLINE EARNINGS PER SHARE

The presentation of headline earnings (and per share measure) is mandated under the Listings Requirements of the Johannesburg Stock Exchange and is calculated in accordance with Circular 1/2021 'Headline Earnings' issued by the South African Institute of Chartered Accountants.

	Note	2022 $'000	2021 $'000
(Loss)/profit after income tax attributable to the owners of DRA Global Limited		(21,872)	50,000
Add back items required by Circular 1/2021:		-	-
Profit on disposal of property, plant and equipment		(133)	(763)
Impairment of loan receivable and other financial assets measured at amortised cost		-	1,361
Impairment of goodwill	7	15,705	-
Impairment of intangibles	7	7,291	-
Foreign translation currency reserve reclassified to profit		(1)	5
Taxation effects on adjustments		(2,106)	(159)
Headline earnings from continuing operations		(1,116)	50,444
Fair value adjustment of UPRs		(17,865)	(13,000)
Headline earnings from continuing operations used in calculating diluted earnings per share		(18,981)	37,444

	2022 Cents	2021 Cents
Basic headline (loss)/earnings per share	(2.24)	87.87
Diluted headline (loss)/earnings per share	(2.24)	59.51

(IV) WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	49,755,281	57,407,625
Adjustments for calculation of diluted earnings per share:		
Options over ordinary shares (i)	-	2,728,655
UPRs (i)	-	2,782,519
Weighted average number of ordinary shares used in calculating diluted earnings per share	49,755,281	62,918,799

The above table is a reconciliation of weighted average number of ordinary shares used as the denominator in calculating earnings per share, earnings per share (excluding revaluation of UPRs) and headline earnings per share.

i. As the Group incurred a loss for the period ended 31 December 2022, the effect of options and UPRs on issue are considered to be antidilutive and thus not considered in determining diluted earnings per share.

NOTE 11. CASH AND CASH EQUIVALENTS

	2022 $'000	2021 $'000
Cash	142,192	171,024

RESTRICTED CASH

The cash balance above includes issued cash-backed bank guarantees to the value of $9,661K (FY2021: $8,650K). These cash balances are restricted and not available for general use by the Group.

RECOGNITION AND MEASUREMENT

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

NOTE 12. TRADE AND OTHER RECEIVABLES

	2022 $'000	2021 $'000
Current assets		
Trade receivables	129,904	118,033
Less: Expected credit loss allowance	(12,282)	(10,852)
Net trade receivables	117,622	107,181
Prepayments	11,047	12,016
Withholding taxes	3,042	1,935
Other receivables	13,745	4,899
Retention debtors	5,656	2,808
	151,112	128,839
Non-current assets		
Retention debtors	-	2,808
	151,112	131,647

Certain receivables relating to legal claims have not been recognised in the statement of financial position where there is a low probability that the claims will result in an inflow of economic benefits to the Group. The Directors are of the opinion that the disclosure of any further information on this matter would be prejudicial to the interests of the Group.

RECOGNITION AND MEASUREMENT

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection of the amounts is expected in one year or less they are classified as current assets, otherwise they are classified as non-current.

Refer to note 26 for further information on credit risk.

NOTE 13. FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

	2022 $'000	2021 $'000
Derivative financial instruments - foreign exchange currency (FEC) contracts	158	-
Listed shares	2,164	2,536
Shares in non-listed entities	797	666
	3,119	3,202

Refer to note 27 for further information on fair value measurement of financial assets and liabilities.

NOTE 14. OTHER FINANCIAL ASSETS AT AMORTISED COST

	2022 $'000	2021 $'000
Current assets		
Loan receivable - at amortised cost (i) (iii) (iv)	31,969	16,474
Loans to employees - at amortised cost (ii)	701	-
Other loans	75	1,317
	32,745	17,791
Non-current assets		
Loan receivable - at amortised cost (i) (iii) (iv)	-	24,978
Loans to employees - at amortised cost (ii)	-	1,727
	-	26,705
	32,745	44,496

i. Included in the loan receivables was a loan receivable of $4K (FY2021: $752K) which accrues interest at a rate of 15 percent per annum secured by assets of the counterparty. The loan has been impaired to the value recoverable from the security.

ii. These loans accrue interest at the prime lending rate in South Africa, currently 7 percent per annum. In FY2021, the repayment date of the loans were extended to two years from the original repayment deadline of 60 days after listing, being July 2023.

iii. $15,217K (FY2021: $15,730K) of this balance represents an unsecured loan that no longer bears interest. The loan is repayable no later than six years after the anniversary of the loan, being December 2023.

iv. Included in the current loan receivables was an amount totalling $16,640K (FY2021: 26,071K) owing from a customer. The customer had a contract with DRA where DRA terminated the contract in FY2020 as a result of non-payment. The customer was placed into business rescue in FY2020. As a result, the loan receivable and its related capitalised interest were not recognised previously as it did not meet the recognition criteria. In FY2021, the customer secured funding and re-entered into a new contract with DRA. A new loan agreement for the amount previously owing to DRA was also entered into as a part of the new contract with DRA. Consequently, the previous loan receivable and capitalised interest have been recognised. The loan receivable bears interest of 12 percent to 15 percent per annum and is repayable in December 2023.

SIGNIFICANT JUDGMENTS AND ESTIMATES

The Group has assessed the associated credit losses associated with the above financial assets on a forward looking basis in accordance with the accounting policy disclosed in Note 39. This requires significant judgement in forming an estimate of the probability of default based up information available to the Group. Whilst a deterioration in credit risk in certain financial assets was noted, management determined the financial impact as not material to the Group at 31 December 2022

NOTE 15. PROPERTY, PLANT AND EQUIPMENT

	Buildings $'000	Leasehold improve-ments $'000	Plant and equipment $'000	Furniture and fixtures $'000	Motor vehicles $'000	Site establish-ment $'000	Total $'000
Balance at 31 December 2021							
Cost	3,895	5,409	27,119	6,302	13,019	28,033	83,777
Accumulated depreciation	(801)	(1,483)	(20,394)	(5,868)	(11,641)	(23,657)	(63,844)
	3,094	3,926	6,725	434	1,378	4,376	19,933
Balance at 31 December 2022							
Cost	4,046	3,941	18,880	1,631	7,380	1,044	36,922
Accumulated depreciation	(1,032)	(1,337)	(12,713)	(1,135)	(6,120)	(763)	(23,100)
	3,014	2,604	6,167	496	1,260	281	13,822

RECONCILIATIONS

Reconciliations of the net book values at the beginning and end of the current and prior financial year are set out below:

	Buildings $'000	Leasehold improve-ments $'000	Plant and equipment $'000	Furniture and fixtures $'000	Motor vehicles $'000	Site establish-ment $'000	Total $'000
Balance at 1 January 2021	2,501	1,288	5,071	1,542	2,198	5,289	17,889
Additions	215	3,571	4,803	116	441	3,562	12,708
Disposals	-	(623)	(719)	(10)	(35)	(2,410)	(3,797)
Exchange differences	582	36	110	41	178	37	984
Transfers to right-of-use assets	-	(19)	-	-	-	-	(19)
Transfers in/(out)	(23)	234	763	(196)	(429)	(349)	-
Depreciation expense	(181)	(561)	(3,303)	(1,059)	(975)	(1,753)	(7,832)
Balance at 31 December 2021	3,094	3,926	6,725	434	1,378	4,376	19,933
Additions	-	87	4,333	287	722	274	5,703
Disposals	(74)	(615)	(578)	(12)	(18)	-	(1,297)
Exchange differences	186	12	18	(11)	61	(5)	261
Transfers to right-of-use assets	-	-	-	-	(28)	-	(28)
Transfers in/(out) (i)	-	(229)	(4,508)	(29)	(22)	-	(4,788)
Depreciation expense	(192)	(577)	(4,046)	(173)	(833)	(141)	(5,962)
Transfer in/(out) between categories	-	-	4,223	-	-	(4,223)	-
Balance at 31 December 2022	3,014	2,604	6,167	496	1,260	281	13,822

i. Includes assets relating to the G&S Engineering business and forms part of the disposal group of assets and liabilities for the G&S Engineering sale transaction. Refer to note 5 for further information on the sale transaction.

RECOGNITION AND MEASUREMENT

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits associated with the item will flow to the Group; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to and replace part of it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Major spare parts and stand-by equipment which are expected to be used for more than one period are included in property, plant and equipment. In addition, spare parts and stand-by equipment which can only be used in connection with an item of property, plant and equipment are accounted for as property, plant and equipment.

Major inspection costs which are a condition of the continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses. Refer to note 39 for impairment of non-financial assets policy.

Property, plant and equipment are depreciated on a straight line basis over their expected useful lives to their estimated residual value. The useful lives of items of property, plant and equipment have been assessed as follows:

Buildings	20 - 40 years
Land	Not depreciated
Furniture and fixtures	4 - 10 years
Motor vehicles	4 - 5 years
Plant and equipment	3 - 6 years
Leasehold improvements	4 - 10 years
Site establishment	Varies depending on life of mine or contract

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each period is recognised in profit or loss.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

SIGNIFICANT JUDGMENTS AND ESTIMATES

The Group depreciates or amortises its assets over their estimated useful lives. The estimation of the useful lives of assets is based on historic performance as well as expectations about future use and therefore requires significant judgement to be applied. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, product life cycles and maintenance programs.

Significant judgement is applied by management when determining residual values. When determining the residual value the following factors are taken into account:

- External residual value information (if applicable).
- Internal technical assessments for complex equipment.

NOTE 16. LEASES

AMOUNTS RECOGNISED IN THE STATEMENT OF FINANCIAL POSITION

	2022 $'000	2021 $'000
Right-of-use assets		
Buildings	22,070	26,491
Vehicles	28	2,544
	22,098	29,035

	2022 $'000	2021 $'000
Lease liabilities		
Current	3,590	6,496
Non-current	22,179	26,218
	25,769	32,714

Additions to right-of-use assets during the year was $3,232K (FY2021: $1,804K).

AMOUNTS RECOGNISED IN THE STATEMENT OF PROFIT OR LOSS

	2022 $'000	2021 $'000
Depreciation expense		
Buildings	(6,067)	(8,803)
Vehicles	(323)	(945)
	(6,390)	(9,748)

	2022 $'000	2021 $'000
Interest expense (included in net finance income/(costs)	(1,508)	(2,653)
Expense relating to short-term, low-value and variable lease rentals (included in cost of sales, general and administrative expenses)	(1,702)	(2,463)

The total cash outflow for leases was $9,987K (FY2021: $14,295K). The total cash outflow includes principal payments, interest and payment relating to short-term, low-value and variable lease rentals.

RECOGNITION AND MEASUREMENT

The Group leases buildings and vehicles. Rental agreements are typically for fixed periods but may have extension options. The lease agreements do not impose any covenants.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the Group's incremental borrowing rate.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that which the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The Group applies AASB 136 *Impairment of Assets* to determine whether a right-of-use asset is impaired. At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. No impairment loss of right-to-use assets was recorded during the year (FY2021: nil).

Payments associated with short-term leases and leases of low-value assets are recognised as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

NOTE 17. INTANGIBLES

	Goodwill $'000	Brand names $'000	Computer software $'000	Client relation-ships $'000	Total $'000
Balance at 31 December 2021					
Cost	120,242	7,285	10,321	39,973	177,821
Accumulated amortisation and impairment	(22,452)	(5,239)	(8,656)	(29,224)	(65,571)
	97,790	2,046	1,665	10,749	112,250
Balance at 31 December 2022					
Cost	112,360	7,317	10,832	17,325	147,834
Accumulated amortisation and impairment	(30,621)	(6,182)	(9,354)	(17,284)	(63,441)
	81,739	1,135	1,478	41	84,393

RECONCILIATIONS

Reconciliations of the net book values at the beginning and end of the current and prior financial year are set out below:

	Goodwill $'000	Brand names $'000	Computer software $'000	Client relation-ships $'000	Total $'000
Balance at 1 January 2021	98,097	3,424	2,559	13,811	117,891
Additions	-	-	1,358	-	1,358
Additions through business combinations	1,202	-	-	-	1,202
Reclassified to software as prepayment (i)	-	-	(1,119)	-	(1,119)
Disposals	-	-	(30)	-	(30)
Exchange differences	(1,509)	38	15	81	(1,375)
Amortisation expense	-	(1,416)	(1,118)	(3,143)	(5,677)
Balance at 31 December 2021	97,790	2,046	1,665	10,749	112,250
Additions	-	-	1,035	-	1,035
Disposals	-	-	(39)	(2)	(41)
Exchange differences	(346)	118	(436)	634	(30)
Impairment loss	-	-	-	(4,093)	(4,093)
Transfers in/(out) (ii)	(15,705)	-	-	(4,097)	(19,802)
Amortisation expense	-	(1,029)	(747)	(3,150)	(4,926)
Balance at 31 December 2022	81,739	1,135	1,478	41	84,393

i. In April 2021, the IFRS Interpretations Committee (IFRIC) published its final agenda decision on accounting for configuration and customisation costs in a software as a service (SaaS) arrangement further to AASB 138 Intangible Assets — Configuration or customisation of costs in a cloud computing arrangement. The Group changed its accounting policy for configuration or customisation costs as a result of this agenda decision for year ended 31 December 2021 and $1,119K of software capitalisation has been identified as SaaS and has been reclassified to prepayments. These SaaS expenses will be amortised over the duration of the respective contract periods when the Group obtains access to the software provided by the suppliers.

ii. Transferred goodwill and intangible assets relate to the G&S Engineering business and form part of the disposal group of assets and liabilities for the G&S Engineering sale transaction. Refer to note 5 for further information on the sale transaction.

RECOGNITION AND MEASUREMENT

GOODWILL

Business combination principles apply to entities over which the Group obtains control. The Group obtains control of a subsidiary when it becomes exposed to, or gains rights to, variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary.

The Group accounts for business combinations using the acquisition method of accounting. The cost of the business combination is measured as the aggregate of the fair values of assets given, liabilities incurred or assumed and equity instruments issued. Costs directly attributable to the business combination are expensed as incurred, except the costs to issue debt which are amortised as part of the effective interest and costs to issue equity which are included in equity.

Contingent consideration is included in the cost of the business combination at fair value as at the date of acquisition. Subsequent changes to the assets, liabilities or equity which arise as a result of the contingent consideration are not affected against goodwill, unless they are valid measurement period adjustments.

The acquiree's identifiable assets, liabilities and contingent liabilities which meet the recognition conditions of AASB 3 *Business Combinations* are recognised at their fair values at acquisition date, except for non-current assets (or disposal group) that are acquired and classified as held-for-sale in accordance with AASB 5 *Non-current Assets Held-For-Sale and Discontinued Operations*, which are recognised at fair value less costs to sell.

Contingent liabilities are only included in the identifiable assets and liabilities of the acquiree where there is a present obligation at acquisition date.

On acquisition, the Group assesses the classification of the acquiree's assets and liabilities and reclassifies them where the classification is inappropriate for Group purposes. This excludes lease agreements and insurance contracts, whose classification remains as per their inception date.

Non-controlling interest arising from a business combination is measured either at their share of the fair value of the assets and liabilities of the acquiree or at fair value. The treatment is not an accounting policy choice but is selected for each individual business combination, and disclosed in the note for business combinations.

In cases where the Group held a non-controlling shareholding in the acquiree prior to obtaining control, that interest is measured to fair value as at the acquisition date. The measurement to fair value is included in profit or loss for the year. Where the existing shareholding was classified as an available-for-sale financial asset, the cumulative fair value adjustments previously recognised to other comprehensive income and accumulated in equity are recognised in profit or loss as a reclassification adjustment.

Goodwill is determined as the consideration paid plus the fair value of any shareholding held prior to obtaining control, plus non-controlling interest and less the fair value of the identifiable assets and liabilities of the acquiree.

Goodwill is not amortised but is tested on an annual basis for impairment. If goodwill is assessed to be impaired, that impairment is not subsequently reversed.

Goodwill is allocated to cash generating units (CGU) for the purpose of impairment testing. The allocation is made to those CGU or groups of CGU that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the different regions.

BRAND NAMES AND CUSTOMER RELATIONSHIPS

Separately acquired brand names and customer relationships are shown at historical cost. Brand names and customer relationships acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

Identifiable intangible assets with a finite life are amortised on a straight-line basis over their expected useful life from when the asset is ready for use. The useful lives are as follows:

Brand names	1 - 5 years
Client relationships	2 - 10 years

COMPUTER SOFTWARE

Computer software is initially measured at cost and amortised on a straight-line basis over the estimated useful life of each asset. Impairment testing is conducted annually. Computer software is amortised on a straight-line basis over one to three years.

SIGNIFICANT JUDGEMENTS AND ESTIMATES

RESIDUAL VALUES

Significant judgement is applied by management when determining the residual values for intangible assets. In the event of contractual obligations where a termination consideration is payable to the Group, management will apply a residual value to the intangible asset.

KEY ASSUMPTIONS USED FOR VALUE-IN-USE CALCULATIONS

Significant judgements and estimates on key assumptions used for value-in-use (VIU) calculations for impairment testing are as follows:

IMPAIRMENT TESTING

Goodwill and other assets are allocated to the Group's CGUs for the purpose of impairment testing. DRA monitors goodwill on a CGU level and the allocation is presented below:

	2022 $'000	2021 $'000
Goodwill is attributed to:		
AMER CGU	-	-
APAC CGU	26,257	41,962
EMEA CGU	55,482	55,828
	81,739	97,790

CGUs to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the CGU may be impaired. Where the carrying value of the asset or CGU exceeds its recoverable amount, the carrying amount of the asset or CGU is reduced to its recoverable amount through the recognition of an impairment loss.

The Group's impairment testing is performed at the CGU level. Evidence of impairment was observed in relation to the customer relationships intangibles that were acquired during the acquisition of SENET and Prentec. As a result, an impairment loss of $4,093K was recognised. No other evidence of impairment was observed at reporting date.

As part of the G&S Engineering business sale transaction, an impairment loss was recognised following an impairment assessment performed on the goodwill and intangible assets associated with the G&S Engineering business. Refer to note 5 details for futher infomation on the sale transaction.

The recoverable amounts of CGUs have been determined based on VIU calculations. These calculations require the use of assumptions. The following key inputs and assumptions have been adopted:

Inputs	*Assumptions*
Cash flow projections	In assessing VIU, the estimated future cash flows are based on the Group's most recent Board approved business plan covering a period of two years. These projections, which include projected revenues, gross margins and expenses have been determined based on past performance and management expectations for the future. Expected market conditions in which each CGU operates have been considered in the projections.
Long-term growth rates	Long-term growth rates are based on past experience, expectations of external market operating conditions and other assumptions which take into account the specific nature of each CGU. The applied long-term growth rates to the cash flow projections are in the range of 2.5% to 4.5% (FY2021: 3% to 7.8%).
Discount rates	Estimated future cash flows are discounted to their present value using discount rates that reflect the Group's weighted average cost of capital, adjusted for risks specific to the asset or CGU. The applied pre-tax discount rates to the cash flow projections are in the range of 13.1% to 20.2% (FY2021: 19% to 23%).

SENSITIVITY TO CHANGES IN ASSUMPTIONS

Sensitivity analysis has been performed to examine the effect of a change in key assumptions. No modelled change in a key assumption used in the determination of the recoverable value of these CGUs would result in a material impairment to the Group.

NOTE 18. TRADE AND OTHER PAYABLES

	2022 $'000	2021 $'000
Trade payables	37,132	71,190
Accrued expenses and contract costs	18,109	26,093
Other payroll accruals	23,842	20,767
Retention creditor	202	2,123
VAT/GST payable	4,428	4,851
Other payables	2,513	16,156
	86,226	141,180

Trade and other payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

NOTE 19. INTEREST-BEARING BORROWINGS

	2022 $'000	2021 $'000
Current liabilities		
Bank loans (ii)	616	-
Loan from non-controlling interests (i)	347	1,146
Other borrowings	655	1,143
	1,618	2,289
Non-current liabilities		
Loan from non-controlling interests (i)	317	-
Bank loan (ii)	51,762	34,894
Other borrowings	-	157
	52,079	35,051
	53,697	37,340

i. The loan incurs interest at the prime lending rate in South Africa of 7 percent per annum and is repayable on demand.

ii. The Group has drawn down $51,762K on 31 December 2022 (FY2021: $34,555K) from the Revolving Credit Facility and General Banking Facility (Facilities) provided by Rand Merchant Bank on 31 August 2021. The Facility has a three-year term with a variable interest rate (that is reset every three months) plus a fixed margin. The Facilities are secured by a first ranking security over the receivables, cash and insurance proceeds of the 12 entities controlled by the Group acting as guarantors to the Facilities.

The Facilities are taken up at DRA Group Holdings Pty Ltd (DRAGH), a subsidiary of the Group. These financial covenants are measured on the consolidated results and position of DRAGH which are as follows:

- Leverage ratio is less than two times.
- Equity value of DRAGH Group is not less than ZAR 2 billion.
- Interest cover ratio is not less than four times.

DRAGH has complied with the financial covenants of its borrowing facilities during FY2022.

Refer to note 26 for further information on interest rate and liquidity risks.

	2022 $'000	2021 $'000
Movements in interest-bearing borrowings		
Opening balance	37,340	1,182
Proceeds from borrowings	19,615	41,467
Repayment of borrowings (inclusive of interest)	(6,725)	(5,163)
Interest capitalised	4,098	443
Exchange differences	(631)	(589)
Closing balance	53,697	37,340

FINANCING ARRANGEMENTS

Significant borrowing facilities at the reporting date:

	2022 $'000	2021 $'000
Total facilities		
Derivative Products Trading Facility	4,400	27,864
Vehicle and Asset Finance	4,451	10,044
Revolving Credit Facility	34,508	34,555
General Banking Facility	17,254	17,277
	60,613	89,740
Used at the reporting date		
Derivative Products Trading Facility	294	-
Vehicle and Asset Finance	214	41
Revolving Credit Facility	34,508	34,555
General Banking Facility	17,254	-
	52,270	34,596
Unused at the reporting date		
Derivative Products Trading Facility	4,106	27,864
Vehicle and Asset Finance	4,237	10,003
Revolving Credit Facility	-	-
General Banking Facility	-	17,277
	8,343	55,144

RECOGNITION AND MEASUREMENT

Borrowings are initially measured at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption value is recognised over the term of the borrowings in terms of the effective interest rate method. Borrowing costs are recognised as an expense in the period in which they are incurred unless required to be capitalised.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

NOTE 20. EMPLOYEE BENEFITS

	2022 $'000	2021 $'000
Current liabilities		
Employee benefits	33,218	37,648
Non-current liabilities		
Employee benefits	709	2,397
	33,927	40,045

RECOGNITION AND MEASUREMENT

CURRENT EMPLOYEE BENEFITS

The employee benefits liabilities for wages and salaries including non-monetary benefits, incentives, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

NON-CURRENT EMPLOYEE BENEFITS

The employee benefits liabilities for long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

NOTE 21. PROVISIONS

	2022 $'000	2021 $'000
Loss making contracts	43,448	44,194
Warranty provision	-	3,230
Other	1,858	3,019
	45,306	50,443

MOVEMENTS IN PROVISIONS

Movements in each provision during the current and prior financial year are set out below:

2022	Loss making contracts $'000	Warranty provision $'000	Other $'000	Total $'000
Opening balance	44,194	3,230	3,019	50,443
Additional provisions recognised	19,483	33	2,224	21,740
Amounts released	(9,433)	(3,352)	(2,181)	(14,966)
Amounts utilised	(10,763)	-	(1,304)	(12,067)
Exchange differences	(33)	89	100	156
Closing balance	43,448	-	1,858	45,306

2021	Loss making contracts $'000	Warranty provision $'000	Other $'000	Total $'000
Opening balance	46,870	1,964	766	49,600
Additional provisions recognised	792	2,923	2,245	5,960
Amounts released	(2,835)	(1,444)	(60)	(4,339)
Amounts utilised	(17)	(188)	(20)	(225)
Exchange differences	(616)	(25)	88	(553)
Closing balance	44,194	3,230	3,019	50,443

LOSS-MAKING CONTRACTS

The provision for loss-making contracts relates to expected unavoidable losses on projects. The calculation of the provision is based on the additional losses expected to be incurred to complete the contracts per the agreed scope or the compensation or penalties arising from failure to fulfil the contracts, whichever is lower.

Some of these contracts are subject to disputes and claims by the customers and counter-claims by the Group. Should the Group be successful in recovering amounts, this may result in a reduction in the loss previously recorded. The status of these contracts and the adequacy of provisions are assessed at each reporting date. Refer to note 28 for further information on contingent liabilities.

WARRANTY PROVISION

The provision for warranty relates to the estimated liabilities on certain contracts still under warranty or defect liability period at the reporting date.

RECOGNITION AND MEASUREMENT

Provisions are recognised when:

- the Group has a present legal or constructive obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

If an entity has a contract that is onerous, a provision is recognised when expected benefits to be derived from a contract of meeting its obligation under the contract are less than the unavoidable costs.

Depending on the circumstances of the onerous contract, the provision is measured at either the present value of the expected cost of terminating the contract (if permitted) or the expected net cost of completing the contract, whichever is less.

SIGNIFICANT JUDGEMENTS AND ESTIMATES

In determining the estimate of the provision for loss making contracts, management applies judgements to estimate the costs to complete the onerous contracts which includes estimation of labour, technical costs, penalties from the impact of delays and productivity.

NOTE 22. OTHER FINANCIAL LIABILITIES

	2022 $'000	2021 $'000
Current liabilities		
Deferred cash consideration (i)	-	15,242
UPRs (ii)	3,635	21,500
Derivative financial instruments - foreign exchange currency (FEC) contracts	-	153
Contingent consideration (iii)	-	2,718
	3,635	39,613

i. Deferred cash consideration in relation to the Stockdale share buy-back transaction in FY2021 was fully paid during the financial year. Refer to note 23 for further information of the transaction.

ii. The UPRs have been revalued as at 31 December 2022 with a $17,865K gain. The fair value is determined using an option pricing model with reference to the Company's share price. The model takes into consideration that the holder of the UPRs have the right to the upside between the strike price ($3.10) and the cap ($6.50), such that the payoff to the holder is capped at $3.40.

The key inputs used for the valuation of the UPRs are set out below:

	At initial recognition	At 31 December 2022
Value of the underlying share	$3.95	$2.00
Exercise price	$3.10	$3.10
Cap	$6.50	$6.50
Life of the Rights (years)	2.75	1.00
Volatility	40%	50%
Risk-free rate	0.11%	3.33%
Number of UPRs	25,000,000	25,000,000
Valuation per UPR	$1.380	$0.145
Total value of UPRs	$34,500,000	$3,635,000

iii. During the year, the contingent consideration in relation to the Group's acquisition of the 60 percent interest in UMM Contracting Pty Ltd in FY2020 was fully paid.

RECOGNITION AND MEASUREMENT

Financial liabilities are measured at amortised cost or fair value through profit or loss (FVTPL). A financial liability is classified as FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains or losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

A financial instrument that creates an obligation or potential obligation for an entity to purchase its own equity instruments for cash or another financial asset also gives rise to a financial liability. The amount of the financial liability is measured at the present value of the redemption amount with a corresponding adjustment to equity.

SIGNIFICANT JUDGEMENTS AND ESTIMATES

The Group entered into a business acquisition agreement which required additional payments based on meeting certain earnings targets and net working capital position. The Group estimated these amounts payable based on its forecasts. It is reasonably possible that these forecasts may change which may then impact management's estimations and may then require a material adjustment in the contingent consideration.

NOTE 23. ISSUED CAPITAL

	2022 Shares	2021 Shares	2022 $'000	2021 $'000
Ordinary shares - fully paid	54,410,498	54,165,974	168,632	160,780
Settlement Shares (i)	-	(4,648,606)	-	-
	54,410,498	49,517,368	168,632	160,780

i. Settlement Shares
Included in the ordinary shares are shares purchased by employees, including certain Key Management Personnel, between 2014 and 2017 through loans provided by the Group (Share Schemes). The Share Schemes gave rise to loan funding from certain subsidiaries of the Group (Share Schemes Lenders) to participants in the Share Schemes (Share Schemes Loans).

In May 2021, the Company, the Share Schemes Lenders and loan holders executed agreements formally recording and confirming agreement reached on 1 August 2018. On that date, the parties to each Share Scheme Loan acknowledged and agreed to settle all amounts owing under the Loan and release the relevant shareholders from all obligations under the loan accounting to $32,942K in consideration for the assignment by that shareholder of all its rights and benefits to the sale proceeds from the sale or buy-back of the Settlement Shares (as defined in the share scheme sale and loan agreement) to the Lender (or its nominee).

By operation of the power of attorney, the restrictions on disposal and escrow arrangements with respect to the Settlement Shares under the terms and conditions of the Share Schemes and Loan Deed, the Company has a relevant interest in 4,648,606 shares, comprising 8.6 percent of the total number of shares on issue.

For accounting purposes, these Settlement Shares are accounted for like "treasury shares" of the Company under AASB 132 *Financial Instruments: Presentation* until the shares are sold to a third party buyer or bought back by the Company.

During the financial year, the Settlement Shares were sold to a third party buyer. Refer to the disclosure below for movement in treasury shares during the financial year.

MOVEMENT IN ORDINARY SHARES:

	Shares	$'000
As at 1 January 2021	84,101,195	162,547
Buy-back of shares - Stockdale	(30,000,000)	-
New shares issued	126,582	500
Share issue transaction costs	-	(2,267)
On market share buy-back	(61,803)	-
As at 31 December 2021	54,165,974	160,780
New shares issued (i)	244,524	-
Settlement Shares (ii)	-	7,852
As at 31 December 2022	54,410,498	168,632

i. During the year 244,524 ordinary shares were issued as a result of options being exercised for $nil consideration.

ii. On 15 December 2022, the Company sold 4,648,606 Settlement Shares at a price of ZAR 20 per share. The sale of the Settlement Shares resulted in a cash inflow of $7,852K to the Group, which will be used to fund working capital and broader business optimisation purposes.

ORDINARY SHARES

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, to provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group's strategy is to maintain sufficient liquidity (i.e., cash and borrowings) that will enable DRA to support growth and increase return on capital employed. 20 percent is the target level of gearing (excluding lease liabilities).

The gearing ratio at the reporting date was as follows:

	2022 $'000	2021 $'000
Total borrowings (excluding lease liabilities)	53,697	37,340
Total equity	253,366	266,076
Gearing ratio	21.2%	14.0%

The gearing ratio increased from 14.0 percent to 21.2 percent as a result of an additional loan drawn down to meet working capital requirements in APAC and settlement of pre-IPO litigation claims in EMEA. Refer to note 19 for further information.

The Group is expected to reduce its gearing in FY2023 to below 20 per cent. Debt repayments will be serviced from free cash generated by its operating entities.

RECOGNITION AND MEASUREMENT

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Ordinary shares purchased by the employees through a limited recourse loan from the Group is accounted as a share-based payment and no loan receivable, related interest expense and share capital are recognised. Any repayments made are treated as the exercise price for the shares and accounted for as equity when received.

NOTE 24. RESERVES

	2022 $'000	2021 $'000
Foreign currency reserve	18,070	16,469
Other reserve - Broad-Based Black Economic Empowerment Structure	3,265	3,214
Share-based payment reserve	7,293	7,381
Share buy-back reserve	(114,904)	(114,904)
	(86,276)	(87,840)

FOREIGN CURRENCY RESERVE

Exchange differences arising on translation of the foreign controlled entities are recognised in other comprehensive income and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

OTHER RESERVE - BROAD-BASED BLACK ECONOMIC EMPOWERMENT STRUCTURE

Share-based payment reserve to account for the liability in terms of Broad-Based Black Economic Empowerment legislation in South Africa.

SHARE-BASED PAYMENT RESERVE

The reserve recognises the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

SHARE BUY-BACK RESERVE

The reserve recognises shares bought back from shareholders.

MOVEMENTS IN RESERVES

Movements in each class of reserve during the current and prior financial year are set out below:

	Foreign currency reserve $'000	Other reserve - broad - based black economic empower-ment structure $'000	Share-based payment reserve $'000	Put option reserve $'000	Share buy-back reserve $'000	Total $'000
Balance at 1 January 2021	17,639	3,214	4,037	(18,890)	-	6,000
Exchange differences on translation of foreign operations	(1,175)	-	-	-	-	(1,175)
Reclassification of exchange differences to profit or loss on closure of foreign operations	5	-	-	-	-	5
Share-based payment expense	-	-	3,344	-	-	3,344
Put option	-	-	-	18,890	-	18,890
Share buy-back	-	-	-	-	(114,904)	(114,904)
Balance at 31 December 2021	16,469	3,214	7,381	-	(114,904)	(87,840)
Exchange differences on translation of foreign operations	1,601	-	-	-	-	1,601
Share-based payment expense/(reversal)	-	-	(88)	-	-	(88)
Other	-	51	-	-	-	51
Balance at 31 December 2022	18,070	3,265	7,293	-	(114,904)	(86,276)

RECOGNITION AND MEASUREMENT

SHARE BUY-BACK

Where the Company acquires its own equity instruments as a result of a share buy-back, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity contributable to the owners of the Company as a share buy-back reserve.

NOTE 25. DIVIDENDS

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

FRANKING CREDITS

FORMER EXEMPTING ENTITY

On 22 March 2018, DRA Global Limited formed an Australian tax consolidated group (DRA TCG) with DRA Global Limited as the head company. The franking credit balance of DRA TCG originated as a result of the subsequent acquisition of two subsidiaries which transferred their franking credit balances to the DRA TCG upon joining. Based on a series of historical transactions relevant to ownership of the DRA TCG and the two subsidiaries, DRA TCG meets the definition of a “former exempting entity” pursuant to the *Income Tax Assessment Act 1997* (ITAA 1997). Broadly, a corporate tax entity is an “exempting entity” at a particular time if not less than 95% of membership interests are owned by a foreign resident or a tax-exempt entity. A corporate tax entity is a “former exempting entity” if it has, at any time, ceased to be an exempting entity and is not again an exempting entity. As a result of previously meeting the definition of an “exempting entity” and currently being a “former exempting entity”, the franking credit balance of DRA TCG of $3,821K has been converted to “exempting credits”.

Australian resident investors of DRA Global Limited are not entitled to a tax offset or credits on dividends franked with “exempting credits”. Except in limited circumstances, foreign resident investors of DRA Global Limited will not qualify for withholding tax exemption on dividends franked with “exempting credits”. Only certain non-resident shareholders may receive a benefit from dividends franked with “exempting credits” by way of exemption from dividend withholding tax.

	2022 $'000	2021 $'000
Franking and exempting credits available for the subsequent financial year:		
Franking credits	-	-
Exempting credits	3,821	3,821

RECOGNITION AND MEASUREMENT

Distributions to the Company’s shareholders are recognised as a liability in the Group’s financial statements in the period in which the distributions are appropriately authorised and no longer at the discretion of the Company, on or before the end of the reporting period but not distributed at the end of the reporting period.

NOTE 26. FINANCIAL INSTRUMENTS

FINANCIAL RISK MANAGEMENT OBJECTIVES

The Group’s activities expose it to a variety of financial risks: market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk. The Group’s overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed. These methods include:

- sensitivity analysis for interest rate and foreign exchange risk;
- ageing analysis for credit risk;
- rolling cash flow forecasts for liquidity risk; and
- beta analysis in respect of investment portfolios for market risk.

The Group's financial risk management is carried out by a central treasury department under policies approved by the Board. The central treasury department identifies, evaluates, and hedges financial risks in close cooperation with the Group's business units. The Board is responsible for the governance framework and oversight of risk management within the Group. The Audit and Risk Committee is responsible for reviewing the governance framework and risk management within the Group. The day to day responsibility for risk management is carried out by senior management in the Group.

MARKET RISK

FOREIGN CURRENCY RISK

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US Dollar (USD) and South African Rand (ZAR).

Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations by an operating entity that are denominated in currencies other than its own functional currency (FC). Where possible the Group does not take on foreign exchange risk. The Group manages its exposure to foreign currency risk by minimising excess foreign currency balances in overseas jurisdictions not required for working capital, minimising contracting outside of its functional currencies, entering into hedging arrangement via forward exchange contracts (FEC) and transferring foreign exchange risks to clients where possible.

The Group's significant exposure to foreign currency risk at the end of the reporting period, expressed in Australian dollars (AUD), was as follows:

2022	USD held in AUD FC $'000	USD held in CAD FC $'000	USD held in GNF FC $'000	USD held in ZAR FC $'000	ZAR held in AUD FC $'000	ZAR held in CAD FC $'000	ZAR held in MZN FC $'000	ZAR held in USD FC $'000
Net financial assets/ (liabilities)	132	6,681	577	7,606	14,267	514	3,749	6,152
FEC contracts (notional amounts)	-	-	-	3,096	-	-	-	-

2021	USD held in AUD FC $'000	USD held in CAD FC $'000	USD held in GNF FC $'000	USD held in ZAR FC $'000	ZAR held in AUD FC $'000	ZAR held in CAD FC $'000	ZAR held in MZN FC $'000	ZAR held in USD FC $'000
Net financial assets/ (liabilities)	52,117	7,434	5,396	12,954	(214)	(1,064)	(805)	1,320
FEC contracts (notional amounts)	-	-	-	5,516	-	-	-	-

As shown in the table above, the Group is primarily exposed to financial assets and liabilities denominated in USD and ZAR held by entities in the Group that have different functional currencies to these financial assets and liabilities. The significant exposure arises from changes in USD/AUD, USD/CAD (Canadian dollar), USD/GNF (Guinea Franc), USD/ZAR, ZAR/AUD, ZAR/CAD and ZAR/MZN (Mozambican metical) exchange rates.

The sensitivity of profit or loss to changes in exchange rates is shown below:

	Profit/(loss) before tax 2022 $'000	Profit/(loss) before tax 2021 $'000
USD/AUD exchange rate - increase 10%	13	5,212
USD/CAD exchange rate - increase 10%	668	743
USD/GNF exchange rate - increase 10%	58	540
USD/ZAR exchange rate - increase 10%	761	612
ZAR/AUD exchange rate - increase 10%	1,427	(21)
ZAR/CAD exchange rate - increase 10%	51	(106)
ZAR/MZN exchange rate - increase 10%	375	(80)

A 10 percent weakening of the USD/AUD, USD/CAD, USD/GNF, USD/ZAR, ZAR/AUD, ZAR/CAD and ZAR/MZN would have the equal but opposite effect on the above currencies to the amounts shown above, on the basis of all other variables are held constant.

INTEREST RATE RISK

The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk.

As at the reporting date, the Group had the following variable rate borrowings outstanding:

	2022		2021	
	Weighted average interest rate %	Balance $'000	Weighted average interest rate %	Balance $'000
Bank loans*	7.41	51,762	6.18	34,894
Net exposure to cash flow interest rate risk		51,762		34,894

* The interest rate on bank loans is based on a variable interest rate (reset every 3 months) plus a fixed margin.

Profit or loss is sensitive to higher/lower interest expense on bank loans. The sensitivity of profit or loss to changes in interest rates is shown below:

	Profit/(loss) before tax 2022 $'000	Profit/(loss) before tax 2021 $'000
Interest rates - increased by 25 basis points	(118)	(87)

CREDIT RISK

Credit risk is the risk of financial loss due to counterparties to financial instruments not meeting their contractual obligation.

The Group manages and analyses the credit risk for each new client before standard payment and delivery terms and conditions are offered. Credit risk arises from cash, cash equivalents and deposits with banks and financial institutions, as well as credit exposures to trade clients, including outstanding receivables and committed transactions. The Group only deposits cash with major banks with a high quality credit rating.

Financial assets exposed to credit risk at reporting date were as follows:

	Note	2022 $'000	2021 $'000
Contract assets	3	23,081	62,076
Trade and other receivables (excluding prepayments)	12	140,065	119,631
Cash and cash equivalents	11	142,192	171,024
Other financial assets - loans receivable	14	32,745	44,496
Other financial assets - FEC contracts	13	158	-
		338,241	397,227

On that basis, the expected credit loss allowance as at 31 December 2022 and 31 December 2021 was determined as follows for both trade receivables and contract assets:

	Expected credit loss rate		Carrying amount		Allowance for expected credit losses	
	2022 %	2021 %	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Trade receivable						
- Current	2.1	0.9	75,204	67,455	1,574	578
- More than 30 days past due	1.4	1.3	26,203	22,549	371	301
- More than 60 days past due	2.4	2.4	4,293	8,806	104	212
- More than 90 days past due	42.3	50.8	24,204	19,223	10,233	9,761
Contract assets	2.6	1.7	23,686	63,102	605	1,026
			153,590	181,135	12,887	11,878

Movements in the expected credit loss allowance for contract assets and trade receivables during the current and prior financial year are set out below:

	Trade receivables 2022 $'000	Trade receivables 2021 $'000	Contract assets 2022 $'000	Contract assets 2021 $'000
Opening balance	10,852	35,095	1,026	-
(Decrease)/increase in expected credit loss recognised in profit or loss during the year	1,776	(4,849)	(502)	1,026
Receivables written off during the year as uncollectible	(471)	(79)	-	-
Amounts reclassified to loan receivables	-	(19,529)	-	-
Exchange differences	125	214	81	-
Closing balance	12,282	10,852	605	1,026

OTHER FINANCIAL ASSETS AT AMORTISED COST

The gross carrying amount of loans receivables at amortised cost and expected credit loss allowance are as follows:

	2022 $'000	2021 $'000
Gross carrying amount		
Performing (stage 1)	18,949	42,333
Under-performing (stage 2)	16,311	-
Non-performing (stage 3)	4,259	4,265
	39,519	46,598

	Performing $'000	Under-performing $'000	Non-performing $'000	Total $'000
Expected credit loss allowance				
Opening balance as at 1 January 2021	79	-	3,611	3,690
Increase in expected credit loss allowance recognised in profit or loss	486	1,100	-	1,586
Exchange differences	(32)	-	(97)	(129)
Closing balance as at 31 December 2021	533	1,100	3,514	5,147
Increase in expected credit loss allowance recognised in profit or loss	886	-	745	1,631
Exchange differences	(1)	-	(3)	(4)
Closing balance as at 31 December 2022	1,418	1,100	4,256	6,774

SIGNIFICANT JUDGEMENTS AND ESTIMATES

The Group applies the AASB 9 *Financial Instruments* simplified approach to measuring expected credit losses which uses a lifetime expected credit loss for all trade receivables and contract assets.

In determining the recoverability of trade receivables and contract assets, consideration is given to any change in the credit quality of these financial assets from the date credit was granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and geographically diverse. The Group has assessed expected credit losses, including those counterparties who have been granted credit during the period, and no further expected credit loss allowance is required.

The expected loss rates are based on the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information based on macroeconomic factors including economic conditions due to COVID-19 affecting the ability of the customers to settle amounts owed to the Group.

All other financial assets at amortised cost that are considered to be performing (loans whose credit risk is in line with original expectations), the loss allowance recognised during the period was therefore limited to 12 month expected credit losses. These instruments are considered to be low risk when they have a low risk of default or the counterparty has a strong capacity to meet its obligations within the short term.

For those other financial assets at amortised costs that are under-performing (loans for which a significant increase in credit risk has occurred compared to original expectations) or non-performing (interest and/or principal repayments are significantly past due or It becomes probable that the customer will default), a lifetime expected credit loss was recognised during the period if these assets had not been previously impaired.

LIQUIDITY RISK

Liquidity risk is the risk that an entity in the Group will not be able to meet its obligations as they become due.

The central treasury department manages liquidity risk of the Group. The Group's liquidity risk is mitigated by the availability of funds to cover future commitments. Liquidity is reviewed continually by the central treasury department through daily cash monitoring, review of available credit facilities and rolling cash flow forecasts.

Surplus cash held by the operating entities over and above balances required for working capital management, is invested in interest bearing current accounts, term deposits and money market deposits. The Group has sufficient cash funds to meet its identified ongoing operating expenses and commitments.

REMAINING CONTRACTUAL MATURITIES

The table below analyses the Group's financial liabilities and net-settled non-derivative financial liabilities into relevant maturity groupings, based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash outflows.

2022	Carrying amount $'000	Less than 1 year $'000	Between 1 and 5 years $'000	Over 5 years $'000	Remaining contractual maturities $'000
Trade and other payables (note 18)	86,226	86,226	-	-	86,226
Interest-bearing borrowings (note 19)	53,697	5,910	56,119	-	62,029
Lease liabilities (note 16)	25,769	5,161	14,754	12,020	31,935
Other financial liabilities (note 22)	3,635	3,635	-	-	3,635
	169,327	100,932	70,873	12,020	183,825

2021	Carrying amount $'000	Less than 1 year $'000	Between 1 and 5 years $'000	Over 5 years $'000	Remaining contractual maturities $'000
Trade and other payables	141,180	141,180	-	-	141,180
Interest-bearing borrowings	37,340	4,517	39,332	-	43,849
Lease liabilities	32,714	8,396	16,657	15,649	40,702
Other financial liabilities	39,613	39,613	-	-	39,613
	250,847	193,706	55,989	15,649	265,344

NOTE 27. FAIR VALUE MEASUREMENT OF FINANCIAL ASSETS AND LIABILITIES

FAIR VALUE HIERARCHY

The following tables detail the Group's financial assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Unobservable inputs for the asset or liability.

2022	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets at fair value through profit or loss	2,322	-	797	3,119
Total assets	2,322	-	797	3,119
Financial liabilities at fair value through profit or loss	-	3,635	-	3,635
Total liabilities	-	3,635	-	3,635

2021	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets at fair value through profit or loss	2,536	-	666	3,202
Total assets	2,536	-	666	3,202
Financial liabilities at fair value through profit or loss	153	21,500	-	21,653
Total liabilities	153	21,500	-	21,653

There were no transfers between levels during the year.

NOTE 28. CONTINGENT LIABILITIES

The Group has guarantee facilities of $199,506K (FY2021: $203,572K) available for use.

The Group has issued financial guarantees as security to various landlords and clients for leases and construction projects to the value of $34,761K (FY2021: $62,222K). Provision for bank guarantees was $14,983K (FY2021: $14,983K) and form part of the provision for loss making contracts. Refer to note 21 for further information.

The Group occasionally receives legal claims arising from its operations in the ordinary course of business. Group entities may also have potential financial liabilities that arise from historical commercial contracts. Currently the Group has a number of claims in progress, however it is not possible to estimate the financial effects of these claims should they be successful and, at the date of this report, the Directors have assessed the possibility of any net outflow of resources embodying economic benefits, which have not already been provided in this report, in relation to these matters to be unlikely. The Directors are of the opinion that the disclosure of any further information on these matters would be prejudicial to the interests of the Group.

SIGNIFICANT JUDGEMENTS AND ESTIMATES

The Group assessed and applied judgements to determine whether it has a possible or a present obligation and the likelihood of an outflow of resources being required. A provision is recognised when there is a present obligation that probably requires an outflow of resources (refer to note 21). Disclosures are made for any possible obligations or present obligations that may, but probably will not, require an outflow of resources unless the disclosures will prejudice the position of the Group in a dispute with the other party.

NOTE 29. COMMITMENTS

The Group is a lessee of various office properties as well as motor vehicles under non-cancellable lease agreements. Leases are accounted for as lease liabilities under AASB 16 *Leases*. Refer to note 16 for further information.

NOTE 30. RELATED PARTY TRANSACTIONS

PARENT ENTITY

DRA Global Limited is the parent entity. Parent entity information is set out in note 31.

SUBSIDIARIES

Interests in material subsidiaries are set out in note 32.

ASSOCIATES

Interests in associates are set out in note 33.

JOINT OPERATIONS

Interests in joint operations are set out in note 34.

KEY MANAGEMENT PERSONNEL COMPENSATION

	2022 $	2021 $
Short-term employee benefits	2,473,440	3,094,652
Long-term benefits	154,752	97,436
Termination benefits	-	154,888
Share-based payments	(234,082)	823,050
	2,394,110	4,170,026

Disclosures relating to Key Management Personnel are set out in the Remuneration Report.

LOANS TO RELATED PARTIES

	2022 $	2021 $
Loans to Key Management Personnel (i)	87,256	-

i. In October 2022, Minopex Operations Management Pty Ltd, a subsidiary of DRA provided a loan to James Smith (CEO). The loan amounted to $62,740 with a total interest charge of $1,741 for the loan. The loan is subject to a monthly repayment plan with the last principal and interest repayment in July 2023.

In October 2022, DRA Group Holdings (Pty) Limited, a subsidiary of DRA provided a loan to Alistair Hodgkinson (COO). The loan amounted to $62,740 with a total interest charge of $1,741 for the loan. The loan is subject to a monthly repayment plan with the last principal and interest repayment in July 2023.

TRANSACTIONS WITH RELATED PARTIES

During the financial year, Quality Labs Pty Ltd, a subsidiary of DRA transacted with TN Ceramics (Pty) Ltd for the provision of locally sourced ceramic consumable goods. Total value transacted was $106,944 TN Ceramics (Pty) Ltd is controlled by a family trust whereby James Smith (CEO) is a trustee and beneficiary of the trust. The trasaction is based on normal arm's-length commercial terms and conditions.

NOTE 31. PARENT ENTITY INFORMATION

The individual financial statements for the parent entity show the following aggregate amounts:

	Parent 2022 $'000	Parent 2021 $'000
(Loss)/profit after income tax	(223,240)	46,986
Total comprehensive (loss)/income	(223,240)	46,986

	Parent 2022 $'000	Parent 2021 $'000
Total current assets	22,468	37,094
Total assets (i)	399,858	708,645
Total current liabilities	20,941	105,820
Total liabilities	21,128	106,819
Equity		
Issued capital	500,409	500,409
Reserves	245	101
Retained (loss)/earnings	(121,924)	101,316
Total equity	378,730	601,826

i. During the year, evidence of impairment was observed on the carrying value of investments in subsidiaries. As a result, an impairment loss of $316,500k was recognised. No other evidence of impairment was observed.

GUARANTEES ENTERED INTO BY THE PARENT ENTITY IN RELATION TO THE DEBTS OF ITS SUBSIDIARIES

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 31 December 2022 (FY2021: nil).

CONTINGENT LIABILITIES

DRA Global Limited has provided certain parent company undertakings and indemnities in respect of contract performance by members of the Group. DRA Global Limited is not party to a Deed of Cross Guarantee but has provided letters of support to certain entities of the Group.

NOTE 32. INTERESTS IN SUBSIDIARIES

Material subsidiaries of the Group, which are those with the most significant contribution to the Group's revenue or profit/(loss) before tax are as follows:

Name	Principal place of business/Country of incorporation	Ownership interest 2022 %	Ownership interest 2021 %
DRA Pacific Pty Ltd	Australia	100	100
G&S Engineering Services Pty Ltd	Australia	100	100
DRA Projects Australia Pty Ltd	Australia	100	100
DRA Americas Inc. (Canada)	Canada	100	100
Minopex Lesotho Pty Ltd	Lesotho	100	100
DRA Americas Perú S.A.C.	Peru	100	100
DRA Projects Pty Ltd	South Africa	100	100
DRA Projects SA Pty Ltd	South Africa	100	100
DRA South Africa Projects Pty Ltd	South Africa	100	100
Minerals Operations Executive Pty Ltd	South Africa	100	100
New SENET Pty Ltd	South Africa	100	100
UMM Contracting Services Pty Ltd	South Africa	60	60

RECOGNITION AND MEASUREMENT

Subsidiaries are all entities (including structured or special purpose entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. In determining whether control exists the Group considers all relevant facts and circumstances, including:

- power of the investee;
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect the amount of the investor's returns.

The results of subsidiaries (including special purpose entities) are included in the consolidated financial statements from the effective date of acquisition to the effective date of disposal.

Adjustments are made when necessary to the financial statements of subsidiaries to bring their accounting policies in line with those of the Group.

Non-controlling interests in the net assets of consolidated subsidiaries are identified and recognised separately from the Group's interest therein, and are recognised within equity. The proportion of the loss of subsidiaries attributable to non-controlling interests are allocated to the non-controlling interest even if this results in a debit balance being recognised for non-controlling interest.

CHANGES IN OWNERSHIP INTEREST IN SUBSIDIARIES WITHOUT A CHANGE IN CONTROL

Transactions which result in changes in ownership levels, where the Group has control of the subsidiary both before and after the transaction are regarded as equity transactions and are recognised directly in the statement of changes in equity.

The difference between the fair value of the consideration paid or received and the movement in non-controlling interest for such transactions is recognised in equity attributable to the owners of the parent.

Where a subsidiary is disposed of and a non-controlling shareholding is retained, the remaining investment is measured to fair value, with the adjustment to fair value recognised in profit or loss as part of the gain or loss on disposal of the controlling interest.

DISPOSAL OF SUBSIDIARIES

When the Group ceases to have control of any retained interest in the entity, it is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

NOTE 33. INTERESTS IN ASSOCIATES

Name	Principal place of business/Country of incorporation	Ownership interest 2022 %	Ownership interest 2021 %
LSL Consulting (Pty) Ltd	South Africa	25.51	25.51
Tekpro Projects (Pty) Ltd	South Africa	25.51	25.51
FineTech Minerals (Pty) Ltd	South Africa	25.00	25.00

	2022 $'000	2021 $'000
Aggregate carrying amount of individually immaterial associates	2,321	2,379
Aggregate amounts of the Group's share of:		
Profit from continuing operations	155	406
Dividends paid	(213)	(126)
Other comprehensive loss	-	(55)
	(58)	225

RECOGNITION AND MEASUREMENT

An investment in associate is accounted for using the equity method, except when the investment is classified as held-for-sale in accordance with AASB 5 *Non-current Assets Held-For-Sale and Discontinued Operations*. Under the equity method, investments in associates are carried in the consolidated statement of financial position at cost adjusted for post-acquisition changes in the Group's share of net assets of the associate, less any impairment losses.

Any goodwill on acquisition of an associate is included in the carrying amount of the investment, however, a gain on acquisition is recognised immediately in profit or loss.

Profits or losses on transactions between the Group and an associate are eliminated to the extent of the Group's interest therein.

When the Group reduces its level of significant influence or loses significant influence, the Group proportionately reclassifies the related items which were previously accumulated in equity through other comprehensive income to profit or loss as a reclassification adjustment. In such cases, if an investment remains, that investment is measured to fair value, with the fair value adjustment being recognised in profit or loss as part of the gain or loss on disposal.

NOTE 34. INTERESTS IN JOINT OPERATIONS

Name	Principal place of business/Country of incorporation	Ownership interest 2022 %	2021 %
Nokeng Joint Venture (Unincorporated)	South Africa	50	50

RECOGNITION AND MEASUREMENT

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor.

Investments in joint operations are proportionately consolidated from the date on which the Group has the power to exercise joint control, up to the date on which the power to exercise joint control ceases. This excludes where the investment is classified as held-for-sale in accordance with AASB 5 *Non-current Assets Held-For-Sale and Discontinued Operations*.

When the Group loses joint control, the Group proportionately reclassifies the related items which were previously accumulated in equity through other comprehensive income to profit or loss as a reclassification adjustment. In such cases, if an investment remains, that investment is measured to fair value, with the fair value adjustment being recognised in profit or loss as part of the gain or loss on disposal.

The two parties have direct rights to the assets of the joint arrangement and are jointly and severally liable for the liabilities incurred by the joint arrangement. This entity is therefore classified as a joint operation and the Group recognises its direct right to the jointly held assets, liabilities, revenues and expenses.

NOTE 35. CASH FLOW INFORMATION

Reconciliation of profit after income tax to net cash (used)/ from operating activities:

	2022 $'000	2021 $'000
(Loss)/profit after income tax expense for the year	(21,435)	53,454
Adjustments for:		
Impairment of loans receivable	2,697	1,361
Impairment of goodwill and other intangible assets	22,996	-
Net loss/(gain) on disposal of other financial assets	1,079	(510)
Net (gain) on disposal of property, plant and equipment	(133)	(763)
Net fair value (gain) on other financial assets	(16,049)	(14,843)
Depreciation expense	12,353	17,580
Amortisation expense	4,926	5,677
Non-cash finance expense/(income)	2,677	(12,864)
Non-cash foreign exchange (gains)/losses	(2,456)	(1,900)
Employee share-based payment (reversal)/expense	(88)	3,344
Change in operating assets and liabilities:		
(Increase) in trade and other receivables	(24,884)	(21,899)
Decrease/(increase) in contract assets	38,996	(23,489)
(Increase)/decrease in inventories	(928)	1,175
(Decrease)/increase in trade and other payables	(90,262)	73,707
Increase/(decrease) in contract liabilities	9,476	(30,326)
Increase/(decrease) in provisions	28,790	(36,314)
(Increase) in current and deferred tax balances	(3,942)	(661)
Net cash (used in)/from operating activities	(36,187)	12,729

CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Lease liabilities $'000	Other interest bearing liabilities $'000	Total $'000
Balance at 1 January 2021	40,672	1,182	41,854
Net cash used in financing activities	(9,262)	(4,720)	(13,982)
Loans received	-	41,467	41,467
New leases	1,804	-	1,804
Exchange differences	(500)	(589)	(1,089)
Balance at 31 December 2021	32,714	37,340	70,054
Net cash used in financing activities	(6,777)	(6,268)	(13,045)
Loans received	-	19,615	19,615
New leases	2,331	-	2,331
Interest incurred	1,234	4,098	5,332
Reclassification	(875)	875	-
Transfer to held for sale	(2,812)	(1,351)	(4,163)
Exchange differences	(45)	(614)	(659)
Balance at 31 December 2022	25,770	53,695	79,465

NOTE 36. SHARE-BASED PAYMENTS

The expense/(reversal) recognised for share-based payments during the year is shown below:

	2022 $	2021 $
Non-Executive Directors Share Option Plan	144,002	89,999
One-off Share Option Plan	303,948	799,145
Employee Share Option Plan	(535,824)	2,454,445
	(87,874)	3,343,589

EMPLOYEE INCENTIVE SCHEME

The DRA Global Limited Employee Share Scheme titled "Incentive Option Plan" (the Plan) was established by the Group and approved by shareholders at the FY2019 Annual General Meeting, whereby the Group may, at the discretion of the People, Culture and Remuneration Committee, grant options over ordinary shares in the Company to certain eligible key employees of the Group. The options are issued for nil exercise price and are granted in accordance with performance guidelines established by the People, Culture and Remuneration Committee.

ONE-OFF SHARE OPTION PLAN

On 14 May 2020, the Company granted a one-off share option offer to certain key employees who may not have qualified as participants of the 2016 Legacy LTIP in recognition of their significant contribution to the Group. A total of 495,000 zero exercise price options (ZEPO) at a fair value of $4 per option were granted. The ZEPOs vested on 30 June 2022 subject to employees remaining at the Company on that date. Vested options remain exercisable to 30 June 2024.

A summary of the options granted under the Plan is set up below:

	Exercise price of option 2022	Number of options 2022	Exercise price of option 2021	Number of options 2021
Opening balance	$0.00	455,000	$0.00	495,000
Issued during the year	$0.00	-	$0.00	-
Forfeited during the year	$0.00	(50,000)	$0.00	(40,000)
Exercised during the year	$0.00	(160,000)	$0.00	-
Closing balance		245,000		455,000

No options expired during the period covered by the above table. For options exercised during the year, the weighted average share price was $1.98.

NON-EXECUTIVE DIRECTORS SHARE OPTION PLAN

Non-Executive Directors were entitled to sacrifice options up to a specific limit of their annual remuneration (excluding superannuation and any payment made in lieu of receiving superannuation in jurisdictions where superannuation is not required to be paid) in lieu of cash, and received that part of their remuneration through the issue of options.

For the period up to 31 October 2022, NEDs received 20 percent of their annual fees in ZEPOs. Following the FY2022 NED fee review, for the purpose of improving the remuneration alignment with shareholder interest, the equity portion is being increased to 30 percent over two stages. Effective 1 November 2022, the equity portion increased to 20.34 percent aligned with the current shareholder approved options cap and will be futher increased to 30 percent effective 1 January 2023 until 31 December 2023, subject to DRA obtaining shareholder approval at its 2023 AGM to issue ZEPOs to NEDs in lieu of cash payment of part of their annual remuneration. If shareholder approval is not given, then the NEDs will be paid cash for the full amount of their annual remuneration.

Options entitled to them have been issued during the year for the service they performed from their start date of appointment to 30 June 2022. Further options entitled to them from 1 July 2022 to 31 December 2022 have been accrued as equity-settled share-based payment expense as at 31 December 2022. They were subsequently issued on 30 January 2023. There are no vesting conditions attached.

	Exercise price of option 2022	Number of options 2022	Exercise price of option 2021	Number of options 2021
Opening balance	$0.00	38,208	$0.00	-
Issued during the year	$0.00	46,316	$0.00	38,208
Exercised during the year	$0.00	(84,524)	$0.00	-
Closing balance		-		38,208

Grant date	Expiry date	Exercise Price 2022	Number of Share options 2022	Exercise Price 2021	Number of Share options 2021
28 September 2021	28 September 2023	$0.00	-	$0.00	38,208
29 July 2022	28 July 2024	$0.00	25,265	$0.00	-
30 May 2022	30 May 2024	$0.00	21,051	$0.00	-

For options exercised during the year, the weighted average share price was $1.96.

EMPLOYEE SHARE OPTION PLAN

The Employee Share Option Plan is designed to provide long-term incentives for senior managers and above (including Executive Directors) to deliver long-term shareholder returns. Under the plan, participants are granted options which only vest if certain performance conditions are met. Participation in the plan is at the Board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

Set out below are summaries of options granted under the plan:

	Exercise price of option 2022	Number of options 2022	Exercise price of option 2021	Number of options 2021
Opening balance	$0.00	2,971,216	$0.00	-
Issued during the year	$0.00	929,466	$0.00	3,067,797
Forfeited during the year	$0.00	(1,094,821)	$0.00	(96,581)
Closing balance		2,805,861	-	2,971,216
Weighted average remaining contractual life of options outstanding at the end of the period		3.20 years		3.75 years

Share options outstanding at the end of the year have the following expiry dates and exercise prices:

	Grant date	Expiry date	Exercise Price of option 2022	Number of options 2022	Exercise Price of option 2021	Number of options 2021	Fair value on grant date
FY2020 Share Option Plan							
Tranche 1	31/12/2020	31/03/2025	$0.00	532,728	$0.00	771,421	$1.66
Tranche 2	31/12/2020	31/03/2025	$0.00	532,728	$0.00	771,421	$3.97
FY2021 Share Option Plan							
Tranche 1	29/06/2021	31/03/2026	$0.00	405,469	$0.00	714,187	$1.98
Tranche 2	29/06/2021	31/03/2026	$0.00	405,469	$0.00	714,187	$3.90
Minnovo Option Plan	09/09/2021	30/06/2025	$0.00	150,000	$0.00	150,000	$3.60
FY2022 Share Option Plan							
Tranche 1	16/12/2022	31/03/2027	$0.00	464,733	$0.00	-	$2.00
Tranche 2	16/12/2022	31/03/2027	$0.00	278,840	$0.00	-	$1.07
Tranche 3	16/12/2022	31/03/2027	$0.00	92,947	$0.00	-	$1.27
Tranche 4	16/12/2022	31/03/2027	$0.00	92,947	$0.00	-	$1.19

FY2021 SHARE OPTION PLAN

During the year ended 31 December 2021, the Company granted options to the value of $5,935K to key employees where the number of options to be issued were determined based on the Company's share price after listing, a total of 1,466,111 options were issued after the listing. The FY2021 Share Option Plan will vest subject to satisfaction of Absolute Total Shareholders Return (ATSR or Tranche 1) (50 percent of the grant value) and Earnings Per Share (EPS or Tranche 2) (50 percent of the grant value) performance hurdles.

EPS performance will be assessed against compound annual growth rate targets set by the Board. The target set for FY2021 Share Option Plan is currently 8 percent compound average growth rate. If the compound average growth rate over FY2021 to FY2023 is 8 percent or greater, the grant will become 100 percent performance qualified. 25 percent or 50 percent will vest if at least 2 percent or 4 percent compound growth over the FY2021 to FY2023 performance period is achieved respectively.

ATSR performance is measured based on the 10-day volume weighted average share price (VWAP) of the Company from date of listing and compared to the 30-day VWAP until 31 March 2024 (inclusive) assuming dividends are reinvested. If the ATSR from the date of listing to 31 March 2024 is 8 percent or greater, the grant will become 100 percent performance qualified. 25 percent or 50 percent will vest if at least 2 percent or 4 percent of ATSR is achieved from the date of listing to 31 March 2024 respectively. The expiry date of the options is 31 March 2026.

Assumptions	Tranche 1 ATSR Performance Hurdle	Tranche 2 EPS Performance Hurdle
Grant Date	29-Jun-21 (2020: 31-Dec-20)	29-Jun-21 (2020: 31-Dec-20)
Number of option granted*	733,055 (2020: 800,843)	733,055 (2020: 800,843)
Fair value per option*	$1.98 (2020: $1.66)	$3.90 (2020: $3.97)
Vesting Date	31-Mar-24 (2020: 31-Mar-23)	31-Mar-24 (2020: 31-Mar-23)
Expiry Date	31-Mar-26 (2020: 31-Mar-25)	31-Mar-26 (2020: 31-Mar-25)
Expected Future Volatility	40% (2020: 35%)	40% (2020: 35%)
Risk Free Rate	0.78% (2020: 0.34%)	0.78% (2020: 0.34%)
Dividend Yield	3% (2020: 3%)	3% (2020: 3%)
Share price at issue date	$4.24 (2020: $4.24)	$4.24 (2020: $4.24)

MINNOVO OPTION PLAN

In September 2021, Minnovo options were issued to current employees who were previously shareholders of a subsidiary acquired by DRA. The options were issued to retain and incentivise these key employees to remain with DRA for at least two years.

A total of 150,000 of the options at a fair value of $3.60 per option were granted. The options will vest at the end of 30 June 2023 subject to the employees remaining in the Company. Once vested, the options remain exercisable for a period of two years.

	Exercise price of option 2022	Number of options 2022	Exercise price of option 2021	Number of options 2021
Opening balance	$0.00	150,000	$0.00	-
Issued during the year	$0.00	-	$0.00	150,000
Forfeited during the year	$0.00	-	$0.00	-
Closing balance		150,000		150,000
Weighted average remaining contractual life of options outstanding at the end of the period		2.5 years		3.5 years

FY2022 SHARE OPTION PLAN

During the year ended 31 December 2022, the Company granted 929,466 options to the value of $1,456K to key employees. The FY2022 Share Option Plan will vest subject to the satisfaction of performance hurdles associated with following tranches: Earnings Per Share (EPS or Tranche 1) (50 percent of the grant value); Absolute Total Shareholder Return (ATSR or Tranche 2) (30 percent of the grant value); Relative Total Shareholder Return vs Peers (RTSR Peers or Tranche 3) (10 percent of the grant value); and, Relative Total Shareholder Return vs Index (RTSR Index or Tranche 4) (10 percent of the grant value).

EPS performance will be assessed against compound annual growth rate targets set by the Board. The compound annual growth rate is calculated by comparing the FY2024 actual EPS to the FY2023 budgeted EPS compounded over a two year period. If the compound annual growth rate is 6 percent or greater, the grant will become 100 percent performance qualified. 25 percent or 50 percent will vest if at least 2 percent or 4 percent compound growth is achieved respectively.

ATSR performance is measured based on the volume weighted average share price (VWAP) of the Company from 1 January 2022 up to and including 30 September 2022 compared to the 10-day VWAP until 31 March 2025 (inclusive) assuming dividends are reinvested. If the ATSR is 15 percent or greater, the grant will become 100 percent performance qualified. 25 percent or 50 percent will vest if at least 5 percent or 10 percent of ATSR is achieved respectively.

RTSR Peers performance is measured based on the ATSR for the Company compared against a peer group of ASX-listed companies for the period 1 October 2022 to 31 March 2025 and ranked in order. If DRA is in the 75th percentile of the peer group, the grant will become 100 percent performance qualified. 25 percent or 50 percent will vest if DRA is in the 40th or 50th percentile respectively.

RTSR Index performance is measured based on the ATSR for the Company compared against the FTSE/JSE Mid Cap Index (Index) performance for the period 1 October 2022 to 31 March 2025. If DRA's ATSR is in excess of 2 percent of the Index, the grant will become 100 percent performance qualified. 25 percent or 50 percent will vest if the ATSR is equal to 99 percent of the Index or the Index respectively.

The expiry date of the options is 31 March 2027.

The assessed fair value at grant date for the options issued was independently valued after taking into account the performance hurdles and other assumptions.

The fair value of the options for the FY2022 Share Option Plan is measured using Monte-Carlo simulation and Binomial models with the following inputs:

Assumptions	Tranche 1 EPS Performance Hurdle	Tranche 2 ATSR Performance Hurdle	Tranche 3 RTSR Peer Performance Hurdle	Tranche 4 RTSR Index Performance Hurdle
Grant date	16-Dec-22	16-Dec-22	16-Dec-22	16-Dec-22
Number of option granted	464,733	278,840	92,947	92,947
Fair value per option	2.00	1.07	1.27	1.19
Vesting date	31-Mar-25	31-Mar-25	31-Mar-25	31-Mar-25
Expiry date	31-Mar-27	31-Mar-27	31-Mar-27	31-Mar-27
Expected future volatility	50%	50%	50%	50%
Risk free rate	3.24%	3.24%	3.24%	3.24%
Dividend yield	NIL	NIL	NIL	NIL
Share price at issue date	2.00	2.00	2.00	2.00

RECOGNITION AND MEASUREMENT

The fair value of equity-settled share-based payments granted to employees under the Employee Incentive Scheme is recognised as an employee benefit expense over the relevant service period, being the vesting period of the share-based payments, with a corresponding increase in equity. The fair value is measured at the grant date of the share-based payments including any market performance condition and impact of any non-vesting conditions. At the end of each period, the Group revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates in profit or loss with a corresponding adjustment to equity.

SIGNIFICANT JUDGEMENTS AND ESTIMATES

VALUATION OF SHARE-BASED PAYMENTS

The Group is required to estimate the fair value of equity-settled share-based payment transactions with employees at the grant date. Estimating the fair value requires determination of the most appropriate valuation model which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the earnings multiples, expected life of the share rights, volatility and dividend yield where applicable. The Group has applied the earnings multiples model or Black Scholes option pricing model and Binomial model to estimate the fair value of the rights with non-market-based vesting conditions. A hybrid employee share option pricing model and the Monte Carlo simulation have been applied to estimate the fair value of rights with market-based vesting conditions.

SHARE-BASED PAYMENT EXPENSE

The recognition of share-based payment expense involves making estimates and assumptions about the number of equity instruments being vested. The vesting of these equity instruments is subject to achievement of predetermined market and non-market performance conditions, and service conditions. If the non-market performance conditions or service conditions are not met during the vesting period then the estimated number of equity instruments can be revised, reducing the share-based payment expense.

NOTE 37. REMUNERATION OF AUDITORS

The following fees were paid or payable for services provided by BDO Audit (WA) Pty Ltd, the group auditor of the Company and its network firms:

	2022 $	2021 $
Audit services - BDO Audit (WA) Pty Ltd		
Audit or review of the financial statements	760,213	641,433
Other services - BDO Audit (WA) Pty Ltd		
Tax services	-	566,112
IPO related services	-	511,612
Remuneration advisory services	-	47,200
Audit or review of non-financial statements (including internal audit)	23,072	-
	23,072	1,124,924
Total services - BDO Audit (WA) Pty Ltd	783,285	1,766,357
Audit services - BDO network firms		
Audit or review of the financial statements	1,071,312	949,852
Other services - BDO network firms		
Tax services	158,670	183,363
Corporate advisory services	10,400	148,049
	169,070	331,412
Total services - BDO network firms	1,240,382	1,281,264

NOTE 38. NEW STANDARDS AND INTERPRETATIONS

NEW OR AMENDED ACCOUNTING STANDARDS AND INTERPRETATIONS ADOPTED

The Group has applied the following standards and amendments for the first time for the annual reporting period commencing 1 January 2022:

- AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018–2020 and Other Amendments (AASB 1, AASB 3, AASB 9, AASB 116, AASB 137 & AASB 141); and
- AASB 2021-3 Amendments to Australian Accounting Standards - COVID-19-Related Rent Concessions beyond 30 June 2021.

The Group has reviewed these amendments and concluded that none have a significant impact on the Group.

NEW ACCOUNTING STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

A number of new standards, amendments to standards and interpretations are effective for annual reporting periods beginning on or after 1 January 2023, and have not been applied in preparing the consolidated financial statements. The Group's assessment of the impact of these new standards, amendments to standards and interpretations is set out below:

Description	AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current (AASB 101) AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date (AASB 101)
Impact on Group Financial Report	It is not expected that there will be a material impact to the Group as a result of this amendment to the standard.
Application of standard	1 January 2023
Description	AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates (AASB 7, AASB 101, AASB 108, AASB 134 & AASB Practice Statement 2) AASB 2021-6 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards (AASB 1049, AASB 1054 and AASB 1060)
Impact on Group Financial Report	It is not expected that there will be a material impact to the Group as a result of this amendment to the standard.
Application of standard	1 January 2023
Description	AASB 2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction (AASB 112)
Impact on Group Financial Report	The impact is only limited to Australian subsidiaries currently preparing statutory accounts under special purpose framework.
Application of standard	1 January 2023

Several other amendments to standards and interpretations will apply on or after 1 January 2023, and have not yet been applied, however they are not expected to have a material impact on the Group's consolidated financial statements.

NOTE 39. OTHER SIGNIFICANT ACCOUNTING POLICIES

OTHER REVENUE

Other revenue is recognised when it is received or when the right to receive payment is established.

DIVIDENDS

Dividends are recognised, in profit or loss, when the right to receive payment has been established.

INTEREST

Interest is recognised, in profit or loss, using the effective interest rate method unless it is doubtful.

GOVERNMENT GRANTS

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

CURRENT AND NON-CURRENT CLASSIFICATION

An asset is classified as current when:

- it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle;
- it is held primarily for the purpose of trading;
- it is expected to be realised within 12 months after the reporting period; or
- the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- it is either expected to be settled in the Group's normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within 12 months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

DERIVATIVE FINANCIAL INSTRUMENTS

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in profit or loss and are included in other gains/(losses).

INVESTMENTS AND FINANCIAL ASSETS

RECOGNITION AND DERECOGNITION

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

CLASSIFICATION AND INITIAL MEASUREMENT OF FINANCIAL ASSETS

Financial assets are classified according to their business model and the characteristics of their contractual cash flows and are initially measured at fair value adjusted for transaction costs (where applicable).

SUBSEQUENT MEASUREMENT OF FINANCIAL ASSETS

For the purpose of subsequent measurement, financial assets, other than those designated and effective as hedging instruments, are classified into the following two categories:

- Financial assets at fair value through profit or loss (FVTPL); and
- Financial assets at amortised cost.

FINANCIAL ASSETS AT FVTPL

Financial assets at FVTPL comprise quoted and unquoted equity instruments which the Group had not irrevocably elected, at initial recognition or transition, to classify at fair value through other comprehensive income (FVOCI). This category would also include debt instruments whose cash flow characteristics fail the SPPI (Solely Payments of Principal and Interest) criterion or are not held within a business model whose objective is either to collect contractual cash flows, or to both collect and sell contractual cash flows.

Financial assets not measured at amortised cost or at FVOCI are classified as financial assets at FVTPL. Typically, such financial assets will be either (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative, or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

FINANCIAL ASSETS AT AMORTISED COST

Financial assets with contractual cash flows representing SPPI and held within a business model of 'hold to collect' contractual cash flows are accounted for at amortised cost using the effective interest method. The Group's trade and most other receivables fall into this category of financial instruments.

A financial asset is measured at amortised cost only if both of the following conditions are met (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

EXPECTED CREDIT LOSSES

The Group assesses on a forward-looking basis the expected credit losses (ECL) associated with its debt instruments carried at amortised cost and FVTOCI.

The ECL methodology applied depends on whether there has been a significant increase in credit risk. The Group makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance at the amount equal to the ECL losses. In using this practical expedient, the Group uses its historical experience, external indicators and forward-looking information to calculate the ECL using a provision matrix.

For other financial assets, the ECL is based on either the 12-month or lifetime ECL. The 12-month ECL is the portion of lifetime ECLs that results from default events on a financial instrument that are possible within 12 months after the reporting date. When there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL.

In all cases, the Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due. The Group considers a financial asset in default when contractual payment are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

IMPAIRMENT OF NON-FINANCIAL ASSETS

The Group assesses, at the end of each reporting period, whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit (CGU) to which the asset belongs is determined.

The recoverable amount of an asset or a CGU is the higher of its fair value less costs to sell and its value-in-use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being operating segments.

An impairment loss is recognised for CGUs if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment loss is allocated to reduce the carrying amount of the assets of the unit in the following order:

- first, to reduce the carrying amount of any goodwill allocated to the CGU; and
- then, to the other assets of the unit, pro rata on the basis of the carrying amount of each asset in the unit.

The Group assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss.

NOTE 40. EVENTS AFTER REPORTING PERIOD

On 23 February 2023, the Company was notified that Andrew Naudé (previous CEO) filed an Originating Application in the Federal Court of Australia against the Company, its Directors, some members of management and other respondents. DRA is taking legal advice in relation to defending the claims. No other matters or circumstances have arisen that have significantly affected or may significantly affect the operations of DRA Global Limited, the results of those operations, or the state of affairs of DRA Global Limited in subsequent years that is not otherwise disclosed in this report.

DIRECTORS' DECLARATION

In the Directors' opinion:

- the consolidated financial statements and notes comply with the *Corporations Act 2001*, the Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the consolidated financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the consolidated financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the financial 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.

The Directors have been given the declarations required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the Board of Directors.

On behalf of the Directors

Peter Mansell
Chair

28 February 2023

AUDIT DECLARATION OF INDEPENDENCE

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DECLARATION OF INDEPENDENCE BY NEIL SMITH TO THE DIRECTORS OF DRA GLOBAL LIMITED

As lead auditor of DRA Global Limited for the year ended 31 December 2022, 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 audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of DRA Global Limited and the entities it controlled during the period.

Neil Smith
Director

BDO Audit (WA) Pty Ltd

Perth

28 February 2023

INDEPENDENT AUDITOR'S REPORT

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INDEPENDENT AUDITOR'S REPORT

To the members of DRA Global Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of DRA Global Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss, consolidated statement of other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of the Group's financial position as at 31 December 2022 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with 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 our audit of the 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 in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue from Contracts with Customers

Key audit matter	*How the matter was addressed in our audit*
The Group generates a significant portion of its revenue from long-term customer contracts for design, procurement, construction and the operation and maintenance of mineral process plants in the form of EPC and EPCM contracts ("construction contracts") as disclosed in Note 3, of the financial report. Revenue recognition is a key audit matter due to the significance of revenue generated from construction contracts and the accounting for construction contracts involving significant levels of judgement around: • Identifying the performance obligation; • Determining the transaction price; • Assessing the stage of completion of satisfying the identified performance obligation; • Forecasting the costs to complete the contractual works; and • Variable consideration.	Our procedures included, but were not limited to the following: • Evaluating key controls over management's processes in the preparation, review and authorisation of monthly project review reports; • Understanding management's control over the significant estimates made in the recognition of revenue, including variable consideration; • Obtaining an understanding of the terms and conditions of a sample of contracts with customers and comparing to management's assessment of the contract; • Testing payroll hours incurred and the corresponding charging of hours to customers at contracted rates; • Assessing forecast costs to complete through discussions with project managers; • Testing a sample of actual costs incurred on contracts with customers and agreeing to supporting documentation; • Assessing management's assessment of the transaction price for a sample of contracts with customers and challenging the estimates made on variable consideration and uncertified claims; • Considering exposure to penalties and liquidated damages; • Reviewing the accounting for foreign exchange on amounts invoiced in advance of recognition of revenue; and • Considering the adequacy of disclosures in Note 3 of the financial report

Impairment testing of Goodwill

Key audit matter	*How the matter was addressed in our audit*
Note 17 of the financial report discloses the carrying value of goodwill and the assumptions which have been used by the Group in testing for impairment. As required by Australian Accounting Standards, the Group has performed an annual impairment test for each cash generating unit ("CGU") to which goodwill has been allocated to determine whether the recoverable amount exceeds or is below the carrying amount. Impairment testing of goodwill was assessed as being a key audit matter as management's assessment of the recoverable amount is based on value in use ("VIU") cash flow forecasts which requires estimates and judgements about future financial performance. The VIU calculations include significant judgements such as: • Contract pipeline; • Long term growth rates; • Forecast gross profit margins; and • Discount rates.	Our procedures included, but were not limited to the following: • Evaluating management's determination of the Group's CGU's to ensure they are appropriate, including being at a level no higher than the operating segments of the Group; • Evaluating the processes and controls in place over the Groups budgeting process upon which the VIU cash flow forecasts are based; • Understanding the business processes undertaken by management in assessing for impairment; • Holding discussions with management to understand the financial performance of each CGU and the plan for the coming 12 months. This included understanding the changes implemented within the APAC business to improve profitability in FY23; • Corroborating management's expectations to supporting documentation where applicable; • Challenging key assumptions used in the VIU such as gross profit margins and probabilities applied to pipeline opportunities; • Involving our internal valuation specialists in assessing the discount rates applied to each CGU; • Testing the arithmetic accuracy of the VIU models; • Performing sensitivity analysis to stress test the recoverable amount using different key assumptions; and • Considering the adequacy of disclosures in Note 17 of the financial report.

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Onerous Contract Provisions and Contingent Liabilities

Key audit matter	How the matter was addressed in our audit
At 31 December 2022, the Group's statement of financial position includes a provision for loss making contracts as disclosed in Note 21. In addition, at times the Group is exposed to risks associated with claims, counterclaims, disputes and litigation for its contracts with customers that may be material. There is a significant level of estimation and judgement involved in the calculation of the provision. The assessment of potential liabilities associated with claims, counterclaims, disputes and litigation can require significant judgement to be exercised based on the information available to the Group at the time. This was determined to be a key audit matter due to the nature of the provision and its material impact on the financial report.	Our procedures included, but were not limited to the following: • Reviewing the minutes of the Group's key governance meetings (Audit & Risk Committee, Board of Directors) and discussing details in the Group risk register; • Reviewing position papers prepared by management on key contracts with customers, including the updated assessment of provisions and contingent liabilities; • Agreeing details included in management's position papers to relevant supporting documentation and holding discussion with project managers and regional executives to obtain an update on the status; • Reviewing the year end provisions balance and obtaining support for movements in the provision during the year; • Holding discussions with in-house legal counsel on the status of certain matters relevant to the provisions and contingent liabilities; and • Considering the adequacy of disclosures in Note 21 and Note 28 of the financial report.

Recoverability of Other Financial Assets

Key audit matter	How the matter was addressed in our audit
At 31 December 2022, the Group's statement of financial position includes other financial assets at amortised cost as disclosed in Note 14. The groups accounting policy on expected credit losses is stated in Note 39. There is a significant level of estimation and judgement involved in the assessment of recoverability of amounts including the calculation of expected credit loss provisions based on information available to the Group at the time.	Our procedures included, but were not limited to the following: • Reviewing position papers prepared by management on the recoverability of other financial assets including the updated assessment of expected credit losses; • Reviewing documentation supporting other financial assets included in Note 14;

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Key audit matter	How the matter was addressed in our audit
This was determined to be a key audit matter due to significant management judgement in the application of assumptions surrounding the determination of expected credit loss provisions, and the material impact of other financial assets to the financial report.	• Examining supporting information available to the Group at the time of the assessment supporting managements expected credit loss calculations; • Holding discussions with management and challenging assumptions regarding the level of provisioning of financial assets that demonstrate a deterioration in credit risk; • Holding discussions with in-house legal counsel on the status of certain matters relevant to the determination of expected credit loss provisions; • Considering the adequacy of disclosures in Note 14 and Note 39 of the financial report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 31 December 2022, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 31 December 2022.

In our opinion, the Remuneration Report of DRA Global Limited, for the year ended 31 December 2022, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit (WA) Pty Ltd

BDO

Neil Smith
Director

Perth, 28 February 2023

ADDITIONAL INFORMATION

ASX ADDITIONAL INFORMATION

Additional information required by the Australian Securities Exchange and not shown elsewhere in the FY2022 Annual Report is detailed below. The information was current as at 10 February 2023.

NUMBER AND DISTRIBUTION OF EQUITY SECURITIES

The number of holders, by size of holding, in each class of equity securities is set out below:

	Shares		
	# Holders	Total	%
1 - 1,000	603	93,948	0.17
1,001 - 5,000	196	523,732	0.96
5,001 - 10,000	48	338,550	0.62
10,001 - 100,000	114	4,202,157	7.72
100,001 and over	64	49,252,111	90.52
Total	1,025	54,410,498	100

	Upside Participation Rights			ZEPOs Expiring 31/3/2024			ZEPOs Expiring 30/1/2025		
	# Holders	Total	%	# Holders	Total	%	# Holders	Total	%
1 - 1,000	-	-	-	-	-	-	-	-	-
1,001 - 5,000	-	-	-	-	-	-	4	16,843	66.67
5,001 - 10,000	-	-	-	2	18,588	8.84	1	8,421	33.33
10,001 - 100,000	-	-	-	4	191,618	91.16	-	-	-
100,001 and over	2	25,000,000	100	-	-	-	-	-	-
Total	2	25,000,000	100	6	210,206	100	5	25,264	100

	ZEPOs Expiring 31/3/2025			ZEPOs Expiring 30/6/2025			ZEPOs Expiring 31/3/2026		
	# Holders	Total	%	# Holders	Total	%	# Holders	Total	%
1 - 1,000	-	-	-	-	-	-	-	-	-
1,001 - 5,000	8	34,645	3.25	-	-	-	37	142,693	15.84
5,001 - 10,000	30	224,646	21.08	-	-	-	24	187,500	20.81
10,001 - 100,000	34	806,165	75.66	5	150,000	100	18	570,746	63.35
100,001 and over	-	-	-	-	-	-	-	-	-
Total	72	1,065,456	100	5	150,000	100	79	900,939	100

* ZEPO is a zero-exercise price option.

There were 483 holders of less than a marketable parcel of shares (255 shares or fewer) based on the closing price of shares on the ASX on 10 February 2023.

EQUITY SECURITY HOLDERS

The names of the 20 largest holders of quoted equity securities (fully paid ordinary shares) are listed below:

	Name of Holder	Number Held	Percentage of Issued Shares
1	Gency Support Limited	6,624,654	12.18
2	Apex Partners Holdings Pty Ltd	5,534,821	10.17
3	Momentum Securities Nominees (Pty) Ltd	4,144,313	7.62
4	Lion Steps (Pty) Ltd	4,123,340	7.58
5	Anchor High Equity Worldwide Snn Qi	3,913,618	7.19
6	Harrington Investment Holdings Pty Limited	1,922,859	3.53
7	Citicorp Nominees Pty Limited	1,660,053	3.05
8	Kilmarnock Investments Holdings (Pty) Ltd	1,476,616	2.71
9	Woodmead Ashes (Pty) Ltd	1,100,110	2.02
10	Buttonwood Nominees Pty Ltd	729,685	1.34
11	Salt Rock Holdings Pty Ltd	639,366	1.18
12	Vespera Pty Ltd	627,879	1.15
13	Thestfield Pty Ltd	627,879	1.15
14	Thimsian Pty Ltd	627,879	1.15
15	Nabugraph Pty Ltd	627,879	1.15
16	Pro Liberi Investments Pty Ltd	627,879	1.15
17	Andrew James Naudé*	617,952	1.14
18	Alistair Ruth (Pty) Ltd	598,666	1.10
19	Howgold Enterprises (Pty) Ltd	574,499	1.06
20	GSPC Trading And Refining (Pty) Ltd	563,584	1.04
		37,363,531	68.66

* The shares held in the name of Andrew James Naudé are in the course of being transferred to Apex Partners Holdings Pty Ltd.

The 25,000,000 Upside Participation Rights (UPR) on issue are held by BPESAM IV M Limited (holds 12,500,000) and BPESAM IV N Limited (holds 12,500,000).

SUBSTANTIAL HOLDERS

The following shareholders have declared a relevant interest in the number of voting shares at the date of giving a substantial shareholder notice under Part 6C.1 of the *Corporations Act 2001* as at 10 February 2023.

	Shares	
Name of Holder	Number Held	Percentage
Apex Partners Holdings Pty Ltd	10,489,863	19.28%
Gency Support Limited	6,642,339	12.25%
Leon and Stella Uys (Lion Steps (Pty) Ltd)*	4,123,340	7.60%
Anchor High Equity Worldwide Snn Qi	3,913,423	7.22%
VMF Investments Limited**	3,075,615	5.65%

* Some of these shares are in the course of being transferred to third party buyers.

** These shares were sold in December 2022 to Apex Partners – see ASX announcement dated 12 December 2022. A notice of ceasing to be a substantial holder has not been lodged with ASX by VMF Investments Limited.

There may be differences between this information and the list of the top 20 largest shareholders due to differences between registered holder details, the nature of a holder's relevant interest in voting shares, or movements of less than 1 percent which do not require disclosure.

VOTING RIGHTS

The voting rights attaching to each class of equity securities are detailed below:

- Fully paid ordinary shares – each holder present at a general meeting (whether in person, online, by proxy or by representative) is entitled to one vote on a show of hands, or on a poll, one vote for each share subject to any voting restrictions that may apply; and
- Options – no voting rights.

ON-MARKET SHARE BUY-BACK

DRA is not currently conducting an on-market buy-back of its shares on the ASX or the JSE.

RESTRICTED SECURITIES AND VOLUNTARILY ESCROWED SECURITIES

There are no securities on issue which are restricted securities or securities subject to voluntary escrow.

ASX WAIVER CONDITIONS

As part of DRA's listing on the ASX, it obtained a confirmation from the ASX that the terms of the 25,000,000 UPRs proposed to be issued (and now on issue) to BPESAM IV M Limited and BPESAM IV N Limited by the Company are appropriate and equitable for the purposes of ASX listing rule 6.1 on the following conditions.

The Company discloses the following in each annual report, annual audited financial accounts and half yearly report issued by the Company in respect of any period during which any of the UPRs remain on issue or were converted or cancelled:

- the number of UPRs on issue during the relevant period – there were 25,000,000 UPRs on issue during the reporting period, and there remains 25,000,000 UPRs on issue as at the date of this report;
- a summary of the terms and conditions of the UPRs, including without limitation the number of ordinary shares into which they are convertible and the relevant milestones as follows;
- whether any of the UPRs were converted or cancelled during that period – no UPRs were converted or cancelled during the reporting period; and
- the number of UPRs converted during the period – no UPRs were converted during the reporting period.

SUMMARY OF TERMS AND CONDITION OF THE UPRS

Issuer	DRA Global Limited.
Initial Holders	BPESAM IV M Limited and BPESAM IV N Limited.
Initial Grant	25,000,000 UPRs.
UPR Value	The value of each UPR is determined as the 30-day VWAP of Shares minus $3.10. The UPR value of each UPR is capped at $3.40, such that the maximum value of all UPRs currently held is $85,000,000.
Conversion to Shares	The UPRs convert into the shares based on the UPR value at the time of exercise, divided by the 30-day VWAP of shares at the time of UPR exercise.
Cash settlement option	DRA may elect to settle the exercise of UPRs by payment of the UPR value using immediately available funds.
Commencement Date	Announcement of DRA's FY2021 full year financial results to the ASX. The holder will be released from these escrow obligations with respect to 50 percent of the UPRs if at any date from the ASX listing the 30-day VWAP of shares exceeds the Offer Price by 25 percent.
Expiry Date	31 December 2023.
Exercise Period	The UPRs may only be exercised between the commencement date and the expiry date.
Early exercise	The holders may elect to reduce up to 30 percent of the UPRs prior to the expiry date if they do not elect to reduce their UPR holding via the IPO offer.
Automatic exercise on the Expiry Date	If the UPRs have a UPR value greater than zero and have not been exercised prior to the expiry date, then the UPRs are deemed to be exercised on the expiry date and subsequently cancelled.
Expert Valuation	If the total value of the shares issued under or sold into the IPO offer or traded from the ASX listing date to the expiry date is less than $20,000,000, and the UPRs have not been fully exercised before the expiry date, the UPR value will be determined by an independent expert based on a fair market valuation of a Share rather than the 30-day VWAP.
Minimum exercise	The minimum number of UPRs that can be exercised at any one time is three million.
Liquidity event	If DRA announces: • receipt of a takeover bid under Chapter 6 of the *Corporations Act 2001* to acquire all or a majority of the shares, and that takeover bid is recommended by the DRA Board of Directors or accepted by the holders of more than 50 percent of the shares; • a scheme of arrangement under Part 5.1 of the *Corporations Act 2001* to acquire all of the shares; or • a transaction to acquire all (or a majority) of the business assets of DRA, the UPR holders are entitled to an early exercise of their UPRs for shares (based on the price for shares implied by the liquidity event described above) so that they may participate in the relevant transaction as a shareholder.
Adjustments	The 'strike price' ($3.10), 'maximum cap' ($6.50) or the number of UPRs (25,000,000) (or a combination thereof) will be subject to adjustment in the following circumstances: • where DRA pays a dividend or capital distribution to the holders of shares; • for bonus issues, share splits and share consolidations; and • for pro-rata entitlement offers. None of these adjustments increase the maximum value of the UPRs. There are no other adjustments to the UPR terms and conditions.
Buy-back right	DRA may buy-back the UPRs at any time for cash consideration by paying the maximum value of the UPRs to the UPR holders.
Transferability	The UPRs may be transferred to a third-party purchaser, provided that DRA has a right of first offer on the sale of the UPRs to a third-party. If DRA exercises that right it must purchase the shares on the same terms as they were offered to the third-party.

GLOSSARY

AGM	Annual General Meeting
AMER	Americas
APAC	Australia, Asia Pacific
ASX	Australian Securities Exchange
B-BBEE	Broad-Based Black Economic Empowerment
CCSO	Chief Corporate Services Officer
CEO	Chief Executive Officer
CFO	Chief Financial Officer
COO	Chief Operating Officer
DFS	Definitive feasibility study
EBIT	Earnings before interest and taxes
EBITDA	Earnings before interest, taxes, depreciation and amortisation
EMEA	Europe, the Middle East and Africa
EPC	Engineering, procurement and construction
EPCM	Engineering, procurement, and construction management
EPS	Earnings per share
ESG	Environmental, social and governance
FEED	Front-end emgineering design
H1	First half
H2	Second half
HSE	Health, safety and environment
IPO	Initial public offering
JSE	Johannesburg Stock Exchange
KMP	Key Management Personnel
kV	Kilovolts
LTI	Long-term incentive
LTIFR	Lost time injury frequency rate
LTIP	Long-term incentive plan
MTPA	Million tonnes per annum
NED	Non-Executive Director
NPAT	Net profit after tax
O&M	Operations and maintenance
PGM	Platinum group metals
STI	Short-term incentive
TFR	Total Fixed Remuneration
TRIFR	Total recordable injury frequency rate
TSR	Total shareholder return
UPR	Upside Participation Rights

DISCLAIMERS

FORWARD-LOOKING STATEMENTS

This report contains certain forward-looking statements (including financial forecasts) with respect to the financial condition, operations and business of the Company and certain plans and objectives of the management of DRA. Forward-looking statements can be identified by the use of forward-looking terminology, including without limitation, the terms "believe", "estimates", "anticipates", "expects", "predicts", "intends", "plans", "goals", "targets", "aims", "outlook", "guidance", "forecasts", "may", "will", "would", "could" or "should" or, in each their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts.

Such forward-looking statements involve known and unknown risks, uncertainties and other factors which because of their nature may cause the actual results or performance of the Company to be materially different from the results or performance expressed or implied by such forward looking statements.

Such forward-looking statements are based on numerous assumptions regarding DRA's present and future business strategies and the political and economic environment in which DRA will or may operate in the future, which may not be reasonable, and are not guarantees or predictions of future performance. No representation is made that any of these statements or forecasts will come to pass or that any forecast result will be achieved, or that there is a reasonable basis for any of these statements or forecasts.

Forward-looking statements speak only as at the date of this report and to the full extent permitted by law, DRA and its respective affiliates and related bodies corporate and each of their respective related parties and intermediaries disclaim any obligation or undertaking to release any updates or revisions to information to reflect any change in any of the information contained in this report (including, but not limited to, any assumptions or expectations set out in the report).

NON-IFRS FINANCIAL INFORMATION

DRA's results are reported under the Australian Accounting Standards as issued by the Australian Accounting Standards Board which are compliant with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

DRA discloses certain non-IFRS measures including Earnings Per Share (excluding valuation of UPRs) and Headline Earnings per Share that are not prepared in accordance with IFRS. These non-IFRS measures should only be considered in addition to and not as a substitute for, other measures of financial performance prepared in accordance with IFRS.

NOT FINANCIAL PRODUCT ADVICE

This report is for information purposes only and is not a financial product or investment advice or recommendation to acquire DRA securities (or any interest in DRA securities) and does not take into consideration the investment objectives, financial situation or particular needs of any particular investor.

You should make your own assessment of an investment in DRA and should not rely on this report. In all cases, you should conduct your own research of the Company and analysis of the financial condition, assets and liabilities, financial position and performance, profits and losses, prospects and business affairs of DRA and its business, and the contents of this report. You should seek legal, financial, tax and other advice appropriate to your jurisdiction.

CORPORATE DIRECTORY

DIRECTORS

Peter Mansell
Chair and Independent Non-Executive Director

Lee (Les) Guthrie
Independent Non-Executive Director

Paulus (Paul) Lombard
Independent Non-Executive Director

Jonathan (Johnny) Velloza
Independent Non-Executive Director

CHIEF EXECUTIVE OFFICER

James Smith

CHIEF FINANCIAL OFFICER

Michael Sucher

CHIEF OPERATING OFFICER

Alistair Hodgkinson

CHIEF CORPORATE SERVICES OFFICER

Bronwyn Baker

COMPANY SECRETARY

Ben Secrett

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and at

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AUDITOR

BDO Audit (WA) Pty Ltd

Level 9, Mia Yellagonga Tower 2, 5 Spring Street, Perth WA 6000, Australia

PRINCIPAL BANKERS

HSBC Bank Australia (HSBC)

Level 1, 188-190 St Georges Terrace, Perth WA 6000, Australia

Rand Merchant Bank (RMB)

1 Merchant Place, Cnr Fredman Drive and Rivonia Road Sandton, Johannesburg Gauteng 2196, South Africa

STOCK EXCHANGE LISTINGS

DRA Global Limited fully paid ordinary shares are listed on the following exchanges.

- Australian Securities Exchange – ASX Code: DRA
- Johannesburg Stock Exchange – JSE Code: DRA

INCORPORATION

DRA Global Limited is incorporated in Australia as a public company limited by shares.

- ACN 622 581 935
- ABN 75 622 581 935

WEBSITE AND EMAIL CONTACT

www.draglobal.com

info@draglobal.com

2023 ANNUAL GENERAL MEETING

DRA Global Limited's Annual General Meeting is scheduled for 9 May 2023 at a time and place (in Johannesburg) to be announced.

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