
CHAIRMAN'S REPORT FOR THE FIRST HALF ENDED 31 DECEMBER 2025

On behalf of the Board of Directors, I am pleased to present the report on the activities and unaudited financial results of the Company for the Six Months period ending 31 December 2025.

1. Operating Results

For the Six-month period ending 31 December 2025, the Group achieved an 88% year-on-year increase in revenue, reaching RO 8.212 million, compared to RO 4.372 million in the corresponding period last year. This substantial growth was primarily driven by the strong performance of the drilling and blasting operations in the Sultanate of Oman, along with the gradual recommencement of operations in the UAE.

Looking ahead, the Group anticipates further improvement in turnover, supported by the continued strengthening of its drilling and blasting operations in the UAE.

The Parent Company reported an operating profit of R.O 0.900 million, representing a 88% increase compared to RO 0.478 million recorded during the same period last year. The parent company archived a net profit during the reporting period of R.O 0.324 million compared to net loss of R.O 0.128 during the same period of the past fiscal year.

At the consolidated level, the Group achieved an operating profit of RO 0.965 million, marking a significant turnaround from the operating loss of RO 0.379 million reported in the corresponding period of the previous year.

The Group's consolidated net loss narrowed significantly to RO 0.361 million, compared to RO 1.543 million in the prior-year period, reflecting continued progress in strengthening the Group's operational and financial performance across Oman and the UAE.

2. Operations

In Oman, the Group recorded an 88% increase in revenue compared to the previous year, driven by ongoing infrastructure projects and the commencement of new projects during the first half of the financial year. With a strong pipeline of additional projects expected during the year, operations are projected to sustain their current momentum. The Group is well positioned to capitalize on emerging opportunities, supported by the operational resources enhanced during the first quarter.

The gypsum operations, managed by Awam Minerals Co., reported an average production of 100,000 tons per month during the first half of the year. This marked improvement contributed positively to both revenue and cash flow.

In the UAE, drilling and blasting operations commenced gradually during the quarter. Management remains optimistic about returning to normal operating levels, supported by newly signed projects and additional contracts expected in the upcoming quarter.

The Group is particularly well positioned to benefit from the new explosives regulatory framework being introduced in the UAE, which will integrate explosives manufacturing with drilling and blasting operations under a single regulatory umbrella. This development is expected to enhance operational stability and strengthen the Group's competitiveness in the UAE market.

Meanwhile, explosives manufacturing operations at Geodynamics Mideast are in the final stages of completion. Production is scheduled to commence shortly, subject to final regulatory approvals. This important milestone will further strengthen the Group's presence in the UAE's drilling, blasting, and explosives sectors and is expected to provide a meaningful boost to overall business performance.

3. Health, Safety and the Environment

The Company continued to operate safely and efficiently throughout the quarter, maintaining full compliance with the highest safety standards and adhering to the explosive's regulations of the Royal Oman Police and the relevant UAE authorities.

No accidents or environmental incidents were reported during the period ended **31 December 2025**.

The Company also remained fully compliant with the Code of Corporate Governance and all other applicable laws, rules, and regulations during the quarter.

4. Future Outlook

The Group maintains a strong order book and is strategically positioned to secure additional infrastructure projects in Oman, which are expected to drive growth across its drilling, blasting, and explosives divisions. The mining segment is also expected to record a substantial increase in revenue, supported by sustained demand for gypsum, limestone, and other minerals.

In the UAE, drilling and blasting activities are steadily returning to normal operating levels, which is expected to further strengthen Group revenues. The Geodynamics explosives manufacturing facility, now in its final phase of regulatory approvals, is expected to commence production shortly.

The introduction of new explosives handling regulations during 2025–2026 presents fresh growth opportunities. The Group has already implemented proactive compliance measures and entered into technology collaboration with an established international player, ensuring it remains well positioned to reinforce its market leadership in the UAE and across the explosives, drilling, and blasting sectors.

5. Acknowledgements

The Board of Directors extends its sincere appreciation to His Majesty Sultan Haitham bin Tariq bin Taimur and the Government of Oman for their continued efforts toward national development and prosperity.

We also express our gratitude to the Royal Oman Police, the Ministry of Interior (UAE), and all other relevant government authorities, as well as our valued customers, bankers, and business partners, for their ongoing cooperation and support.

Haythem Mahmood Abd Al-Nabi Macki

Chairman