

## CHAIRMAN'S REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2026

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 nine-month period ending 31 March 2026.

### 1. Operating Results

For the nine-month period ended 31 March 2026, the Group achieved a 61% year-on-year increase in revenue, reaching RO 11.919 million compared to RO 7.421 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 explosives and drilling & blasting operations in the UAE.

The Parent Company reported an operating profit of RO 1.377 million, representing an 81% increase compared to RO 0.762 million recorded during the same period last year. The Parent Company achieved a net profit of RO 0.538 million during the reporting period compared to a net loss of RO 0.097 million during the corresponding period of the previous fiscal year.

At the consolidated level, the Group achieved an operating profit of RO 1.378 million, marking a significant turnaround from the operating loss of RO 0.380 million reported in the corresponding period of the previous year.

The Group's consolidated net loss narrowed significantly to RO 0.614 million, compared to RO 2.100 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 a 58% increase in revenue compared to the previous year, driven by ongoing infrastructure projects and the commencement of new projects during the first nine months of the current 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.

Gypsum operations, under Awam Minerals Co., reported an average production of 100,000 tons per month during the first nine months of the current financial year. This marked improvement contributed positively to both revenue and cash flow.

In the UAE, drilling and blasting operations recommenced gradually during the second quarter of the current financial year. Management remains optimistic about returning to normal operating levels, supported by newly signed projects and additional contracts expected during the last quarter of the current financial year.

The explosives manufacturing operations at Geodynamics Mideast have completed the ANFO production setup phase. Commercial 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 explosives and drilling & blasting sectors and is expected to provide a profound boost to overall business performance.

Meanwhile, 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.

### 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 March 2026**.

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 continues to closely monitor recent geopolitical developments in the region, which have contributed to increased costs for key raw materials, freight, and other related expenditures. Management remains confident that these impacts can be effectively mitigated through the direct sourcing of critical raw materials from manufacturers, thereby supporting effective cost control and enabling the Group to pass on a portion of the increased costs to customers, thereby maintaining overall cost stability.

The Group maintains a robust order book and is well positioned to secure additional infrastructure projects in Oman, which are expected to support growth across its drilling, blasting, and explosives divisions. In addition, the mining segment is anticipated to deliver strong revenue growth, supported by sustained demand for gypsum, limestone, and other minerals.

The Awam gypsum quarry is expected to be connected to the electricity network shortly, enabling double-shift operations and increasing average production to approximately 125,000–150,000 MT per month. This is expected to enhance Group revenues and support cash flow generation.

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 is expected to commence operations shortly. This development is anticipated to strengthen the Group’s position in the UAE market and help address the supply gap arising from recent regional developments. The Group expects to increase supply to the UAE market by approximately 800–1,000 MTs of ANFO per month starting from June–July 2026.

The Group also expects to receive the bulk system shortly following the introduction of the new explosives handling regulations. In preparation, the Group has already implemented proactive compliance measures and entered into a technology collaboration with an established international partner, ensuring it remains well positioned to reinforce its market leadership in the UAE 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**