REPORT TO SHAREHOLDERS

UNAUDITED INTERIM REPORT
FOR THE SIX MONTHS ENDED 30 JUNE 2026

SALIENT FEATURES FOR THE PERIOD

- Revenue in USD up 17.0% from USD 133.2 million to USD 155.8 million
- Headline earnings per share in USD up 16.7% from 9.6 cents to 11.2 cents
- Headline earnings per share in ZAR up 4,1% from 176,6 cents to 183,9 cents
- Profit after tax in USD decreased 3.9% from USD 18.1 million to USD 17.4 million
- Basic earnings per share in USD down 4.3% from 11.7 cents to 11.2 cents
- Basic earnings per share in ZAR down 14,6% from 215,3 cents to 183,9 cents
- Net asset value per share in USD up 11.5% from 148 cents to 165 cents
- Revenue pipeline of USD 1 062.3 million
- Committed order book of USD 400.9 million
- In line with the Company's past practice the Board did not declare an interim dividend and will consider an appropriate dividend at year-end
- Special dividend of 40,0 cents per share in ZAR terms relating to FY2025 was paid during August 2026

CONTENTS

COMMENTARY

ABOUT MASTER DRILLING

Master Drilling was established in 1986 and listed on the Johannesburg Stock Exchange Limited (JSE) in 2012. The Group delivers innovative drilling technologies and specialised mining services to blue-chip major and mid-tier clients across the mining, hydro-electric energy, civil engineering, construction and infrastructure sectors worldwide.

The Group is exposed to a broad range of commodities and geographies. Its business model combines specialised drilling solutions, tailor-made engineering, proprietary and mechanised technologies, and a flexible support and logistics chain. This breadth allows Master Drilling to participate across multiple stages of the mining and project-development life cycle while reducing dependence on any single geography, client or commodity.

Master Drilling is recognised globally for raise boring and continues to broaden its offering through exploration drilling, mechanised tunnelling and shaft development, remote and autonomous drilling, underground safety and tracking solutions, digital technologies and selected non-mining applications.

Commenting on the results for the six months ended 30 June 2026, Danie Pretorius, Chief Executive Officer of Master Drilling, said:

"Master Drilling is pleased to report a resilient first six months of 2026, achieving USD 155.8 million in revenue, reflecting a 17.0% increase compared to the same period in the prior year. This accomplishment comes against a backdrop of global market and economic uncertainty.

The first half of 2026 again demonstrated the value of Master Drilling's diversified operating model. Performance across the Group was mixed, with strong activity and new awards in a number of markets offset by project timing, client-driven delays and equipment availability constraints in selected operations. Our focus remains on disciplined execution, improving fleet utilisation, converting a healthy opportunity pipeline into profitable secured work and protecting cash returns. We continue to invest selectively in mechanisation, remote operations and digital capability where these technologies can materially improve safety, productivity and client economics. The Group remains well positioned to participate in the structural demand for mine development and specialist drilling services while maintaining a disciplined approach to capital allocation.

FINANCIAL OVERVIEW

Revenue increased 17.0% to USD 155.8 million and operating profit remained stable at USD 26.2 million compared to the corresponding period in 2025. These figures represent resilient results, despite uncertain market, economic and operating conditions experienced globally.

USD headline earnings per share (HEPS) increased 16.7% to 11.2 cents, and ZAR HEPS increased 4,1% to 183,9 cents. USD earnings per share (EPS) decreased 4.3% to 11.2 cents, and ZAR EPS decreased 14,6% to 183,9 cents.

Net cash generated from operations amounted to USD 1.9 million. This is on the back of investment in working capital associated with the significant increase in revenue. We continue to manage cash resources diligently to cater for emerging opportunities that require specific design, planning and investment.

Master Drilling's total capital spend of USD 4.3 million was applied as follows: 44% on expansion and 56% on sustaining the existing fleet

Interest-bearing borrowings increased from USD 60.4 million to USD 69.0 million. The gearing ratio, including cash, increased from 9.1% to 14.9% in the first six months of the 2026 fiscal year.

OPERATIONAL OVERVIEW

Safety and response to risk

Safety remains the Group's first operating priority. Management is therefore concentrating on critical-risk management, verification of critical controls, targeted compliance interventions and strengthened supervisory accountability in higher-risk activities and entities.

The Group continues to use mechanisation, remote operation and technology as key components of its longer-term strategy to reduce employee exposure to high-risk activities. Safety performance remains closely linked to operational discipline and is treated as a core driver of sustainable value creation.

Sustainability initiatives continued during the period. The Group reported a reduction in carbon emissions over the preceding 12 months, while additional water metering is improving visibility and control over water consumption. Social and community programmes remain focused on creating sustainable value in the regions in which Master Drilling operates.

South America

Performance across key operating territories yielded mixed results in the first half of the year, balanced by strong growth momentum and strategic market expansion. This region experienced growth primarily driven by the launch of flagship drilling operations, equipment mobilisation for new large-shaft projects, and a longer-term contract finalisation, with further growth anticipated in exploration and horizontal shaft development in the near future. Despite the growth already experienced, this region experienced project delays, driven primarily by client-requested schedule adjustments, which are expected to recover in the second half of the year. Furthermore, successful entry into a new target jurisdiction has already yielded immediate contract scope expansions, providing a strong foundation for continued regional growth.

Central and North America

During the period, operational focus centered on consolidation, commercial discipline, and enhancing equipment readiness. While high tender activity supported a growing commercial pipeline, performance in certain operating units remained constrained by primarily client-driven execution delays.

Key operational achievements included the successful deployment of remote-controlled reaming technology, which yielded a schedule efficiency gain and highlighted the value of technology-enabled execution. Moving into the second half of the year, the primary objectives are to restore consistent execution, strengthen pipeline governance, and convert developing commercial opportunities into secured, profitable contracts.

Africa

The southern region experienced a slower start to the year compared to previous years, but remains focused on having an excellent financial year. The primary operational priority is securing follow-on work for the XXXL machine following the completion of a major contract, with several promising enquiries currently under consideration. Beyond immediate operational targets, this regional platform remains vital to supporting the Group's broader technology development and exploration initiatives.

Across the rest of the continent, operational momentum has strengthened considerably, supported by key contract wins, expanding project scopes, and a robust pipeline extending into 2027 and beyond. West African operations have improved following the successful restart and steady-state normalisation of previously paused activities, alongside strong regional performance underpinned by longer-term contracts and expanded raise-bore work. Central African operations continue as a significant contributor, driven by production ramp-ups, stable core operations and ongoing discussions for expanded scopes at key sites. Furthermore, medium-term growth prospects across Eastern and neighboring regional markets remain highly encouraging, anchored by ongoing underground contracts, strategic additions to the client portfolio and longer-term contracts that will scale alongside planned mine expansions.

Rest of the World

Overall operational activity across strategic markets remains strong, characterised by high workforce utilisation, robust execution on active contracts, and advanced operational integration such as remote and autonomous drilling capabilities. Mid-year performance in this region is supported by structured operational-improvement initiatives focused on strengthening leadership, supply chain resilience, equipment reliability and long-range planning. Mobilisation is actively progressing across several high-value initiatives, including major deep ventilation and evacuation shaft contracts, civil-infrastructure raise-boring assignments and a new hydroelectrics project, advancing the Group's strategic objective to expand into addressable markets beyond traditional mining. Operational developments are gaining long-term momentum, supplemented by technology-led growth initiatives and a high-volume commercial pipeline driven by major raise-boring, exploration and underground development tenders aligned with regional mining expansion plans.

Slim drilling

For the first time in several years, the Group's exploration drilling division expanded its operations outside South Africa. This milestone underlines our commitment to international growth, unlocking new regional opportunities while enhancing operational capacity across broader geographic markets.

Other mining services

The Group's mining service entities continue to outperform expectations, driven by a steadfast commitment to workplace safety and favorable regulatory demand for advanced underground tracking solutions. Operational milestones, including successful proof-of-concept implementations for missing person locator systems and the integration of specialised AI modules, highlight the ongoing expansion of the Group's technological capabilities.

By scaling these service offerings into new international markets and actively pursuing global growth opportunities, the Group continues to broaden its technology portfolio and build a more resilient, diversified earnings profile over time.

Technology

Master Drilling is committed to continuous technological advancement as a key driver of client value and market competitiveness. To achieve this, we have implemented a focused strategy that leverages targeted investments across our various technological divisions.

The Group continues to advance its mechanised tunnelling, shaft development, and specialised cutting initiatives in line with key strategic milestones. The Mobile Tunnel Borer remains fully operational, demonstrating improved performance as ground conditions stabilise, while strategic engagements regarding future equipment procurement and collaboration remain ongoing.

Funding has been secured for the next phase of Shaft Boring System development, with design and manufacturing targeted for completion between late 2026 and early 2027.

Parallel efforts under the Reef Boring System programme are progressing through active field validation trials, complemented by detailed design work on advanced cutterheads and second-generation machinery. Together, these programmes directly support the Group's long-term strategy to reduce reliance on conventional drill-and-blast methods and expand its mechanised mining capabilities.

Operational equipment

The fleet consists of 151 raise bore, 76 slim drilling and one mobile tunnel boring rigs. The total raise boring fleet utilisation rate was around 64% while the slim drilling fleet utilisation was around 38%. The rate of new rigs coming on board will settle with a focus on larger units, which typically generate higher income.

Our people

Master Drilling's ability to execute safely and consistently depends on attracting, developing and retaining a highly capable workforce. The Group continues to focus on leadership effectiveness, organisational culture, communication, career development and a high-performance environment across its global operations.

During 2026, the Group continued to mature its performance and talent-management framework through the formal identification of high-potential and critical talent, the introduction of a talent framework, structured individual development planning and stronger succession-management disciplines. These initiatives are intended to improve visibility of talent and people risks while supporting long-term leadership capacity and employee retention.

The Group also continues to invest in wellbeing, resilience and community initiatives, recognising that sustainable operating performance requires strong employee engagement and meaningful relationships with the communities in which it operates.

OUTLOOK AND PROSPECTS

Master Drilling enters the second half of 2026 with a diversified operating base, a healthy commercial pipeline and a number of recently awarded or mobilising projects that should support activity into 2027 and beyond. The earnings profile remains dependent on timely project mobilisation, improved execution in recovering regions and continued conversion of secured work into cash earnings.

The external environment remains supportive of long-term demand for specialised drilling and mechanised mine-development services. Elevated commodity prices across several of the Group's core exposures, ongoing investment in resource security and the need to improve mining productivity continue to underpin client investment. Geopolitical volatility, supply-chain disruption, cost inflation and project timing nevertheless remain relevant risks.

Management priorities for the remainder of the year are clear: execute safely, improve fleet utilisation, protect margins, maintain capital discipline, strengthen cash conversion and selectively pursue growth where the Group has a sustainable competitive advantage. Continued progress in mechanised technologies, remote operations and digital enablement is expected to support differentiation and improve the quality and resilience of the Group's long-term earnings base.

Our pipeline of potential business provides meaningful visibility, but management remains focused on the quality of conversion, pricing discipline, risk allocation and expected cash returns rather than mere pipeline growth.

The Group's growth strategy remains centred on improving utilisation of the existing fleet, expanding selectively into attractive geographies and clients, increasing exposure to adjacent sectors and commercialising differentiated technology. Opportunities are assessed against strategic fit, execution capability, balance-sheet capacity and return thresholds.

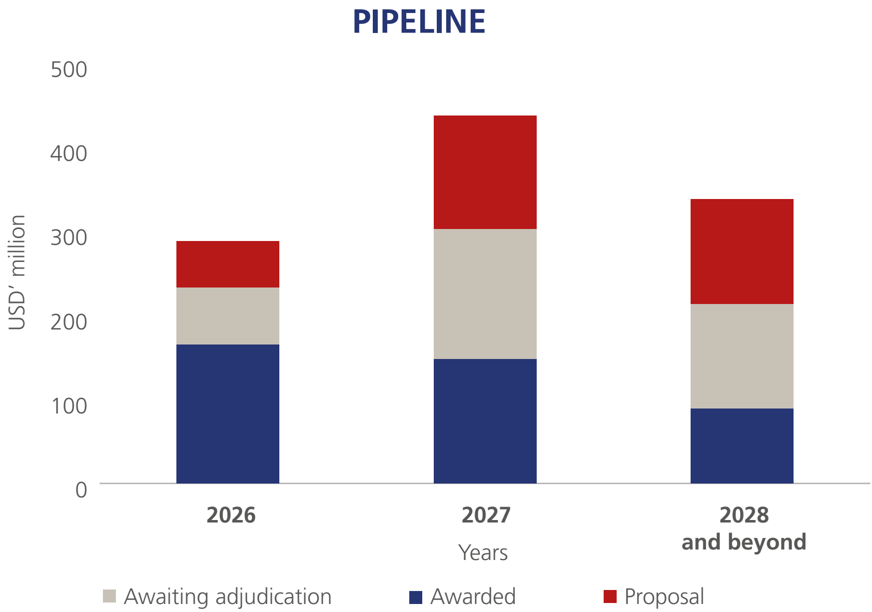
The Group continues to build exposure outside traditional raise boring through tunnelling, exploration, underground safety and technology, civil infrastructure and digital solutions. Progress in civil infrastructure, Mobile Tunnel Borer feasibility work, remote drilling and next-generation mining technologies provides evidence of a broader addressable market, although mining remains the dominant revenue base.

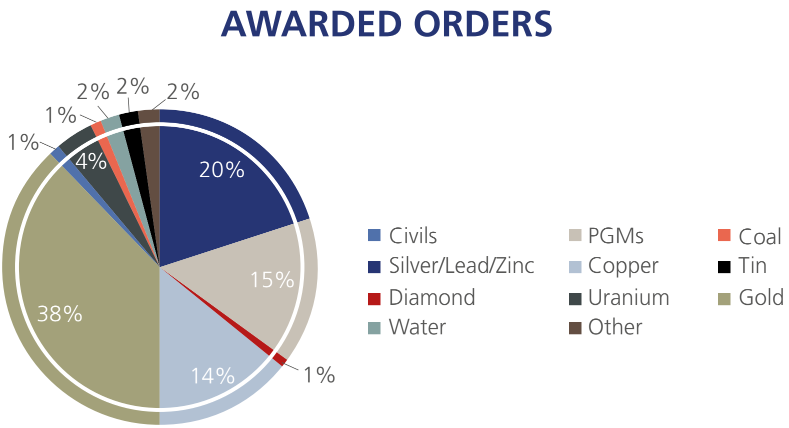
NATURE OF BUSINESS

Master Drilling Group Limited is an investment holding company whose subsidiary companies provide specialised drilling and mining services and technology solutions to blue-chip major and mid-tier clients in the mining, civil engineering, infrastructure, construction and hydro-electric power sectors across a broad range of commodities and geographies. The Group's solutions include raise boring, exploration and slim drilling, mechanised tunnelling and shaft development, remote and autonomous drilling, underground safety and tracking technologies, and digital and data-enabled solutions. Master Drilling is a global leader in raise-bore drilling services.

PIPELINE AND COMMITTED ORDERS

As at 30 June 2026 our sales pipeline totalled USD 1 062.3 million (2025: USD 515.0 million) while the committed order book totalled USD 400.9 million (2025: USD 305.6 million) for the remainder of 2026 and beyond, spread as follows:

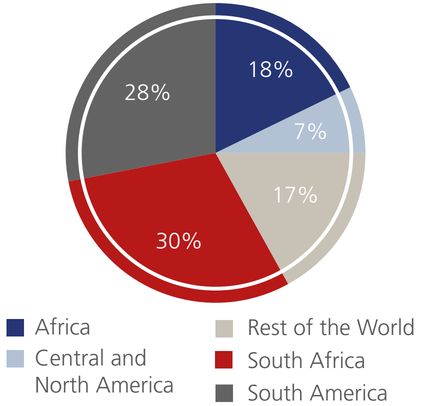

PIPELINE
500
400
300
200
100
0
USD' million
2026
2027
2028
and beyond
Years
Awaiting adjudication
Awarded
Proposal


AWARDED ORDERS
20%
15%
14%
1%
38%
4%
1%
1%
2%
2%
2%
Civils
Silver/Lead/Zinc
Diamond
Water
PGMs
Copper
Uranium
Other
Coal
Tin
Gold

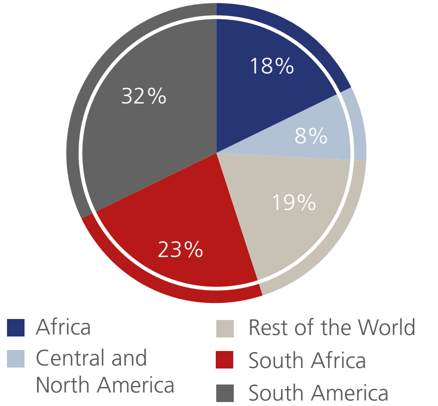
REVENUE

The following graphs reflect the Group's combined revenue for financial periods ended 30 June:

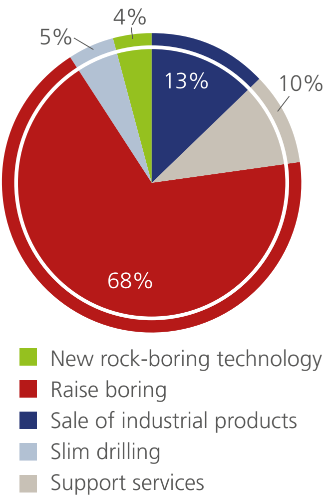
REVENUE BY GEOGRAPHICAL AREA JUNE 2026



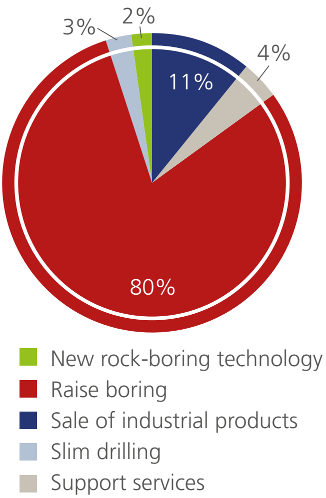
REVENUE BY GEOGRAPHICAL AREA JUNE 2025



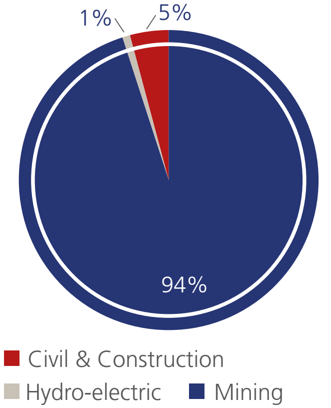
REVENUE BY ACTIVITY JUNE 2026



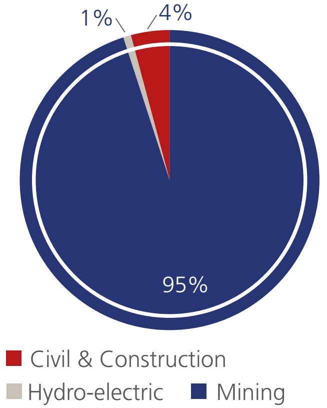
REVENUE BY ACTIVITY JUNE 2025



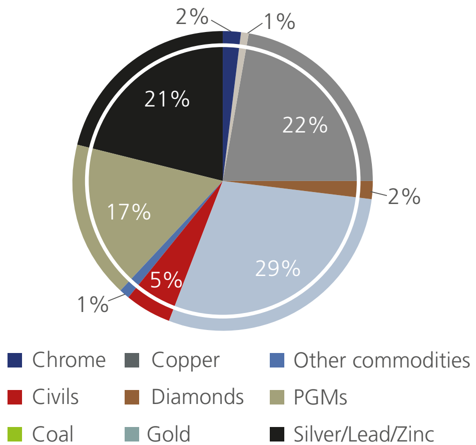
REVENUE BY BUSINESS SECTOR JUNE 2026



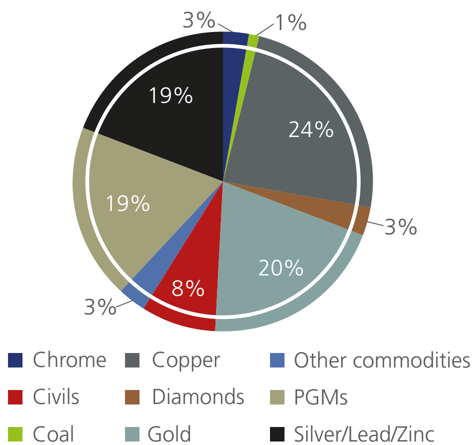
REVENUE BY BUSINESS SECTOR JUNE 2025



REVENUE BY COMMODITY JUNE 2026



REVENUE BY COMMODITY JUNE 2025



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note(s)	Unaudited six months ended Jun 2026 USD	Audited ended Dec 2025 USD
Assets			
Non-current assets			
Property, plant and equipment	2	**204 774 781**	199 091 239
Intangibles and goodwill	3	**21 514 619**	21 725 674
Financial assets	12	**421 734**	332 358
Deferred tax asset		**9 227 380**	9 253 775
Related party loans	8	**3 258 559**	3 532 591
Investment in joint venture		**5 527 594**	5 619 915
Investment in associates		**1 647 452**	1 610 377
		246 372 118	241 165 929
Current assets			
Inventories		**56 623 099**	54 095 186
Related party loans	8	**351 515**	343 393
Trade and other receivables	4	**93 003 212**	85 480 205
Current tax receivable		**11 685 427**	12 380 408
Derivative financial instruments	12	**262 761**	812 489
Cash and cash equivalents		**37 289 602**	40 112 991
		199 215 617	193 224 672
Total assets		**445 587 735**	434 390 601
Equity and liabilities			
Equity			
Share capital		**148 855 517**	148 855 517
Reserves		**(139 943 249)**	(129 848 099)
Retained income		**217 745 867**	200 924 308
		226 658 135	219 931 726
Non-controlling interest		**21 782 643**	21 919 877
		248 440 777	241 851 603
Liabilities			
Non-current liabilities			
Interest bearing borrowings		**58 161 042**	44 232 228
Lease liabilities		**7 513 904**	6 306 609
Instalment sales liabilities		**3 833 389**	2 045 208
Contract liability		**–**	708 541
Employee benefit provision		**1 079 268**	1 000 986
Consideration payable		**2 073 420**	2 831 474
Related party loans	8	**–**	–
Put option liability for non-controlling interest		**7 248 438**	7 173 202
Deferred tax liability		**13 297 990**	13 513 282
		93 207 451	77 811 530
Current liabilities			
Interest bearing borrowings		**10 880 442**	16 198 618
Lease liabilities		**747 306**	961 671
Instalment sales liabilities		**2 061 923**	1 453 012
Related party loans	8	**818 784**	634 693
Current tax payable		**14 318 711**	12 118 690
Trade and other payables	5	**66 334 892**	74 379 361
Derivative financial instruments		**219 172**	18 891
Employee benefit provision		**809 139**	2 640 614
Consideration payable		**758 054**	698 222
Contract liability		**1 744 722**	4 325 130
Put option liability for non-controlling interest		**–**	–
Cash and cash equivalents		**5 246 362**	1 298 566
		103 939 507	114 727 468
Total liabilities		**197 146 958**	192 538 998
Total equity and liabilities		**445 587 735**	434 390 601

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note(s)	**Unaudited six months ended Jun 2026 USD**	Unaudited six months ended Jun 2025 USD
Revenue	11	**155 839 239**	133 197 257
Cost of sales		**(109 456 317)**	(92 898 014)
Gross profit		**46 382 922**	40 299 243
Other operating income		**1 401 677**	5 183 628
Other operating expenses		**(21 245 313)**	(22 750 863)
Reversal of impairment /(Impairment) of property, plant and equipment	2	**–**	4 646 026
Movement of expected credit loss allowances	4	**(361 982)**	(762 398)
Operating profit		**26 177 304**	26 615 636
Investment income		**830 994**	318 269
Finance costs		**(2 909 001)**	(2 870 561)
Fair value adjustment		**89 376**	32 128
Share of profit/(loss) from equity accounted investments		**273 895**	232 057
Profit before taxation		**24 462 569**	24 327 529
Taxation		**(7 095 709)**	(6 207 034)
Profit for the period		**17 366 860**	18 120 495
Other comprehensive profit/(loss) that will subsequently be classified to profit and loss:			
Exchange differences on translating foreign operations		**(10 160 933)**	4 812 979
Other comprehensive loss for the year net of taxation		**(10 160 933)**	4 812 979
Total comprehensive income		**7 205 927**	22 933 474
Profit attributable to:		**17 366 860**	18 120 495
Owners of the parent		**16 821 559**	17 649 375
Non-controlling interest		**545 302**	471 120
Total comprehensive income attributable to:		**7 205 927**	22 933 474
Owners of the parent		**6 660 625**	22 462 354
Non-controlling interest		**545 302**	471 120
Earnings per share (USD)	6		
Basic earnings per share (cents)		**11.2**	11.7
Diluted earnings per share (USD)	6		
Diluted basic earnings per share (cents)		**11.1**	11.7
Earnings per share (ZAR)			
Basic earnings per share (cents)		**183,9**	215,3
Diluted earnings per share (ZAR)			
Diluted basic earnings per share (cents)		**182,7**	215,3

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note(s)	Unaudited six months ended Jun 2026 USD	Unaudited six months ended Jun 2025 USD
Cash flows from operating activities			
Cash generated from operations	7	**1 856 975**	17 195 838
Interest received		**830 994**	318 269
Finance costs paid		**(2 909 001)**	(2 044 917)
Tax paid		**(5 832 356)**	(4 443 675)
Net cash from operating activities		**(6 053 388)**	11 025 515
Cash flows from investing activities			
Purchase of property, plant and equipment and intangibles		**(4 137 008)**	(13 243 916)
Investment in subsidiary		**–**	(380 786)
Payment of consideration payable		**(698 222)**	–
Advances to related parties		**(1 247 789)**	(335 005)
Proceeds from related parties		**1 029 355**	637 647
Net cash used in investing activities		**(5 053 664)**	(13 322 060)
Cash flows from financing activities			
Receipt from financial liabilities		**18 260 533**	–
Repayment of financial liabilities		**(10 988 295)**	(2 618 891)
Repayment of capital portion of lease liabilities		**(134 011)**	(143 837)
Repayment of capital portion of instalment sales agreements		**(724 991)**	(598 550)
Advances from related parties		**1 042 973**	212 446
Repayment of related parties		**(1 652 064)**	(1 378 911)
Share buy back		**–**	–
Dividends paid to shareholders		**(682 536)**	(6 219 196)
Additional investment in subsidiary		**–**	(101 523)
Net cash used in financing activities		**5 121 609**	(10 848 462)
Total cash movement for the period		**(5 985 443)**	(13 145 007)
Cash at the beginning of the period		**38 814 425**	34 615 375
Effect of exchange rate movement on cash balances		**(785 742)**	577 677
Total cash at end of the period		**32 043 240**	22 048 045

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

USD	Share capital	Equity arising on formation of the Group [1]	Foreign currency translation reserve [2]	Transaction between equity holders [3]	Share-based payments reserve	Total reserve	Retained income	Attributable to owners of the parent	Non-controlling interest	Total Shareholders' equity
Balance as at 31 December 2024	148 855 517	(58 264 013)	(82 656 689)	383 738	192 557	(140 344 407)	175 238 593	183 749 703	22 354 404	206 104 107
Dividends declared by subsidiaries	–	–	–	–	–	–	–	–	(768 763)	(768 763)
Change in control	–	–	–	–	–	–	678 055	678 055	(678 055)	–
Share-based payment	–	–	–	–	63 075	63 075	–	63 075	–	63 075
Total comprehensive income for the year	–	–	4 812 979	–	–	4 812 979	17 649 375	22 462 354	471 120	22 933 474
Dividends to shareholders	–	–	–	–	–	–	(5 450 433)	(5 450 433)	–	(5 450 433)
Total changes	–	–	4 812 979	–	63 075	4 876 054	12 876 997	17 753 051	(975 698)	16 777 353
Balance as at 30 June 2025	**148 855 517**	**(58 264 013)**	**(77 843 710)**	**383 738**	**255 632**	**(135 468 353)**	**188 115 590**	**201 502 754**	**21 378 706**	**222 881 460**
Dividends declared by subsidiaries	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(435 879)**	**(435 879)**
Change in control	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Share-based payment	**–**	**–**	**–**	**–**	**89 903**	**89 903**	**–**	**89 903**	**–**	**89 903**
Dividends to shareholders	**–**	**–**	**–**	**–**	**–**	**–**	**(24 152)**	**(24 152)**	**–**	**(24 152)**
Total comprehensive income for the year	**–**	**–**	**5 530 351**	**–**	**–**	**5 530 351**	**12 832 870**	**18 363 221**	**977 050**	**19 340 271**
Total changes	**–**	**–**	**5 530 351**	**–**	**89 903**	**5 620 254**	**12 808 718**	**18 428 972**	**541 171**	**18 970 143**
Balance as at 31 December 2025	**148 855 517**	**(58 264 013)**	**(72 313 359)**	**383 738**	**345 535**	**(129 848 099)**	**200 924 308**	**219 931 726**	**21 919 877**	**241 851 603**
Dividends declared by subsidiaries	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(682 536)**	**(682 536)**
Share-based payment	**–**	**–**	**–**	**–**	**65 783**	**65 783**	**–**	**65 783**	**–**	**65 783**
Total comprehensive income for the period	**–**	**–**	**(10 160 933)**	**–**	**–**	**(10 160 933)**	**16 821 559**	**6 660 625**	**545 302**	**7 205 927**
Dividends to shareholders	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total changes	**–**	**–**	**(10 160 933)**	**–**	**65 783**	**(10 095 150)**	**16 821 559**	**6 726 408**	**(137 234)**	**6 589 174**
Balance as at 30 June 2026	**148 855 517**	**(58 264 013)**	**(82 474 292)**	**383 738**	**411 318**	**(139 943 249)**	**217 745 867**	**226 658 135**	**21 782 643**	**248 440 777**
Note							13		13	

[1] *Equity arising on formation of the Group – Equity that arose with the formation of the Group on the initial Johannesburg Stock Exchange Listing.*

[2] *Foreign currency translation reserve – Equity that arose as a result consolidation subsidiaries that have a different currency to that of the Group's reporting currency.*

[3] *Transactions between equity holders – Equity that arose due to transactions between different equity holders with the formation of the Group.*

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

ACCOUNTING POLICIES

1. BASIS OF PRESENTATION

The unaudited consolidated interim financial statements have been prepared in accordance with IAS 34: Interim Financial Reporting, IFRS Accounting Standards, the South African financial reporting requirements (*defined as Financial Pronouncements as issued by the Financial Reporting Standards Council and SAICA Financial Reporting Guides as issued by the Accounting Practices Committee*), and the requirements of the South African Companies Act, (Act No 71 of 2008), as amended and the Listings Requirements of the JSE Limited. The unaudited consolidated interim financial statements have been prepared on the historical cost-basis, except certain financial instruments at fair value, and incorporate the principal accounting policies set out below. They are presented in United States Dollar (USD).

The significant accounting policies are consistent in all material respects with those applied in the audited consolidated annual financial statements for the year ended 31 December 2025.

Impact of accounting standards to be applied in future periods

There are a few standards and interpretations which have been issued by the International Accounting Standards Board that are effective for periods beginning subsequent to 31 December 2025. The Group performed an analysis of these standards and interpretations and concluded that these were not applicable to the Group.

The unaudited consolidated interim financial statements presented have been prepared by the corporate reporting staff of Master Drilling, headed by Willem Ligthelm CA(SA), the Group's financial manager. This process was supervised by André Jean van Deventer CA(SA), the Group's chief financial officer.

FUNCTIONAL AND PRESENTATION CURRENCY

Items included in the consolidated financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates, i.e., "functional currency". The consolidated financial statements are presented in USD (the "presentation currency"). Management believes that USD is more useful to the users of the consolidated financial statements, as this currency most reliably reflects the global business performance of the Group as a whole. Assets and liabilities are translated at the closing rate, income and expenses at transaction rates. Exchange differences are recognised in other comprehensive income and reported within equity.

GOING CONCERN

Based on the information available to it, the Board of Directors assessed and concluded that the Group remains a going concern for at least the next 12 months.

ISSUED CAPITAL

There have been no changes to the share capital as previously reported.

OPERATING SEGMENTS

There have been no changes to the operating segments as previously reported. Refer to note 11.

EVENTS SUBSEQUENT TO REPORTING PERIOD

The directors are not aware of any other matters or circumstances arising since the reporting date to the date of this report, not otherwise dealt with in this report.

DIVIDENDS

In line with the Company's past practice the Board did not declare an interim dividend and will consider an appropriate dividend at year-end.

A special dividend of 40,0 cents per share in ZAR terms relating to FY2025 was paid during August 2026.

BOARD OF DIRECTORS

There were no changes made to the Board since the previous reporting date.

2. PROPERTY, PLANT AND EQUIPMENT

Jun 2026 USD	**Cost**	**Accumulated depreciation and impairment losses**	**Carrying value**
Land and buildings	**1 840 441**	**(245 671)**	**1 594 770**
Right of use assets: Land and buildings	**7 398 751**	**(919 358)**	**6 479 393**
Instalment sale: Plant and machinery	**196 750**	**(65 284)**	**131 467**
Plant and machinery	**261 886 468**	**(85 201 894)**	**176 684 574**
Assets under construction	**15 321 360**	**–**	**15 321 360**
Furniture and fittings	**1 831 193**	**(1 612 422)**	**218 770**
Motor vehicles	**9 480 167**	**(5 964 677)**	**3 515 490**
Right of use assets: Motor vehicles	**244 592**	**(95 177)**	**149 415**
IT equipment	**1 923 706**	**(1 244 166)**	**679 540**
Total	**300 123 429**	**(95 348 649)**	**204 774 781**

Dec 2025 USD	Cost	Accumulated depreciation and impairment losses	Carrying value
Land and buildings	1 519 097	(181 291)	1 337 806
Right-of-use assets: Land and buildings	9 133 931	(2 982 956)	6 150 975
Instalment sale: Plant and machinery	182 255	(58 016)	124 239
Plant and machinery	256 092 135	(85 144 079)	170 948 056
Assets under construction	15 855 145	–	15 855 145
Furniture and fittings	1 782 499	(1 575 257)	207 242
Motor vehicles	9 294 584	(5 545 306)	3 749 278
Right-of-use assets: Motor vehicles	73 266	(56 171)	17 095
IT equipment	1 802 698	(1 101 295)	701 403
Total	295 735 610	(96 644 371)	199 091 239

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2. PROPERTY, PLANT AND EQUIPMENT (continued)

2.1 Reconciliation of property, plant and equipment

Jun 2026 USD	**Opening balance**	**Additions**	**Assets acquired through business combination**	**Exchange difference on consolidation of foreign subsidiaries**	**Disposals**	**Depreciation**	**(Impairment loss)/ Reversal of Impairment**	**Remeasurement**	**Reclassification from assets under construction to plant and machinery**	**Total**
Land and buildings	**1 337 806**	**266 905**	**–**	**1 890**	**–**	**(11 831)**	**–**	**–**	**–**	**1 594 770**
Right of use assets: Land and buildings	**6 150 975**	**–**	**–**	**823 167**	**–**	**(519 264)**	**–**	**24 516**	**–**	**6 479 393**
Instalment sale: Plant and machinery	**124 239**	**421 935**	**–**	**(403 765)**	**–**	**(10 943)**	**–**	**–**	**–**	**131 467**
Plant and machinery	**170 948 056**	**2 855 919**	**–**	**7 691 025**	**(20 600)**	**(5 489 824)**	**–**	**–**	**699 999**	**176 684 574**
Assets under construction	**15 855 145**		**–**	**166 214**		**–**	**–**	**–**	**(699 999)**	**15 321 360**
Furniture and fittings	**207 242**	**41 756**	**–**	**(1 115)**	**(6 120)**	**(22 994)**	**–**	**–**	**–**	**218 770**
Motor vehicles	**3 749 278**	**602 594**	**–**	**20 497**	**(140 771)**	**(716 107)**	**–**	**–**	**–**	**3 515 490**
Right of use assets: Motor vehicles	**17 095**	**–**	**–**	**139 107**	**–**	**(6 787)**	**–**	**–**	**–**	**149 415**
IT equipment	**701 403**	**132 499**	**–**	**5 438**	**(2 793)**	**(157 007)**	**–**	**–**	**–**	**679 540**
Total	**199 091 239**	**4 321 608**	**–**	**8 442 458**	**(170 285)**	**(6 934 756)**	**–**	**24 516**	**–**	**204 774 781**

Dec 2025 USD	Opening balance	Additions	Assets acquired through business combination	Exchange difference on consolidation of foreign subsidiaries	Disposals	Depreciation	(Impairment loss)/ Reversal of Impairment	Remeasurement	Reclassification from assets under construction to plant and machinery	Total
Land and buildings	1 215 708	–	–	135 937	–	(13 839)	–	–	–	1 337 806
Right-of-use assets: Land and buildings	3 497 194	–	–	1 133 323	–	(1 052 084)	–	2 572 542	–	6 150 975
Instalment sale: Plant and machinery	499 387	–	–	39 772	–	(24 976)	–	–	(389 944)	124 239
Plant and machinery	146 542 895	6 537 501	6 631	14 490 198	(495 406)	(11 736 928)	4 781 577	–	10 821 588	170 948 056
Assets under construction	13 802 307	11 931 348	–	812 874	–	–	(259 740)	–	(10 431 644)	15 855 145
Furniture and fittings	169 263	108 887	7 636	22 877	(59 272)	(42 149)	–	–	–	207 242
Motor vehicles	3 792 063	1 610 333	9 459	419 653	(797 381)	(1 284 849)	–	–	–	3 749 278
Right-of-use assets: Motor vehicles	40 926	–	–	3 595	(12 313)	(15 113)	–	–	–	17 095
IT equipment	413 718	432 395	5 833	85 650	(15 888)	(220 305)	–	–	–	701 403
Total	169 973 461	20 620 464	29 559	17 143 879	(1 380 260)	(14 390 243)	4 521 837	2 572 542	–	199 091 239

Security

Moveable assets valued at USD 109.6 million (ZAR 1,796 billion at closing spot rate) of the South African subsidiaries is bonded to ABSA Capital as security for an interest-bearing loan.

Impairment

During the previous period, the Group finalised a contract to commence operations of the mobile tunnel boring machine. This change in circumstances represents an indicator of reversal of impairment under IAS 36. Accordingly, the Group has reassessed the recoverable amount of the asset, which is determined by using unobservable inputs from the higher of fair value less costs of disposal and value in use within level 3 of the fair value hierarchy. Based on the contract's projected cash flows, the recoverable amount has been estimated at USD 4.8 million. In line with IAS 36, the previously recognised impairment loss has been reversed to the extent that it does not increase the asset's carrying amount above the amount that would have been determined had no impairment loss been recognised. As a result, a total reversal of USD 4.8 million has been recognised for the period ended 31 December 2025.

During the previous period, the Group impaired USD 0.3 million for design costs related to a second generation Mobile Tunnelboring Machine.

2.2 Capital commitments

	Jun 2026 USD	**Dec 2025 USD**
Capital expenditure for plant and machinery authorised by the directors and contracted for within 12 months. Capital expenditure will be funded through cash generated from operations.	**6 049 138**	**6 625 055**

3. INTANGIBLE ASSETS

		Jun 2026 USD	Dec 2025 USD
Goodwill	4.1	**3 540 663**	3 494 412
Intangible assets	4.2	**17 973 956**	18 231 262
		21 514 619	21 725 674

3.1 Goodwill

	Jun 2026 USD	Dec 2025 USD
Goodwill recognised from value chain business combinations	**2 185 392**	2 149 157
Goodwill recognised from raisebore business combinations	**918 673**	434 182
Goodwill recognised from software support services	**436 598**	911 073
Goodwill recognised from business combinations	**3 540 663**	3 494 412

Jun 2026 USD	**Opening balance**	**Assets acquired through business combination**	**Exchange difference on consolidation of foreign subsidiaries**	**Total**
Goodwill recognised from value chain business combinations	**2 149 157**	**–**	**36 236**	**2 185 393**
Goodwill recognised from raisebore business combinations	**434 182**	**–**	**7 599**	**441 781**
Goodwill recognised from software support services	**911 073**	**–**	**2 416**	**913 489**
Goodwill recognised from business combinations	**3 494 412**	**–**	**46 251**	**3 540 663**

Dec 2025 USD	Opening balance	Assets acquired through business combination	Exchange difference on consolidation of foreign subsidiaries	Total
Goodwill recognised from value chain business combinations	2 028 512	–	120 645	2 149 157
Goodwill recognised from raisebore business combinations	386 367	–	47 815	434 182
Goodwill recognised from software support services	515 708	289 762	105 603	911 073
Goodwill recognised from business combinations	**2 930 587**	**289 762**	**274 063**	**3 494 412**

3.2 Intangible assets

Jun 2026 **USD**	**Cost**	**Accumulated amortisation and impairment losses**	**Carrying value**
Computer software	**890 548**	**(805 112)**	**85 436**
Software solutions	**7 216 941**	**–**	**7 216 941**
Contractual client relationship	**12 881 958**	**(3 291 305)**	**9 590 653**
Patents	**1 080 925**	**–**	**1 080 925**
Total	**22 070 374**	**(4 096 418)**	**17 973 956**

Dec 2025 USD	Cost	Accumulated amortisation and impairment losses	Carrying value
Computer software	1 181 915	(1 064 899)	117 016
Software solutions	7 142 031	–	7 142 031
Contractual client relationship	12 748 247	(2 832 944)	9 915 303
Patents	1 056 912	–	1 056 912
Total	22 129 105	(3 897 843)	18 231 262

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS continued

3. INTANGIBLE ASSETS (continued)

3.2 Intangible assets (continued)

Jun 2025 USD	**Opening balance**	**Additions**	**Exchange difference on consolidation of foreign subsidiaries**	**Disposal**	**Assets acquired through business combination**	**Amortisation**	**Impairment/ Scrapping of intangible assets**	**Total**
Computer software	**117 016**	**567**	**(1 039)**	**(912)**	**–**	**(30 196)**	**–**	**85 436**
Software solutions	**7 142 031**	**–**	**74 911**	**–**	**–**	**–**	**–**	**7 216 942**
Contractual client relationship	**9 915 303**	**–**	**103 998**	**–**	**–**	**(428 648)**	**–**	**9 590 653**
Patents	**1 056 912**	**12 905**	**11 108**	**–**	**–**	**–**	**–**	**1 080 925**
Total	**18 231 262**	**13 472**	**188 978**	**(912)**	**–**	**(458 844)**	**–**	**17 973 956**

Dec 2024 USD	Opening balance	Additions	Exchange difference on consolidation of foreign subsidiaries	Disposal	Assets acquired through business combination	Amortisation	Impairment/ Scrapping of intangible assets	Total
Computer software	172 089	38 964	(29 869)	(602)	47 711	(56 428)	–	117 016
Software solutions	6 441 475	–	(178 950)	–	–	–	–	7 142 031
Contractual client relationship	10 475 836	–	(274 322)	–	–	(787 285)	–	9 915 303
Patents	953 247	–	(27 046)	–	–	–	–	1 056 912
Total	18 042 647	38 964	(510 187)	(602)	47 711	(843 713)	–	18 231 262

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS continued

4. TRADE AND OTHER RECEIVABLES

	Jun 2026 USD	Dec 2025 USD
Trade receivables	78 952 416	74 093 140
Trade receivables – Normal	73 091 478	72 131 749
Trade receivables – Retention	1 414 531	1 340 145
Contract asset	11 841 781	7 421 407
Expected credit loss allowance of trade receivables and contract asset	(7 395 374)	(6 800 161)
Loans to employees	256 921	241 742
Prepaid expenses	4 628 665	3 755 047
Deposits	997 481	593 978
Indirect taxes	6 382 414	5 731 850
Other receivables	1 785 315	1 064 448
Total	**93 003 212**	85 480 205
Trade receivables of South African subsidiaries have been ceded to Absa Capital as security for interest-bearing loan.		
The movement in expected credit losses is presented below		
Opening balance	6 800 161	4 303 616
Exchange differences on translation of foreign operations	233 231	529 230
Allowance for credit losses recognised	361 982	1 967 315
Total	**7 395 374**	6 800 161
Gross trade receivables per region:		
Africa	13 113 734	16 157 506
Central and North America	9 567 273	7 469 307
Rest of the World	15 263 974	12 386 078
South Africa	21 357 820	14 596 826
South America	27 044 989	30 283 584
Total	**86 347 790**	80 893 301

4. TRADE AND OTHER RECEIVABLES (continued)

June 2026

Expected credit loss matrix:	Estimated gross carrying amount	Loss allowance	Expected credit loss rate
AFRICA			
Current	3 579 712	147 016	3.05% to 4.05%
30 days	4 244 572	208 011	3.10% to 4.15%
31 to 60 days	2 705 477	132 360	3.40% to 4.40%
61 to 90 days	2 583 973	145 749	3.90% to 5.00%
Specific provision		383 709	
CENTRAL AND NORTH AMERICA			
Current	3 691 660	94 412	2.70% to 3.50%
30 days	2 687 250	94 125	2.85% to 3.65%
31 to 60 days	1 089 661	40 553	3.10% to 3.90%
61 to 90 days	2 098 702	102 091	3.60% to 4.45%
Specific provision		2 897 572	
REST OF THE WORLD			
Current	7 232 447	197 130	2.25% to 3.85%
30 days	5 081 553	174 574	2.35% to 3.95%
31 to 60 days	1 244 346	44 471	2.65% to 4.25%
61 to 90 days	1 705 629	77 396	3.15% to 4.75%
Specific provision		624 868	
SOUTH AFRICA			
Current	8 533 013	208 839	3.50% to 3.70%
30 days	6 297 771	260 616	3.65% to 3.75%
31 to 60 days	2 502 470	110 865	3.90% to 4.05%
61 to 90 days	4 024 566	201 445	4.35% to 4.45%
Specific provision		281 016	
SOUTH AMERICA			
Current	17 597 531	581 957	2.95% to 3.30%
30 days	4 368 552	164 931	3.05% to 3.35%
31 to 60 days	2 371 674	96 158	3.35% to 3.65%
61 to 90 days	2 707 233	125 508	3.85% to 4.15%
Specific provision			
Total	86 347 790	7 395 374	

4. TRADE AND OTHER RECEIVABLES (continued)

December 2025

Expected credit loss matrix:	Estimated gross carrying amount	Loss allowance	Expected credit loss rate
AFRICA			
Current	5 112 607	167 383	2.95% to 3.95%
30 days	5 785	226	3.05% to 4.05%
31 to 60 days	3 140 026	122 461	3.30% to 4.30%
61 to 90 days	7 899 088	355 178	3.80% to 4.80%
Specific provision		286 885	
CENTRAL AND NORTH AMERICA			
Current	3 225 687	65 763	2.65% to 3.45%
30 days	331 423	9 254	2.75% to 3.55%
31 to 60 days	196 377	5 826	3.00% to 3.80%
61 to 90 days	3 715 820	144 093	3.50% to 4.30%
Specific provision		2 248 165	
REST OF THE WORLD			
Current	5 846 414	127 031	2.20% to 3.80%
30 days	2 898 549	79 381	2.30% to 3.90%
31 to 60 days	2 757 810	78 570	2.55% to 4.15%
61 to 90 days	883 305	31 952	3.05% to 4.65%
Specific provision		1 528 591	
SOUTH AFRICA			
Current	5 501 387	107 333	3.45% to 3.60%
30 days	5 443 511	179 575	3.55% to 3.70%
31 to 60 days	1 891 070	66 786	3.80% to 3.95%
61 to 90 days	1 760 858	70 261	4.30% to 4.45%
Specific provision		258 550	
SOUTH AMERICA			
Current	19 142 893	504 660	2.90% to 3.20%
30 days	5 146 390	154 889	3.00% to 3.30%
31 to 60 days	3 059 247	98 877	3.25% to 3.55%
61 to 90 days	2 935 054	108 471	3.75% to 4.05%
Specific provision		–	
Total	80 893 301	6 800 161	

4. TRADE AND OTHER RECEIVABLES (continued)

	Jun 2026 USD	Dec 2025 USD
The carrying amount in USD of trade and other receivables are denominated in the following currencies:		
Australian Dollar	**2 226 356**	2 342 898
Brazilian Real	**5 628 006**	6 018 695
Botswana Pula	**382**	–
Canadian Dollar	**871 370**	1 336 559
Chilean Peso	**17 728 375**	17 001 093
Chinese Yuan	**528 200**	517 877
Colombian Peso	**10 910**	16 824
Euro	**1 582 684**	2 666 406
Ghanaian Cedi	**342 920**	577 729
Quatemalan Quetzales	**9 748**	8 537
Indian Rupee	**5 047 568**	3 695 030
Mexican Peso	**102 326**	172 392
Namibian Dollar	**178 938**	301 463
Nicaraguan Córdoba	**176 368**	297 134
Peruvian Sol	**1 091 285**	629 315
Swedish Krona	**2 250 240**	1 979 057
Turkish Lira	**86 230**	143 761
United States Dollar	**29 241 428**	26 088 093
West African Franc	**2 500 727**	3 663 671
South African Rand	**22 407 509**	16 878 225
Zambian Kwacha	**991 645**	1 145 446
Total	**93 003 212**	85 480 205

5. TRADE AND OTHER PAYABLES

	Jun 2026 USD	Dec 2025 USD
Trade payables	**39 548 866**	43 864 313
Accruals	**3 527 994**	4 085 735
Indirect taxes	**4 684 133**	5 831 443
Leave pay accruals	**6 556 189**	5 862 271
Consideration payable	**1 131 387**	1 036 854
Employee related	**6 318 581**	8 942 160
Claims liability (*)	**2 701 315**	2 701 315
Other payables	**1 866 425**	2 055 270
Total	**66 334 892**	74 379 361

(*) *The claims liability amount represents a possible claim from a client in the African region where they claim that not all the scope of works was completed as contractually agreed between the parties.*

6. EARNINGS PER SHARE

	Jun 2026 Gross USD	Jun 2026 Nett USD	Jun 2025 Gross USD	Jun 2025 Nett USD
Reconciliation between earnings and headline earnings				
Profit for the period	17 366 860	17 366 860	18 120 495	18 120 495
Deduct:				
Non-controlling interest	–	(545 302)	–	(472 156)
Basic earnings/ for the year	17 366 860	16 821 559	18 120 495	17 648 339
Gain on disposal of property, plant and equipment	(27 220)	8 841	(140 388)	(100 751)
Impairment /loss of property, plant and equipment	–	–	(4 646 026)	(3 131 713)
Impairment of intangibles	–	–	–	–
Headline earnings for the year	17 339 640	16 830 400	13 334 081	14 415 875
Earnings per share		11.2		11.7
Diluted earnings per share		11.1		11.7
Headline earnings per share		11.2		9.6
Diluted headline earnings per share		11.1		9.6
Dividends per share (ZAR per share)		40,0		65,0
Weighted average number of ordinary shares at the end of the year for the purpose of basic earnings per share and headline earnings per share		150 536 779		150 536 779
Effect of dilutive potential ordinary shares – employee share options		631 611		612 322
Weighted average number of ordinary shares at the end of the year for the purpose of diluted basic earnings per share and diluted headline earnings per share		151 168 390		151 149 101

7. CASH GENERATED FROM OPERATIONS

	Jun 2026 USD	Jun 2025 USD
Profit before taxation	24 462 569	24 327 529
Adjustments for:		
Depreciation and amortisation	7 393 600	6 155 786
Impairment (reversal)/loss of property, plant and equipment	–	(4 646 026)
Share-based payment expense	65 783	(63 075)
Fair value adjustment	89 376	(32 128)
(Profit)/Loss from equity accounted investments	(273 895)	(232 057)
Unrealised foreign exchange movements	(1 299 643)	(1 954 457)
Put option for non-controlling interest expense	–	–
Gain on disposal of fixed assets	(27 220)	(140 388)
Movement in expected credit loss allowance	(361 982)	762 398
Movement in allowance for obsolete inventory	(505 776)	372 966
Interest received	(830 994)	(318 269)
Movement in provisions	(1 909 757)	171 809
Finance costs	2 909 001	2 870 561
Changes in working capital:		
Inventories	(3 288 774)	(726 103)
Trade and other receivables	(13 177 613)	(12 712 029)
Trade and other payables	(10 093 273)	4 017 738
Contract liability	(1 294 427)	(658 417)
Total	1 856 974	17 195 838

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS continued

8. RELATED PARTY LOANS RECEIVABLE FROM/(OWING TO)

	Jun 2026 USD	Dec 2025 USD
A&R Holdings (Pty) Ltd [6]	–	(630 847)
A&R Electronics (Pty) Ltd [6]	(10 627)	–
HC Mine Services and Solutions (Pty) Ltd [6]	(29 563)	–
Stellane Enterprises (Pty) Ltd [6]	(49 976)	–
The Voltage Doctor CC [6]	(58 422)	–
WL Holdings (Pty) Ltd [6]	(58 422)	–
Applied Vehicle Analysis (Pty) Ltd [7]	–	–
Barrange (Pty) Ltd [1]	4 591	4 543
Kairos Raising (Pty) Ltd [6]	23 499	10 617
DrillX Innovations (Pty) Ltd [8]	840 862	804 965
Besalco SA [5]	55 217	21 270
Lamproom Holdings (Pty) Ltd [6]	–	–
EIQ Investment Holdings (Pty) Ltd [6]	105 335	132 023
Hall Core Holdings (Pty) Ltd [8]	2 417 697	2 727 626
Hall Core International Ltd [8]	–	–
Sargin Uluslararasi [8]	158 947	172 594
Drilling Properties (Pty) Ltd [1]	644	638
DCP (Pty) Ltd [1]	(1 335)	(1 322)
MDG Equity Holdings (Pty) Ltd [1, 3 & 4]	(609 115)	797
MD Drilling Employees Trust [2]	(1 323)	(2 524)
MD Engineering Employees Trust [2]	3 282	911
	2 791 290	3 241 291
Related party loans receivable from	3 610 074	3 875 984
Related party loans owing to	(818 784)	(634 693)
Net related party loans	2 791 290	3 241 291
Non-current assets	3 258 559	3 532 591
Current assets	351 515	343 393
Non-current liabilities	–	–
Current liabilities	(818 784)	634 693

The Group performed an analysis on the recoverability of its related party loans receivable from Hall Core International Ltd and based on the assessment performed it was concluded based on the underlying business' liquid assets this loan is currently irrecoverable and therefore provided 100% of the total balance (USD 1.1 million)

The above loans are with legal entities where the following related parties have control:

[1] *Danie Pretorius*

[2] *BEE Partner*

[3] *Andre van Deventer*

[4] *Koos Jordaan*

[5] *Co-owner of Consorsio Master Drilling Besalco SA*

[6] *Co-owner of A&R Engineering (Pty) Ltd and related companies*

[7] *Joint venture company of the Group*

[8] *Joint venture partner*

9. RELATED PARTIES TRANSACTIONS

Related party	Nature	Jun 2026 USD	Jun 2025 USD
Barrange (Pty) Ltd	Rental paid	**98 788**	96 127
A&R Electronics (Pty) Ltd	Consumables	**33 330**	–
HC Mine Services & Solutions (Pty) Ltd	Administration and management fees	**72 955**	–
Plusko 157 (Pty) Ltd	Rental paid	**70 333**	–
Stellane Enterprises (Pty) Ltd	Administration and management fees	**123 329**	–
The Voltage Doctor CC	Administration and management fees	**144 174**	–
WL Holdings (Pty) Ltd	Administration and management fees	**144 174**	–
HallCore Holdings (Pty) Ltd	Rental income	**616 074**	682 810
HallCore Holdings (Pty) Ltd	Interest received	**81 447**	93 039
MDG Equity Holdings (Pty) Ltd	Interest paid	**72 568**	32 631
Kairos Raising	Administration and management fees	**26**	12
A&R Investment Holding (Pty) Ltd	Administration and management fees	**–**	383
EIQ Investments (Pty) Ltd	Administration and management fees	**6 948**	3 124
Lamproom Holdings (Pty) Ltd	Administration and management fees	**20 548**	50 611

10. REVENUE

	Jun 2026 USD	Jun 2025 USD	Dec 2025 USD
Revenue from contracts with customers			
Rendering of services	**135 054 482**	118 096 219	259 384 260
Sale of industrial products	**20 784 757**	15 101 038	32 596 119
	155 839 239	133 197 257	291 980 379
Disaggregation of revenue from contracts with customers			
The Group disaggregates revenue from customers as follows:			
Rendering of services	**135 054 482**	118 096 219	259 384 260
Sale of industrial products	**20 784 757**	15 101 038	32 596 119
	155 839 239	133 197 257	291 980 379
Timing of revenue recognition			
Over time			
Rendering of services	**135 054 482**	118 096 219	259 384 260
At a point in time			
Sale of industrial products	**20 784 757**	15 101 038	32 596 119

Refer to note 11 – Segment Reporting for disaggregation of revenue by stage of mining activity and geographical area.

11. SEGMENT REPORTING

11.1 Activity

The following table shows the distribution of the Group's combined sales by activity, regardless of where the goods were produced:

	Jun 2026 USD	Jun 2025 USD	Dec 2025 USD
Sales revenue by activity			
Sale of industrial products	**20 784 757**	15 101 038	32 894 981
Raise boring	**105 357 304**	106 505 055	214 514 192
Support services	**16 237 537**	4 841 465	27 985 987
Slim drilling	**7 785 077**	4 891 142	11 336 920
New rock-boring technology	**5 674 565**	1 858 557	5 248 299
Total	**155 839 239**	133 197 257	291 980 379
Gross profit by activity			
Sale of industrial products	**7 018 317**	5 076 308	12 348 374
Raise boring	**33 598 055**	32 022 833	60 465 861
Support services	**3 956 447**	1 374 898	7 520 190
Slim drilling	**715 671**	1 362 218	1 115 399
New rock-boring technology	**1 094 432**	462 986	1 157 588
Total	**46 382 922**	40 299 243	82 607 412

The chief decision maker of the Group is the chief executive officer. The chief executive officer, under the direct supervision of the resident board, manages the activities of the Group concomitant to the inherent risks facing these activities. It is for this reason that the activities are separated as disclosed above. The equipment and related liabilities of the Group can be used at multiple stages and therefore cannot be presented per activity.

There we no changes made to the segments compared to the previous reporting period.

11. SEGMENT REPORTING (continued)

11.2 Geographical segments

Although the Group's major operating divisions are managed on a worldwide basis, they operate in five principal geographical areas of the world.

	Jun 2026 USD	Jun 2025 USD	Dec 2025 USD
Sales revenue by geographical market			
Africa	**27 877 955**	23 790 465	51 056 389
Central and North America	**11 253 158**	10 557 866	21 078 779
Rest of the World(**)	**26 167 442**	24 977 205	52 171 326
South Africa	**46 195 619**	30 605 389	74 793 469
South America	**44 345 064**	43 266 332	92 880 416
Total	**155 839 239**	133 197 257	291 980 379
Cost of sales by geographical market			
Africa	**16 899 211**	15 568 333	32 219 838
Central and North America	**9 010 293**	10 000 316	17 611 084
Rest of the World	**13 396 885**	14 963 187	35 128 270
South Africa	**33 012 298**	18 699 097	48 014 540
South America	**37 137 630**	33 667 081	76 399 235
	109 456 317	92 898 014	209 372 967
Gross profit by geographical market			
Africa	**10 978 744**	8 222 132	18 836 551
Central and North America	**2 242 865**	557 550	3 467 695
Rest of the World(**)	**12 770 558**	10 014 018	17 043 058
South Africa	**13 183 322**	11 906 292	26 778 928
South America	**7 207 434**	9 599 251	16 481 180
Total	**46 382 922**	40 299 243	82 607 412

The gross profit percentages vary based on drilling ground conditions, competition in the markets and the mix of in-country and foreign cost.

	Jun 2026 USD	Jun 2025 USD	Dec 2025 USD
Depreciation, amortisation and impairment by geographical market			
Africa	**186 396**	191 313	82 744
Central and North America	**623 388**	767 019	1 394 944
Rest of the World(**)	**2 022 776**	1 809 282	5 164 969
South Africa	**2 727 895**	(2 385 036)	273 198
South America	**1 833 144**	1 127 182	3 707 836
Total	**7 393 600**	1 509 760	10 623 691

(**) Rest of the World include operations in Scandinavia, Australia and India.

11. SEGMENT REPORTING (continued)

11.2 Geographical segments (continued)

	Jun 2026 USD	Jun 2025 USD	Dec 2025 USD
Employee costs by geographical market			
Africa	**4 133 962**	3 257 617	8 796 144
Central and North America	**6 138 323**	4 985 590	10 960 461
Rest of the World	**9 225 695**	7 807 747	16 284 689
South Africa	**23 665 547**	16 199 778	34 330 935
South America	**22 016 902**	18 266 222	41 469 619
	65 180 428	50 516 955	111 841 848

	Jun 2026 USD	Jun 2025 USD	Dec 2025 USD
Consumables by geographical market			
Africa	**1 924 660**	1 410 951	3 409 238
Central and North America	**1 072 238**	726 337	1 244 682
Rest of the World	**1 181 968**	1 687 444	9 900 127
South Africa	**14 031 755**	7 752 380	21 418 908
South America	**2 452 995**	2 494 221	4 356 456
	20 663 616	14 071 334	40 329 411

	Jun 2026 USD	Jun 2025 USD	Dec 2025 USD
Maintenance by geographical market			
Africa	**384 988**	551 005	980 498
Central and North America	**991 847**	1 162 035	2 064 353
Rest of the World	**9 668 841**	7 790 928	10 601 449
South Africa	**2 473 802**	2 323 128	4 761 530
South America	**4 919 935**	3 716 291	9 849 006
	18 439 414	15 543 388	28 256 836

	Jun 2026 USD	Jun 2025 USD	Dec 2025 USD
Support services by geographical market			
Africa	**1 162 982**	449 290	1 008 840
Central and North America	**204 400**	1 028 265	1 714 805
Rest of the World	**288 457**	1 554 930	3 407 884
South Africa	**11 824 653**	10 847 683	29 509 306
South America	**1 708 069**	2 775 960	6 679 378
	15 188 561	16 656 128	42 320 213

	Jun 2026 USD	Jun 2025 USD	Dec 2025 USD
Investment revenue by geographical market			
Africa	**43 683**	–	–
Central and North America	**–**	60 456	75 427
Rest of the World(**)	**74 448**	119 336	308 049
South Africa	**645 552**	107 053	1 264 930
South America	**67 311**	31 424	84 093
Total	**830 994**	318 269	1 732 499

11. SEGMENT REPORTING (continued)

11.2 Geographical segments (continued)

	Jun 2026 USD	Jun 2025 USD	Dec 2025 USD
Finance cost by geographical market			
Africa	**–**	–	–
Central and North America	**883 176**	849 565	1 757 470
Rest of the World(**)	**467 703**	–	30 934
South Africa	**1 075 008**	1 279 429	3 150 732
South America	**483 113**	741 567	1 062 458
Total	**2 909 001**	2 870 561	6 001 594

	Jun 2026 USD	Jun 2025 USD	Dec 2025 USD
Taxation by geographical market			
Africa	**1 944 570**	1 760 055	2 386 143
Central and North America	**155 321**	176 676	284 811
Rest of the World(**)	**2 645 423**	1 405 317	5 364 853
South Africa	**855 322**	1 356 857	1 915 582
South America	**1 495 073**	1 508 129	2 715 840
Total	**7 095 709**	6 207 034	12 667 229

	Jun 2026 USD	Jun 2025 USD	Dec 2025 USD
Total assets by geographical market			
Africa	**28 884 706**	28 844 606	29 432 487
Central and North America	**38 512 529**	40 773 535	38 472 442
Rest of the World(**)	**108 899 708**	117 404 238	101 937 957
South Africa	**177 136 436**	128 366 588	170 052 824
South America	**92 154 356**	84 308 454	94 494 891
Total	**445 587 735**	399 697 421	434 390 601

	Jun 2026 USD	Jun 2025 USD	Dec 2025 USD
Total liabilities by geographical market			
Africa	**13 715 317**	13 387 277	11 786 820
Central and North America	**22 419 815**	27 640 669	23 748 222
Rest of the World(**)	**57 268 763**	36 065 146	46 318 901
South Africa	**67 157 000**	70 415 434	73 046 314
South America	**36 588 565**	29 307 435	37 638 741
Total	**197 149 459**	176 815 961	192 538 998

(**) *Rest of the World include operations in Scandinavia, Australia and India.*

12. FAIR VALUE

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.
- Level 2: Valuation techniques based on observable inputs, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation.

Fair values of derivative financial assets that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments, the Group determines fair values using valuation techniques.

The Group uses widely recognised valuation models for determining the fair value of common and more simple financial instruments. Observable prices and model inputs are usually available in the market for listed debt and equity securities, exchange traded derivatives and over the counter derivatives. Availability of observable market prices and model inputs reduces the need for management judgement and estimation and also reduces the uncertainty joint ventured with determination of fair values.

For more complex instruments such as investments in unlisted equities, the Group uses primarily the discounted cash flow valuation model. Some or all of the significant inputs into these models may not be observable in the market and are derived from market prices or rates such as comparable beta ratios or are estimated based on assumptions. Valuation models that employ significant unobservable inputs require a higher degree of management judgement and estimation in the determination of fair value. Management judgement and estimation are usually required for selection of the appropriate valuation model to be used, determination of expected future cash flows on the financial instrument being valued, selection of appropriate discount rates, forecasted and terminal growth rates and other model inputs.

June 2026

USD

The table below analyses financial instruments measured at fair value at the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorised (all amounts in USD as at 30 June):

	Level 1	Level 2	Level 3	Total
Investment in equity instruments	421 734	–	–	421 734
Reversal of impairment of property, plant and equipment	–	–	–	–
Derivative financial instrument	–	262 761	–	262 761
Derivative financial instrument	–	(219 172)	–	(219 172)
Put option for non-controlling interest	–	–	(7 248 438)	(7 248 438)

December 2025

USD

The table below analyses financial instruments measured at fair value at the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorised (all amounts in USD as at 31 December):

	Level 1	Level 2	Level 3	Total
Investment in equity instruments	332 358	–	–	332 358
Reversal of impairment of property, plant and equipment	–	–	4 781 577	4 781 577
Derivative financial instrument	–	812 489	–	812 489
Derivative financial instrument	–	(18 891)	–	(18 891)
Put option for non-controlling interest	–	–	(7 173 202)	(7 173 202)

CORPORATE INFORMATION

MASTER DRILLING GROUP LIMITED

Registration number: 2011/008265/06
Incorporated in the Republic of South Africa
JSE share code: MDI
ISIN: ZAE000171948 ||| LEI: 37890095B2AFC611E529

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DIRECTORS

Executive

Daniël (Danie) Coenraad Pretorius	Chief executive officer and founder
André Jean van Deventer	Financial director and chief financial officer
Gareth Robert Sheppard	Alternate director to Daniël (Danie) Coenraad Pretorius

Non-executive

Hendrik Roux van der Merwe	Chairman and independent non-executive
Andries Willem Brink	Independent non-executive (also the lead independent director)
Akhter Alli Deshmukh	Independent non-executive
Hendrik Johannes Faul	Independent non-executive
Mamokete Ramathe	Independent non-executive

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Master Drilling posts information that is important to investors on the main page of its website at www.masterdrilling.com and under the "investment and multimedia" tab on the main page. The information is updated regularly and investors should visit the website to obtain important information about Master Drilling.

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