MASTER DRILLING

REPORT TO SHAREHOLDERS

UNAUDITED INTERIM REPORT
FOR THE SIX MONTHS ENDED 30 JUNE 2025

SALIENT FEATURES FOR THE PERIOD

- Revenue in USD up 4.9% from USD127.0 million to USD133.2 million
- Profit after tax in USD increased 399.0% (*) from USD3.6 million to USD18.1 million
- Headline earnings per share in USD up 6.7% from 9.0 cents to 9.6 cents
- Headline earnings per share in ZAR up 4.7% from 168.6 cents to 176.6 cents
- Basic earnings per share in USD up 485.0% (*) from 2.0 cents to 11.7 cents
- Basic earnings per share in ZAR up 474.1% (*) from 37.5 cents to 215.3 cents
- Net asset value per share in USD up 9.6% from 135 cents to 148 cents
- Revenue pipeline of USD515.0 million
- Committed order book of USD305.6 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
- Dividend of 65.0 cents per share in ZAR terms relating to FY2024 was paid during June 2025

* *Partial impairment reversal*

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 services. Master Drilling has built trusted partner relationships with blue-chip and mid-tier clients in the mining, hydro-electric energy, civil engineering and construction sectors worldwide. The Company is exposed to various key commodities that ensure its sustainability. The Master Drilling business model of providing drilling solutions and services to clients through tailor-made designs, coupled with a flexible support and logistics chain, makes it the preferred partner throughout the life cycle of projects.

Commenting on the results for the six months ending 30 June 2025, Danie Pretorius, Chief Executive Officer of Master Drilling, said:

"Master Drilling is pleased to report a resilient first six months of 2025, achieving USD133.2 million in revenue, reflecting a 4.9% increase compared to the same period in the prior year. This accomplishment comes against a backdrop of global market and economic uncertainty.

Despite some pressure on profitability, we extend our sincere gratitude for the unwavering support of our clients and business partners. Our commitment to capital discipline remains a key driver of positive returns.

Master Drilling is dedicated to technological innovation. We are proud to see our new drilling and cutting technologies gain traction and make a significant impact on the mining industry. Our vision of "making a difference" remains steadfast, as we strive to enhance safety, productivity and cost-effectiveness across the sector.

In addition to our core technologies, we have strategically invested in asset-light digital ventures. These initiatives, including proximity detection solutions and integrated data and resource management systems tailored for mining operations, have not only improved our financial performance but have also created new opportunities for the Group. These ventures ensure our continued relevance and solidify our position as a leading innovator.

Leveraging our established relationships with clients and partners, alongside our global presence, has been central to achieving business growth. By fostering these strong connections, we have been able to deliver a wider range of turnkey solutions, transforming Master Drilling into a more comprehensive contractor.

The Company remains optimistic about the future. Nevertheless, we will continue to prioritise responsible practices, with a focus on cost control, responsible capital allocation and operational excellence."

FINANCIAL OVERVIEW

Revenue increased 4.9% to USD133.2 million and operating profit increased by 234.0% to USD26.6 million. These figures represent resilient results, despite uncertain market, economic and operating conditions experienced globally.

During 2024 the Group provided for an impairment loss on the Mobile Tunnel Boring Machine, as no formal agreement was in place to project future cash flows, due to uncertainty over commodity prices within the machine's target industry. During the first half of 2025, 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. The Group has thus reassessed the recoverable amount of the asset and based on the contract's projected discounted cash flows, the recoverable amount resulted in a partial impairment reversal of USD4.7 million from the impairment loss of USD7.8 million recognised in the prior year. The balance of the impairment will be assessed on a continuous basis.

This partial impairment reversal of property, plant and equipment is the main driver in an overall increase in profit after taxation of 399.0% to USD18.1 million.

USD earnings per share (EPS) increased 485.0% to 11.7 cents, and ZAR EPS increased 474.1% to 215.3 cents. USD headline earnings per share (HEPS) increased 6.7% to 9.6 cents, and ZAR HEPS increased 4.7% to 176.6 cents.

Net cash generated from operations amounted to USD11.0 million. Cash resources continue to be managed diligently to cater for emerging opportunities that require specific design, planning and investment.

Master Drilling's total capital spend of USD13.9 million was applied as follows: 41% on expansion and 59% on sustaining the existing fleet.

Debt decreased from USD48.0 million to USD45.4 million. The gearing ratio, including cash, increased from 6.3% to 10.5% in the first six months of the 2025 fiscal year.

OPERATIONAL OVERVIEW

Safety and response to risk

Master Drilling has a comprehensive risk management program, which is managed through a collaborative platform. The company tracks the progress of all mitigation measures, and any significant business risks are escalated to the executive team and the Board. A dedicated internal audit team provides assurance that all actions are implemented and achieve their desired outcomes.

Our Lost Time Injury Frequency Rate for 2025 increased to 1.38 because of two Lost Time Injuries which occurred in the first half of the year. The milestone is still above our tolerance level of 0.53. Detailed investigations were conducted into the incidents and specific entities were identified for further safety intervention plans. Our priority remains to move people out of harm's way through innovative engineering solutions.

Throughout the year, the Group implemented a rigorous program in compliance with applicable ISO standards. This initiative involved a comprehensive review of existing protocols, the implementation of new hazard identification measures, and a strong focus on upskilling and reskilling employees.

South America

The Group's operations in this region are experiencing significant growth and strategic development. The company is capitalising on a regional transition towards underground mining and the increased focus on strategic minerals and ESG practices. Key initiatives include ongoing investments in technological advancements and the successful deployment of new equipment. The Group is expanding its service offerings through a new strategic joint venture and is actively pursuing new business with both existing and prospective clients, as demonstrated by strong financial performance and a healthy pipeline of upcoming projects and tenders.

Central and North America

The Group's operations in this region are currently undergoing a significant turnaround, with particularly robust intervention plans that have stabilised finances, resolved legacy issues, and positioned the region's profitability in recent years. The region is focused on organic growth through technological adoptions and is actively pursuing market penetration with key industry players.

Africa

The Group's African operations are in a state of flux, with added pressure from a major project that has been placed on hold and from another operation that has ceased as a result of diamond price pressures. However, a new contract has been awarded, prompting the mobilisation of additional equipment. The Group anticipates strong, continued growth, with more machines being mobilised to key mines as well as a first-of-its-kind unit successfully launched in this region. We have also been successful with a multi-year project, although this project has been deferred to 2026.

Rest of the World

This region exceeds expectations for profitability. This was achieved through efficient use of staff, cost-control measures, and successful project execution. New contracts were awarded which provide multiple machines and services for growing clients.

Slim drilling

In the exploration sector, a research project was successfully implemented, while geotechnical drilling projects remain on schedule. The Group has also secured a number of new contracts and is mobilising additional machines for various projects, including new contracts outside South Africa and an expansion of underground drilling capacity at a major mine. Additionally, a new pilot micro-fracking project was successfully completed, leading to an order for a second phase. While minor challenges exist, such as payment issues at a solar farm and a delivery delay for high-pressure pumps, overall operations are progressing positively.

A strong emphasis is placed on technological advancements, demonstrated by the deployment and testing of robotic drilling equipment and the development of advanced sampling and processing systems with the commissioning of the Project Desert Elephant, our version of a surface core drilling rig with a robotic hand which has been successfully completed. We are now in a position to finalise for production, which is in time for upcoming proposals.

Other mining services

The Group's other mining service companies continue to out-perform expectations, with its strong focus on improving a safe working environment for our clients' employees. The service offerings have been expanded further outside South African borders. Opportunities for global expansion will be explored in the future.

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 is pleased to announce that the Mobile Tunnel Boring machine was successfully placed with a client in the South African region. The contract negotiations have been finalised and operations are expected to start in the fourth quarter of 2025.

By investing in these cutting-edge technologies, Master Drilling is positioned to deliver safer, more productive, and cost-competitive solutions for our global client base, optimising mineral recovery and information management throughout the mining lifecycle.

Operational equipment

The fleet consists of 148 raise bore, 35 slim drilling and one mobile tunnel boring rigs. The total raise boring fleet utilisation rate was around 65% while the slim drilling fleet utilisation was around 28%. The rate of new rigs coming on board will settle with a focus on larger units, which typically generate higher income.

Our people

We prioritise building a highly motivated and engaged workforce. This commitment fuels our competitive advantage and delivers long-term value to our stakeholders. We actively attract, develop and retain top talent by fostering a safe and inclusive work environment. We celebrate the unique perspectives and contributions of our diverse workforce, recognising that this synergy drives winning results.

Our commitment to fostering a thriving culture is unwavering. We continuously strive to refine our practices and ensure all employees feel valued, empowered and equipped to excel.

OUTLOOK AND PROSPECTS

Even in the face of global uncertainty, Master Drilling is confident in its ability to perform well. This confidence stems from several factors. First, our long-term contracts provide a stable foundation for our business. Second, we have deliberately diversified our footprint across various regions, commodities, currencies and industries. This strategic approach mitigates risk and positions us for success in a complex global environment. Proactive capital management is another key strength, ensuring we efficiently allocate resources to maximise returns. Finally, our unwavering service orientation keeps client needs at the forefront of everything we do.

Currently, we are actively working to optimise our fleet utilisation, targeting a benchmark of 75%. Prudent capital management remains a core principle that guides our decisions. Our diversification strategy, encompassing regions, commodities, currencies and industries, has proven its worth and will continue to be a central pillar of our growth plan.

The pipeline as at 30 June 2025 totalled USD515.0 million, while the committed order book totalled USD305.6 million for the remainder of 2025 and beyond. In the short to medium term, the sales pipeline is expected to stabilise and increase with further tactical acquisitions and joint ventures supporting performance.

Looking towards the future, Master Drilling prioritises both safety and innovation. We are strong advocates for utilising advanced, mechanised equipment, which aligns perfectly with the industry's growing focus on automation and remote operations. This commitment to cutting-edge technology positions us competitively within this evolving landscape. Furthermore, we actively explore opportunities to expand beyond traditional drilling, with potential applications for artificial intelligence being a key area of interest.

Investing in our people is another cornerstone of our success. We are committed to attracting and retaining top talent by fostering a positive work environment and implementing best practices in human capital management. Finally, Master Drilling takes Environmental, Social and Governance initiatives very seriously. We believe that strong practices not only align with our values but also ensure long-term sustainability for our company and contribute positively to broader industry goals.

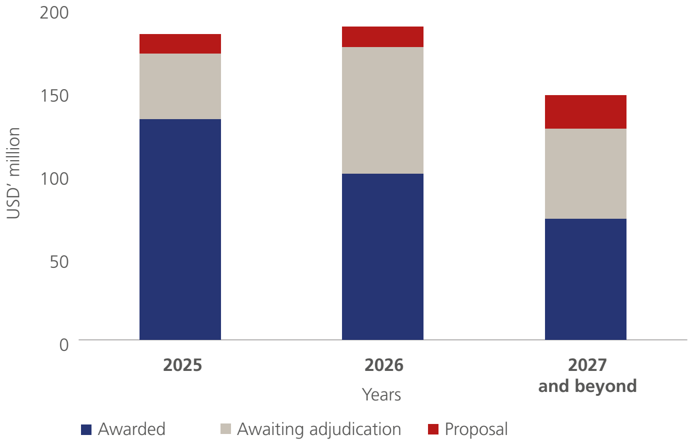
NATURE OF BUSINESS

Master Drilling Group Limited through its operating subsidiary companies provides specialised drilling services to blue-chip major and mid-tier companies in the mining, civil engineering, infrastructure and hydro-electric energy sectors, across a number of commodities and geographies. Master Drilling is the global leader in the raise bore drilling services industry.

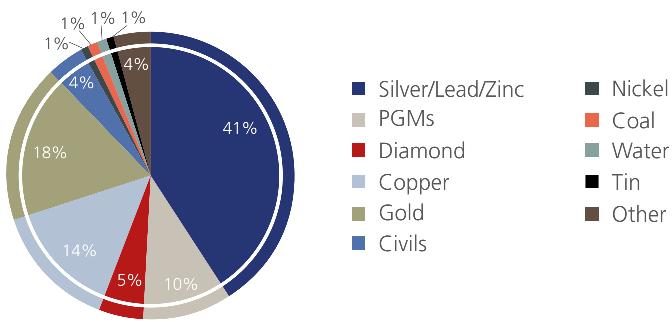
PIPELINE AND COMMITTED ORDERS

As at 30 June 2025 our sales pipeline totalled USD515.0 million (2024: USD599.6 million) while the committed order book totalled USD305.6 million (2024: USD271.4 million) for the remainder of 2025 and beyond, spread as follows:

PIPELINE

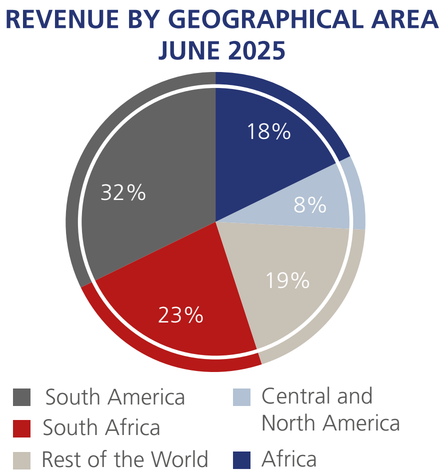


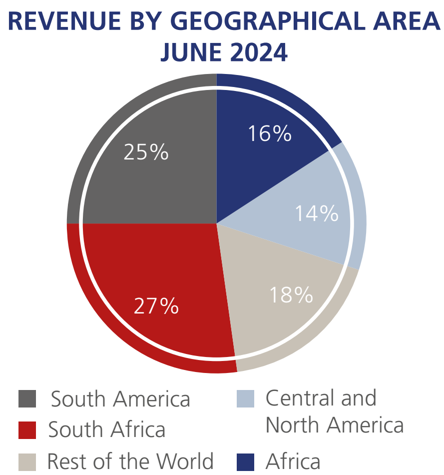
AWARDED ORDERS

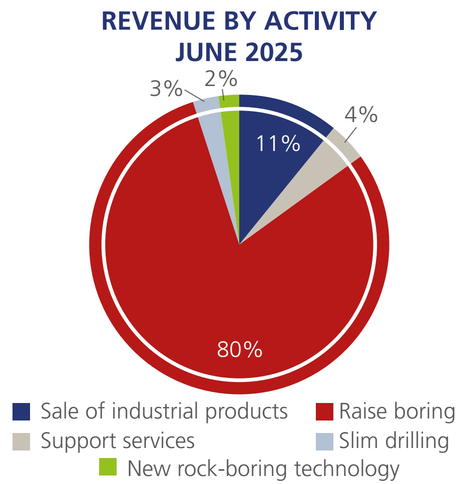


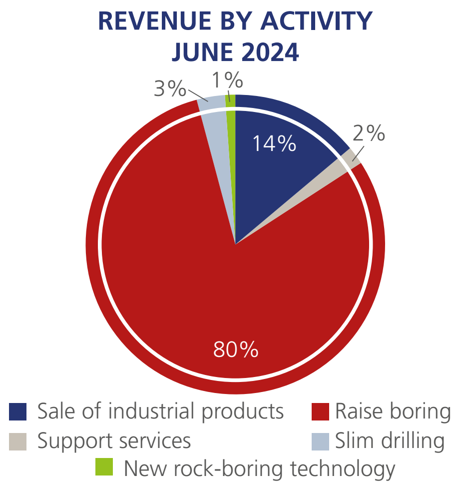
REVENUE

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



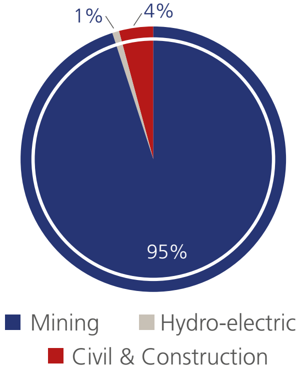




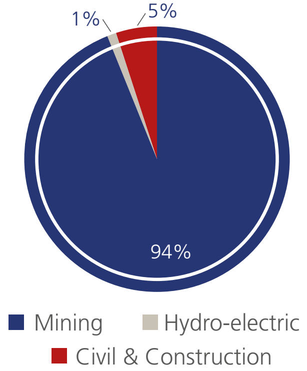


COMMENTARY continued

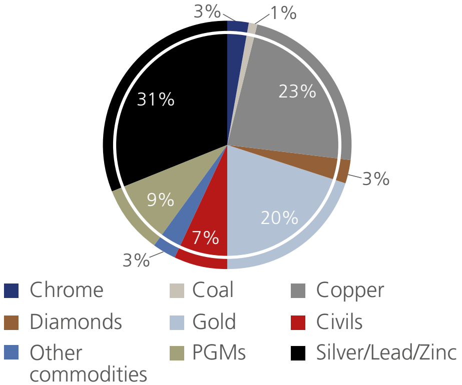
REVENUE BY BUSINESS SECTOR JUNE 2025



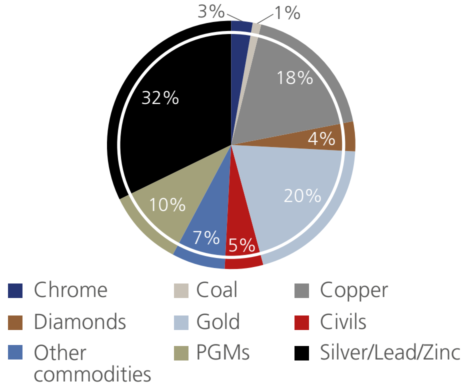
REVENUE BY BUSINESS SECTOR JUNE 2024



REVENUE BY COMMODITY JUNE 2025



REVENUE BY COMMODITY JUNE 2024



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note(s)	Unaudited six months ended Jun 2025 USD	Restated(*) year ended Dec 2024 USD	Restated(*) year ended Dec 2023 USD
Assets				
Non-current assets				
Property, plant and equipment	2	**189 478 213**	169 973 461	165 493 018
Intangibles and goodwill	3	**21 291 949**	19 686 373	21 079 664
Financial assets	13	**283 997**	248 753	75 085
Deferred tax asset		**6 712 878**	8 296 393	3 350 729
Related party loans	9	**4 671 230**	5 973 025	3 549 138
Investment in joint venture		**4 401 497**	4 042 648	4 469 712
Investment in associates		**1 464 147**	1 277 266	958 496
		228 303 911	209 497 919	198 975 842
Current assets				
Inventories		**48 772 663**	46 869 381	48 106 842
Related party loans	9	**991 285**	512 661	726 464
Trade and other receivables	4	**83 268 772**	71 205 690	76 367 354
Current tax receivable		**9 297 379**	9 970 640	4 319 829
Derivative financial instruments	13	**1 290 766**	323 121	326 327
Cash and cash equivalents		**27 772 645**	34 615 375	27 851 965
		171 393 510	163 496 868	157 698 781
Total assets		**399 697 421**	372 994 787	356 674 623
Equity and liabilities				
Equity				
Share capital		**148 855 517**	148 855 517	149 470 175
Reserves		**(135 468 353)**	(140 344 407)	(131 030 641)
Retained income		**188 115 590**	175 238 593	163 129 378
		201 502 754	183 749 703	181 568 912
Non-controlling interest		**21 378 706**	22 354 404	22 347 625
		222 881 460	206 104 107	203 916 537
Liabilities				
Non-current liabilities				
Interest bearing borrowings		**6 432 399**	7 172 461	39 508 019
Lease liabilities		**3 898 981**	4 405 979	5 153 677
Instalment sales liabilities		**746 961**	875 469	61 160
Contract liability		**–**	–	4 782 670
Employee benefit provision		**1 039 795**	791 429	1 288 163
Consideration payable	14	**3 172 048**	–	–
Related party loans	9	**1 097 405**	1 619 164	–
Put option liability for non-controlling interest	15	**6 731 587**	7 976 656	7 074 250
Deferred tax liability		**10 313 493**	10 246 586	9 922 984
		33 432 669	33 087 744	67 790 923
Current liabilities				
Interest bearing borrowings		**38 991 986**	40 849 123	4 572 533
Lease liabilities		**514 432**	508 064	601 775
Instalment sales liabilities		**256 903**	822 946	1 339 205
Related party loans	9	**2 410**	59 565	1 765 813
Current tax payable		**11 790 646**	12 457 138	6 921 077
Trade and other payables	5	**80 190 031**	69 624 514	63 770 049
Derivative financial instruments	13	**399 865**	673 651	576 164
Employee benefit provision		**1 216 594**	2 708 853	1 145 024
Consideration payable	14	**667 987**	–	–
Contract liability		**3 627 838**	4 104 918	2 506 961
Put option liability for non-controlling interest	15	**–**	1 994 164	1 768 562
Cash and cash equivalents		**5 724 600**	–	–
		143 383 292	133 802 936	84 967 163
Total liabilities		**176 815 961**	166 890 680	152 758 086
Total equity and liabilities		**399 697 421**	372 994 787	356 674 623

(*) *Refer to note 16 for more detail.*

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note(s)	**Unaudited six months ended Jun 2025 USD**	Restated six months ended Jun 2024 USD	Restated(*) year ended Dec 2024 USD
Revenue	11	**133 197 257**	126 976 920	270 842 794
Cost of sales		**(92 898 014)**	(89 504 082)	(186 879 370)
Gross profit		**40 299 243**	37 472 838	83 963 424
Other operating income		**5 183 628**	1 302 091	2 464 314
Other operating expenses		**(22 750 863)**	(18 537 962)	(43 108 405)
Reversal of impairment /(Impairment) of property, plant and equipment	2	**4 646 026**	(13 330 889)	(13 894 642)
Movement of expected credit loss allowances	4	**(762 398)**	1 071 061	141 426
Operating profit		**26 615 636**	7 977 139	29 566 117
Investment income		**318 269**	645 915	1 776 714
Finance costs		**(2 870 561)**	(2 797 004)	(6 264 199)
Fair value adjustment		**32 128**	(16 972)	62 572
Share of profit/(loss) from equity accounted investments		**232 057**	(522)	25 905
Profit before taxation		**24 327 529**	5 808 556	25 167 109
Taxation		**(6 207 034)**	(2 174 370)	(6 916 570)
Profit for the period		**18 120 495**	3 634 186	18 250 539
Other comprehensive profit/(loss) that will subsequently be classified to profit and loss:				
Exchange differences on translating foreign operations		**4 812 979**	(3 287 854)	(9 846 674)
Other comprehensive loss for the year net of taxation		**4 812 979**	(3 287 854)	(9 846 674)
Total comprehensive income		**22 933 474**	346 332	8 403 865
Profit attributable to:		**18 120 495**	3 634 186	18 250 539
Owners of the parent		**17 649 375**	3 067 917	17 160 017
Non-controlling interest		**471 120**	566 269	1 090 522
Total comprehensive income attributable to:		**22 933 474**	346 332	8 403 865
Owners of the parent		**22 462 354**	(219 937)	7 313 343
Non-controlling interest		**471 120**	566 269	1 090 522
Earnings per share (USD)	6			
Basic earnings per share (cents)		**11.7**	2.0	11.4
Diluted earnings per share (USD)	6			
Diluted basic earnings per share (cents)		**11.7**	2.0	11.3
Earnings per share (ZAR)				
Basic earnings per share (cents)		**215.3**	37.5	209.0
Diluted earnings per share (ZAR)				
Diluted basic earnings per share (cents)		**215.3**	37.5	207.2

(*) *Refer to note 16 for more detail.*

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note(s)	**Unaudited six months ended Jun 2025 USD**	Unaudited six months ended Jun 2024 USD
Cash flows from operating activities			
Cash generated from operations	7	**17 195 838**	32 876 550
Interest received		**318 269**	437 750
Finance costs paid		**(2 044 917)**	(1 490 094)
Tax paid		**(4 443 675)**	(4 164 577)
Net cash from operating activities		**11 025 515**	27 659 629
Cash flows from investing activities			
Purchase of property, plant and equipment		**(13 243 916)**	(19 690 550)
Investment in subsidiary	8	**(380 786)**	–
Investment in associate		**–**	(721 552)
Advances to related parties		**(335 005)**	(492 979)
Proceeds from related parties		**637 647**	858 306
Net cash used in investing activities		**(13 322 060)**	(20 046 775)
Cash flows from financing activities			
Receipt from financial liabilities		**–**	4 423 671
Repayment of financial liabilities		**(2 618 891)**	(2 124 575)
Repayment of capital portion of lease liabilities		**(143 837)**	(123 099)
Repayment of capital portion of instalment sales agreements		**(598 550)**	(649 614)
Advances from related parties		**212 446**	1 316 687
Repayment of related parties		**(1 378 911)**	(649 407)
Share buy back		**–**	(610 693)
Dividends paid to shareholders		**(6 219 196)**	(4 372 955)
Additional investment in subsidiary		**(101 523)**	–
Net cash used in financing activities		**(10 848 462)**	(2 789 985)
Total cash movement for the period		**(13 145 007)**	4 822 869
Cash at the beginning of the period		**34 615 375**	27 851 966
Effect of exchange rate movement on cash balances		**577 677**	(550 147)
Total cash at end of the period		**22 048 045**	32 124 688

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]
Balance as at 31 December 2023 – as previously reported	149 470 175	(58 264 013)	(73 153 408)	1 611 385
Opening balance adjustment – refer to note 16	–	–	343 393	(1 611 385)
Balance as at 31 December 2023 – restated (*)	149 470 175	(58 264 013)	(72 810 015)	–
Dividends declared by subsidiaries	–	–	–	–
Share buy backs	(614 658)	–	–	–
Share-based payment	–	–	–	–
Put option liability for non-controlling interest	–	–	–	–
Equity impact on common control transaction	–	–	–	383 738
Dividends to shareholders	–	–	–	–
Total comprehensive income for the year	–	–	(9 846 674)	–
Total changes	(614 658)	–	(9 846 674)	383 738
Balance as at 31 December 2024 – restated(*)	**148 855 517**	**(58 264 013)**	**(82 656 689)**	**383 738**
Dividends declared by subsidiaries	**–**	**–**	**–**	**–**
Change in shareholding	**–**	**–**	**–**	**–**
Share-based payment	**–**	**–**	**–**	**–**
Total comprehensive income for the period	**–**	**–**	**4 812 979**	**–**
Dividends to shareholders	**–**	**–**	**–**	**–**
Total changes	**–**	**–**	**4 812 979**	**–**
Balance as at 30 June 2025	**148 855 517**	**(58 264 013)**	**(77 843 710)**	**383 738**

Note

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.*

(*) *Refer to note 16 for more detail.*

Share-based payments reserve	Total reserve	Retained income	Attributable to owners of the parent	Non-controlling interest	Total Shareholders' equity
43 387	(129 762 649)	165 166 453	184 873 979	24 110 007	208 983 986
–	(1 267 992)	(2 037 075)	(3 305 067)	(1 762 382)	(5 067 449)
43 387	(131 030 641)	163 129 378	181 568 912	22 347 625	203 916 537
–	–	–	–	(1 083 743)	(1 083 743)
–	–	–	(614 658)	–	(614 658)
149 170	149 170	–	149 170	–	149 170
–	–	(677 847)	(677 847)	–	(677 847)
–	383 738	–	383 738	–	383 738
–	–	(4 372 955)	(4 372 955)	–	(4 372 955)
–	(9 846 674)	17 160 017	7 313 343	1 090 522	8 403 865
149 170	(9 313 766)	12 109 215	2 180 791	6 779	2 187 570
192 557	**(140 344 407)**	**175 238 593**	**183 749 703**	**22 354 404**	**206 104 107**
–	**–**	**–**	**–**	**(768 763)**	**(768 763)**
–	**–**	**678 055**	**678 055**	**(678 055)**	**–**
63 075	**63 075**	**–**	**63 075**	**–**	**63 075**
–	**4 812 979**	**17 649 375**	**22 462 354**	**471 120**	**22 933 474**
–	**–**	**(5 450 433)**	**(5 450 433)**	**–**	**(5 450 433)**
63 075	**4 876 054**	**12 876 997**	**17 753 051**	**(975 698)**	**16 777 353**
255 632	**(135 468 353)**	**188 115 590**	**201 502 754**	**21 378 706**	**222 881 460**
		14	14	14	

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 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 2024. The Group applied IAS 8 related to the correction of a prior period error. Refer to Note 17 for more details.

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 2024. 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.

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 12.

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 dividend of 65,0 cents per share in ZAR terms relating to FY2024 was paid during June 2025.

BOARD OF DIRECTORS

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

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

2. PROPERTY, PLANT AND EQUIPMENT

Jun 2025 USD	**Cost**	**Accumulated depreciation and impairment losses**	**Carrying value**
Land and buildings	**1 493 259**	**(189 646)**	**1 303 613**
Right of use assets: Land and buildings	**6 221 187**	**(2 007 851)**	**4 213 336**
Instalment sale: Plant and machinery	**574 459**	**(85 388)**	**489 071**
Plant and machinery	**245 937 548**	**(78 833 997)**	**167 103 551**
Assets under construction	**12 159 364**	**–**	**12 159 364**
Furniture and fittings	**1 741 392**	**(1 510 274)**	**231 118**
Motor vehicles	**8 549 055**	**(5 156 101)**	**3 392 954**
Right of use assets: Motor Vehicles	**407 888**	**(400 173)**	**7 715**
IT equipment	**1 538 094**	**(960 602)**	**577 492**
Total	**278 622 246**	**(89 144 032)**	**189 478 214**

Dec 2024 USD	Cost	Accumulated depreciation and impairment losses	Carrying value
Land and buildings	1 383 534	(167 826)	1 215 708
Right-of-use assets: Land and buildings	5 952 076	(2 454 882)	3 497 194
Instalment sale: Plant and machinery	525 521	(26 134)	499 387
Plant and machinery	226 367 904	(76 907 629)	149 460 275
Assets under construction	10 884 927	–	10 884 927
Furniture and fittings	1 643 937	(1 474 674)	169 263
Motor vehicles	9 043 383	(5 251 320)	3 792 063
Right-of-use assets: Motor vehicles	382 510	(341 584)	40 926
IT equipment	1 312 405	(898 687)	413 718
Total	257 496 197	(87 522 736)	169 973 461

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NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS continued

2. PROPERTY, PLANT AND EQUIPMENT (continued)

2.1 Reconciliation of property, plant and equipment

Jun 2025
USD

USD	Opening balance	Additions	Exchange difference on consolidation of foreign subsidiaries	Reclassifications between different categories
Land and buildings	**1 215 708**	**–**	**94 638**	**–**
Right of use assets:				
Land and buildings	**3 497 194**	**595 103**	**122 724**	**–**
Instalment sale:				
Plant and machinery	**499 387**	**–**	**1 729**	**–**
Plant and machinery	**149 460 275**	**10 857 524**	**6 593 609**	**–**
Assets under construction	**10 884 927**	**1 750 381**	**262 069**	**–**
Furniture and fittings	**169 263**	**4 074**	**78 588**	**–**
Motor vehicles	**3 792 063**	**404 860**	**(213 139)**	**–**
Right of use assets: Motor Vehicles	**40 926**	**–**	**4 630**	**–**
IT equipment	**413 718**	**227 077**	**31 016**	**–**
Total	**169 973 461**	**13 839 019**	**6 975 864**	**–**

Dec 2024 USD	Opening balance	Additions	Exchange difference on consolidation of foreign subsidiaries	Reclassifications between different categories
Land and buildings	855 717	–	(123 520)	644 382
Right-of-use assets:				
Land and buildings	4 620 447	40 862	(49 092)	(644 382)
Instalment sale:				
Plant and machinery	200 935	363 683	(41 808)	–
Plant and machinery	143 554 641	28 149 332	(8 691 470)	–
Assets under construction	12 781 073	10 014 747	(528 286)	–
Furniture and fittings	219 276	227 454	(8 262)	–
Motor vehicles	2 835 855	2 360 684	(107 419)	32 172
Right-of-use assets: Motor vehicles	59 731	594 990	(2 556)	(32 172)
IT equipment	365 343	479 173	(22 154)	–
Total	165 493 018	42 230 925	(9 574 567)	–

Security

Moveable assets to the value of ZAR1,8 billion (USD101.6 million at closing spot rate) of the South African subsidiaries have been bonded to ABSA Capital as security for an interest bearing loan.

Property, plant and equipment to the value of SEK40.8 million (USD4.3 million at closing rate) of the European entity have been pledged to Swedbank as security for an interest bearing loan.

Impairment

During the half-year 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 as the higher of fair value less costs of disposal and value in use. Based on the contract's projected cash flows, the recoverable amount has been estimated at

Disposals	Depreciation	Reversal of Impairment	Remeasurement	Reclassification from assets under construction to plant and machinery	Acquired through Business Combination	Total
–	**(6 733)**	**–**	**–**		**–**	**1 303 613**
–	**(143 898)**	**–**	**142 214**	**–**	**–**	**4 213 337**
–	**(12 045)**	**–**	**–**	**–**	**–**	**489 071**
(322 444)	**(4 876 082)**	**4 646 026**	**–**	**738 013**	**6 631**	**167 103 552**
–	**–**	**–**	**–**	**(738 013)**	**–**	**12 159 364**
–	**(28 442)**	**–**	**–**		**7 636**	**231 119**
(21 756)	**(578 533)**	**–**	**–**	**–**	**9 459**	**3 392 954**
–	**(37 842)**	**–**	**–**		**–**	**7 714**
(435)	**(99 719)**	**–**	**–**	**–**	**5 833**	**577 490**
(344 635)	**(5 783 294)**	**4 646 026**	**142 214**	**–**	**29 559**	**189 478 214**

Disposals	Depreciation	Impairment/ Scrapping	Remeasurement	Reclassification from assets under construction to plant and machinery	Acquired through Business Combination	Total
–	(160 871)	–	–	–	–	1 215 708
–	(689 911)	–	219 270	–	–	3 497 194
(10 835)	(12 588)	–	–	–	–	499 387
(519 768)	(10 766 777)	(13 648 290)	–	11 382 607	–	149 460 275
–	–	–	–	(11 382 607)	–	10 884 927
–	(269 205)	–	–	–	–	169 263
–	(1 328 279)	(950)	–	–	–	3 792 063
–	(579 067)	–	–	–	–	40 926
–	(169 834)	(238 810)	–	–	–	413 718
(530 603)	(13 976 532)	(13 888 050)	219 270	–	–	169 973 461

USD4 646 026. 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 USD4 646 026 has been recognised for the period ended 30 June 2025.

2.2 Capital commitments

	Jun 2025 USD	Dec 2024 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.	**3 503 973**	**3 758 863**

3. INTANGIBLE ASSETS

		Jun 2025 USD	Dec 2024 USD
Goodwill	4.1	**3 363 560**	2 930 587
Intangible assets	4.2	**17 928 389**	16 755 786
		21 291 949	19 686 373

3.1 Goodwill

	Jun 2025 USD	Dec 2024 USD
Goodwill recognised from value chain business combinations	**2 081 750**	2 028 512
Goodwill recognised from raisebore business combinations	**420 137**	386 367
Goodwill recognised from software support services	**861 673**	515 708
Goodwill recognised from business combinations	**3 363 560**	2 930 587

Jun 2025 USD	**Opening balance**	**Additions(*)**	**Exchange difference on consolidation of foreign subsidiaries**	**Total**
Goodwill recognised from value chain business combinations	**2 028 512**	**–**	**53 238**	**2 081 750**
Goodwill recognised from raisebore business combinations	**386 367**	**–**	**33 770**	**420 137**
Goodwill recognised from software support services	**515 708**	**289 762**	**56 203**	**861 673**
Goodwill recognised from business combinations	**2 930 587**	**289 762**	**143 211**	**3 363 560**

(*) *Refer to note 8*

Dec 2024 USD	Opening balance	Additions	Exchange difference on consolidation of foreign subsidiaries	Total
Goodwill recognised from value chain business combinations	2 085 808	–	(57 296)	2 028 512
Goodwill recognised from raisebore business combinations	435 146	–	(48 779)	386 367
Goodwill recognised from software support services	516 063	–	(355)	515 708
Goodwill recognised from business combinations	**3 037 017**	**–**	**(106 430)**	**2 930 587**

3.2 Intangible assets

Jun 2025 USD	**Cost**	**Accumulated amortisation and impairment losses**	**Carrying value**
Computer software	**1 154 336**	**(1 019 616)**	**134 720**
Software solutions(*)	**6 746 303**	**–**	**6 746 303**
Contractual client relationship	**11 912 822**	**(1 853 106)**	**10 059 716**
Patents	**987 650**	**–**	**987 650**
Total	**20 801 111**	**(2 872 722)**	**17 928 389**

Dec 2024 USD	Cost	Accumulated amortisation and impairment losses	Carrying value
Computer software	980 569	(847 336)	133 233
Software solutions(*)	6 262 525	–	6 262 525
Contractual client relationship	11 171 639	(1 737 812)	9 433 827
Patents	926 201	–	926 201
Total	19 340 934	(2 585 148)	16 755 786

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
Computer software	**133 233**	**–**	**(18 458)**
Software solutions(*)	**6 262 525**	**–**	**483 778**
Contractual client relationship	**9 433 827**	**–**	**970 615**
Patents	**926 201**	**–**	**61 449**
Total	**16 755 786**	**–**	**1 497 384**

Dec 2024 USD	Opening balance	Additions	Exchange difference on consolidation of foreign subsidiaries
Computer software	172 089	38 964	(29 869)
Software solutions(*)	6 441 475	–	(178 950)
Contractual client relationship	10 475 836	–	(274 322)
Patents	953 247	–	(27 046)
Total	18 042 647	38 964	(510 187)

(*) *Software solutions was previously disclosed as software licence agreements. The description was updated accordingly to provide more accurate information on the nature of the software to the user of the financial statements.*

Assets acquired through business combination	**Disposal**	**Acquired through Business Combination**	**Amortisation**	**Impairment of intangible assets**	**Total**
–	**–**	**47 711**	**(27 766)**	**–**	**134 720**
–	**–**	**–**	**–**	**–**	**6 746 303**
–	**–**	**–**	**(344 726)**	**–**	**10 059 716**
–	**–**	**–**	**–**	**–**	**987 650**
–	**–**	**47 711**	**(372 492)**	**–**	**17 928 389**

Assets acquired through business combination	Disposal	Acquired through Business Combination	Amortisation	Impairment of intangible assets	Total
–	–	–	(41 359)	(6 592)	133 233
–	–	–	–	–	6 262 525
–	–	–	(767 687)	–	9 433 827
–	–	–	–	–	926 201
–	–	–	(809 046)	(6 592)	16 755 786

4. TRADE AND OTHER RECEIVABLES

	Jun 2025 USD	Dec 2024 USD
Trade receivables	**74 332 552**	62 501 830
Trade receivables – Normal (Gross)	**71 863 548**	58 871 276
Trade receivables – Retention (Gross)	**1 744 294**	682 647
Contract asset	**6 090 875**	7 251 523
Expected credit loss allowance of trade receivables and contract asset	**(5 366 165)**	(4 303 616)
Loans to employees	**204 993**	268 411
Prepaid expenses	**2 338 985**	2 191 856
Deposits	**483 401**	319 614
Indirect taxes	**3 921 393**	3 872 335
Other receivables	**1 987 448**	2 051 644
Total	**83 268 772**	71 205 690
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	**4 303 616**	4 445 817
Exchange differences on translation of foreign operations	**300 151**	(283 627)
Reversal of credit losses recognised previously	**–**	141 426
Amounts written off	**–**	–
Allowance for credit losses recognised	**762 398**	–
Total	**5 366 165**	4 303 616
Gross trade receivables per region:		
Africa	**17 539 060**	10 709 620
Central and North America	**9 752 484**	8 258 118
Rest of the World	**12 463 069**	12 692 941
South Africa	**13 872 660**	21 618 908
South America	**26 071 444**	13 525 859
Total	**79 698 717**	66 805 446

4. TRADE AND OTHER RECEIVABLES (continued)

June 2025

Expected credit loss matrix:	Estimated gross carrying amount	Loss allowance	Expected credit loss rate
AFRICA			
Current	4 787 712	175 224	2.55% to 3.90%
30 days	5 676 934	224 772	2.65% to 4.00%
31 to 60 days	3 618 460	154 400	2.90% to 4.25%
61 to 90 days	3 455 954	165 254	3.40% to 4.75%
Specific provision		1 962 233	
CENTRAL AND NORTH AMERICA			
Current	3 763 126	122 717	3.20% to 3.60%
30 days	2 739 272	100 842	3.30% to 3.70%
31 to 60 days	1 110 756	42 617	3.55% to 3.95%
61 to 90 days	2 139 330	101 286	4.05% to 4.45%
Specific provision		–	
REST OF THE WORLD			
Current	5 905 309	103 312	2.25% to 2.95%
30 days	4 149 099	112 568	2.35% to 3.05%
31 to 60 days	1 016 011	46 535	2.60% to 3.30%
61 to 90 days	1 392 650	58 819	3.10% to 3.80%
Specific provision		289 337	
SOUTH AFRICA			
Current	5 542 494	138 182	0.95% to 4.30%
30 days	4 090 625	193 227	1.05% to 4.40%
31 to 60 days	1 625 443	81 244	1.30% to 4.65%
61 to 90 days	2 614 098	113 434	1.80% to 5.15%
Specific provision		–	
SOUTH AMERICA			
Current	16 964 068	518 947	2.80% to 3.70%
30 days	4 211 296	167 307	2.90% to 3.80%
31 to 60 days	2 286 300	89 654	3.15% to 4.05%
61 to 90 days	2 609 780	124 678	3.65% to 4.55%
Specific provision		279 576	
Total	79 698 717	5 366 165	

4. TRADE AND OTHER RECEIVABLES (continued)

December 2024

Expected credit loss matrix:	Estimated gross carrying amount	Loss allowance	Expected credit loss rate
AFRICA			
Current	1 377 154	47 293	2.35% to 3.80%
30 days	4 575 529	169 988	2.45% to 3.90%
31 to 60 days	3 313 742	132 676	2.70% to 4.15%
61 to 90 days	1 443 196	64 753	3.20% to 4.65%
Specific provision		1 558 020	
CENTRAL AND NORTH AMERICA			
Current	2 358 871	72 179	3.25% to 3.65%
30 days	2 976 279	102 809	3.35% to 3.75%
31 to 60 days	238 162	8 574	3.60% to 4.00%
61 to 90 days	2 684 807	119 271	4.10% to 4.50%
Specific provision		–	
REST OF THE WORLD			
Current	7 846 498	110 152	2.20% to 2.90%
30 days	4 135 803	105 286	2.30% to 3.00%
31 to 60 days	26 357	6 033	2.55% to 3.25%
61 to 90 days	684 279	27 118	3.05% to 3.75%
Specific provision		273 176	
SOUTH AFRICA			
Current	3 609 665	84 443	0.85% to 4.20%
30 days	4 404 035	195 199	0.95% to 4.30%
31 to 60 days	1 811 215	84 945	1.20% to 4.55%
61 to 90 days	1 371 676	55 850	1.70% to 5.05%
Specific provision		–	
SOUTH AMERICA			
Current	15 727 820	451 451	2.70% to 3.60%
30 days	2 889 132	107 700	2.80% to 3.70%
31 to 60 days	2 213 420	81 442	3.05% to 3.95%
61 to 90 days	3 117 806	139 760	3.55% to 4.45%
Specific provision		305 498	
Total	66 805 446	4 303 616	

4. TRADE AND OTHER RECEIVABLES (continued)

	Jun 2025 USD	Dec 2024 USD
The carrying amount in USD of trade and other receivables are denominated in the following currencies:		
Australian Dollar	**995 504**	1 407 925
Brazilian Real	**4 073 434**	3 463 012
Botswana Pula	**10 714**	643
Canadian Dollar	**507 536**	131 470
Chilean Peso	**18 460 319**	14 551 281
Chinese Yuan	**535 902**	372 000
Colombian Peso	**1 789**	1 556
Quatemalan Quetzales	**10 173**	7 885
Indian Rupee	**6 197 667**	6 493 528
Peruvian Sol	**1 173 772**	1 209 213
Swedish Krona	**3 409 230**	3 496 741
Turkish Lira	**858**	1 513
United States Dollar	**33 707 632**	26 545 477
West African Franc	**311 503**	549 394
South African Rand	**13 587 357**	12 448 839
Zambian Kwacha	**689 595**	525 214
Total	**83 672 985**	71 205 690

5. TRADE AND OTHER PAYABLES

	Jun 2025 USD	Dec 2024 USD
Trade payables	**53 161 966**	44 732 910
Accruals	**8 658 073**	7 242 737
Indirect taxes	**3 310 950**	3 381 620
Leave pay accruals	**3 185 860**	2 893 571
Consideration payable	**849 331**	908 623
Employee related	**7 464 285**	6 960 741
Claims liability(*)	**2 701 315**	2 701 315
Other payables	**858 251**	802 997
Total	**80 190 031**	69 624 514

(*) *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.*

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS continued

6. EARNINGS PER SHARE

Reconciliation between earnings and headline earnings
Profit for the period
Deduct:
Non-controlling interest
Basic earnings/(loss) for the year
Gain on disposal of property, plant and equipment
Impairment (reversal)/loss of property, plant and equipment
Impairment of intangibles
Headline earnings for the year
Earnings per share (USD)
Diluted earnings per share (USD)
Headline earnings per share (USD cents)
Diluted headline earnings per share (USD cents)
Dividends per share (ZAR cents)
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
Effect of dilutive potential ordinary shares – employee share options
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

(*) *Refer to note 16 for more detail.*

7. CASH GENERATED FROM OPERATIONS

	Jun 2025 USD	Restated Jun 2024 USD
Profit before taxation	**24 327 529**	5 805 776
Adjustments for:		
Depreciation and amortisation	**6 155 786**	8 970 229
Impairment (reversal)/loss of property, plant and equipment	**(4 646 026)**	13 330 889
Share-based payment expense	**(63 075)**	(6 506)
Fair value adjustment	**(32 128)**	16 972
(Profit)/Loss from equity accounted investments	**(232 057)**	522
Unrealised foreign exchange movements	**(1 954 457)**	(185 175)
Put option for non-controlling interest expense	**–**	470 850
Gain on disposal of fixed assets	**(140 388)**	(177 225)
Movement in expected credit loss allowance	**762 398**	(1 071 061)
Movement in allowance for obsolete inventory	**372 966**	379 363
Interest received	**(318 269)**	(645 915)
Movement in provisions	**171 809**	(146 790)
Finance costs	**2 870 561**	2 800 957
Changes in working capital:		
Inventories	**(726 103)**	(618 401)
Trade and other receivables	**(12 712 029)**	2 000 723
Trade and other payables	**4 017 738**	4 185 246
Contract liability	**(658 417)**	(2 233 904)
Total	**17 195 838**	32 876 550

Jun 2025 Gross USD	Jun 2025 Nett USD	Restated Jun 2024 Gross USD	Restated Jun 2024 Nett USD	Restated(*) Dec 2024 Gross USD	Restated(*) Dec 2024 Net USD
18 120 495	18 120 495	3 634 186	3 634 186	18 250 539	18 250 539
–	(471 120)	–	(674 527)	–	(1 090 522)
18 120 495	17 649 375	3 634 186	2 959 659	18 250 539	17 160 017
(140 388)	(100 751)	(177 225)	(130 484)	(103 550)	(46 849)
(4 646 026)	(3 131 713)	13 330 889	10 749 579	13 888 050	9 340 846
–	–	–	–	6 592	4 813
13 334 081	14 416 911	16 787 850	13 578 754	32 041 631	26 458 827
	11.7		2.0		11.4
	11.7		2.0		11.3
	9.6		9.0		17.5
	9.6		9.0		17.5
	65.0		52.5		52.5
	150 536 779		151 362 777		150 982 516
	612 322		51 319		226 366
	151 149 101		151 414 096		151 208 882

8. NET CASH FLOW ON BUSINESS COMBINATION

During January 2025, the Group entered into a purchase agreement where it acquired 75% of the shares of Konec Spa on 2 January 2025, a company incorporated in Chile. The purchase price paid is approximately CLP384 million (USD382 403). Konec Spa is a technology company specialising in fleet tracking and management software for industrial technology, the investment is aligned with the Group's strategy to diversify its services and invest in businesses in different regions and services.

The accounting for the business combination has been accounted for provisionally. Amounts recognised are possibly subject to change in accordance with the requirements of IFRS 3 which permits the acquirer to use provisional amounts for items for which the accounting is incomplete. A detailed purchase price allocation is being performed and will be finalised by the next reporting period.

The provisional carrying amount of assets and liabilities assumed at the date of acquisition was:

Assets	Jun 2025 USD	Dec 2024 USD
Property, plant and equipment	29 559	–
Intangibles	47 711	–
Cash and cash equivalents on hand	1 617	–
Trade and other receivables	141 920	–
Trade and other payables	(97 286)	–
Total identifiable net assets	123 521	–
Less: Non-controlling interests' portion of assets and liabilities acquired (25%)	(30 880)	–
Group's share of net assets acquired	92 641	–
Goodwill at acquisition	289 762	–
Total consideration	382 403	–
Cash and cash equivalents acquired	(1 617)	–
Net cash outflow on acquisition	380 786	–
Turnover since acquisition date included in the consolidated results for the year	835 051	–
Profit after tax since acquisition date included in the consolidated results for the year	183 492	–
Group turnover since acquisition date included in the consolidated results for the year	133 197 257	–
Group profit after tax since acquisition date included in the consolidated results for the year	18 120 495	–

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

	Jun 2025 USD	Restated(*) Dec 2024 USD	Restated(*) Dec 2023 USD
A&R Holdings (Pty) Ltd [6]	**(1 097 405)**	(1 156 061)	(1 191 501)
Applied Vehicle Analysis (Pty) Ltd [7]	**–**	–	161 404
Barrange (Pty) Ltd [1]	**4 245**	3 981	2 624
Kairos Raising (Pty) Ltd [6]	**5 103**	1 169	–
DrillX Innovations (Pty) Ltd [8]	**745 218**	655 447	454 931
Besalco SA [5]	**92 325**	(58 513)	195 141
Lamproom Holdings (Pty) Ltd [6]	**–**	(326 975)	(558 654)
EIQ Investment Holdings (Pty) Ltd [6]	**142 850**	152 913	184 751
Hall Core Holdings (Pty) Ltd [8]	**4 671 230**	4 435 522	3 260 862
Hall Core International Ltd [8]	**–**	1 101 338	–
MDG Equity Holdings (Pty) Ltd [1, 3 & 4]	**744**	(354)	1 981
MD Drilling Employees Trust [2]	**(2 410)**	(2 260)	(2 478)
MD Engineering Employees Trust [2]	**800**	750	728
	4 562 700	4 806 957	2 509 789
Related party loans receivable from	**6 766 092**	6 351 120	4 262 422
Related party loans owing to	**(1 099 815)**	(1 544 163)	(1 752 633)
Net related party loans	**5 666 277**	4 806 957	2 509 789
Non-current assets	**4 671 230**	5 973 025	3 549 138
Current assets	**991 285**	512 661	726 464
Non-current liabilities	**1 097 405**	1 619 164	–
Current liabilities	**2 410**	59 565	1 765 813

(*) *Refer to note 16 for more detail.*

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 (USD1.1 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

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS continued

10. RELATED PARTIES TRANSACTIONS

Related party	Nature	Jun 2025 USD	Restated(*) Dec 2024 USD
Barrange (Pty) Ltd	Rental paid	**96 127**	195 258
HallCore Holdings (Pty) Ltd	Rental income	**682 810**	1 613 006
HallCore Holdings (Pty) Ltd	Interest received	**93 039**	160 984
MDG Equity Holdings (Pty) Ltd	Interest paid	**32 631**	143 434
Kairos Raising	Administration and management fees	**12**	51
A&R Investment Holding (Pty) Ltd	Administration and management fees	**383**	1 683
EIQ Investments (Pty) Ltd	Administration and management fees	**3 124**	13 734
Lamproom Holdings (Pty) Ltd	Administration and management fees	**50 611**	222 468

(*) *Refer to note 16 for more detail.*

11. REVENUE

	Jun 2025 USD	Jun 2024 USD	Dec 2024 USD
Revenue from contracts with customers			
Rendering of services	**118 096 219**	109 351 578	235 216 732
Sale of goods	**15 101 038**	17 625 342	35 626 062
	133 197 257	126 976 920	270 842 794
Disaggregation of revenue from contracts with customers			
The Group disaggregates revenue from customers as follows:			
Rendering of services	**118 096 219**	109 351 578	235 216 732
Sale of goods	**15 101 038**	17 625 342	35 626 062
	133 197 257	126 976 920	270 842 794
Timing of revenue recognition			
Over time			
Rendering of services	**118 096 219**	109 351 578	235 216 732
At a point in time			
Sale of goods	**15 101 038**	17 625 342	35 626 062

Refer to note 12 – Segment Reporting for disaggregation of revenue by stage of mining activity and geographical area.

12. SEGMENT REPORTING

12.1 Activity

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

	Jun 2025 USD	Jun 2024 USD	Dec 2024 USD
Sales revenue by activity			
Sale of industrial products	**15 101 038**	17 625 342	35 626 062
Raise boring	**106 505 055**	101 013 338	211 225 931
Support services	**4 841 465**	3 109 613	10 735 700
Slim drilling	**4 891 142**	4 405 242	10 600 589
New rock-boring technology	**1 858 557**	823 385	2 654 512
Total	**133 197 257**	126 976 920	270 842 794
Gross profit by activity			
Sale of industrial products	**5 076 308**	5 730 144	14 205 018
Raise boring	**32 022 833**	29 325 360	64 545 870
Support services	**1 374 898**	706 104	2 919 023
Slim drilling	**1 362 218**	1 394 517	1 544 905
New rock-boring technology	**462 986**	316 713	748 608
Total	**40 299 243**	37 472 838	83 963 424

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.

12. SEGMENT REPORTING (continued)

12.2 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 2025 USD	Jun 2024 USD	Dec 2024 USD
Sales revenue by geographical market			
Africa	**23 790 465**	19 811 538	41 897 849
Central and North America	**10 557 866**	17 764 579	34 612 075
Rest of the World(**)	**24 977 205**	23 089 243	53 318 835
South Africa	**30 605 389**	34 282 061	75 306 429
South America	**43 266 332**	32 029 499	65 707 606
Total	**133 197 257**	126 976 920	270 842 794
Gross profit by geographical market			
Africa	**8 222 132**	7 073 501	9 101 279
Central and North America	**557 550**	425 907	7 835 189
Rest of the World(**)	**10 014 018**	8 747 013	25 017 965
South Africa	**11 906 292**	15 896 010	25 591 282
South America	**9 599 251**	5 330 407	16 417 710
Total	**40 299 243**	37 472 838	83 963 425

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

	Jun 2025 USD	Jun 2024 USD	Dec 2024 USD
Depreciation, amortisation and impairment by geographical market			
Africa	**191 313**	1 748 528	601 605
Central and North America	**767 019**	1 493 945	7 917 545
Rest of the World(**)	**1 809 282**	2 026 728	3 872 946
South Africa	**(2 385 036)**	2 375 819	13 409 432
South America	**1 127 182**	1 325 209	2 878 691
Total	**1 509 760**	8 970 229	28 680 219

	Jun 2025 USD	Jun 2024 USD	Restated(*) Dec 2024 USD
Investment revenue by geographical market			
Africa	**–**	21 179	41 959
Central and North America	**60 456**	–	–
Rest of the World(**)	**119 336**	41 554	440 605
South Africa(*)	**107 053**	536 197	1 029 912
South America	**31 424**	46 985	264 238
Total	**318 269**	645 915	1 776 714

(*) *Refer to note 16 for more detail.*

12. SEGMENT REPORTING (continued)

12.2 Geographical segments (continued)

	Jun 2025 USD	Jun 2024 USD	Restated(*) Dec 2024 USD
Finance cost by geographical market			
Africa	**–**	–	–
Central and North America	**849 565**	885 238	1 462 337
Rest of the World(**)	**–**	18 587	176 307
South Africa	**1 279 429**	1 234 455	3 440 231
South America	**741 567**	662 677	1 181 515
Total	**2 870 561**	2 800 957	6 260 390

(*) *Refer to note 16 for more detail.*

	Jun 2025 USD	Jun 2024 USD	Dec 2024 USD
Taxation by geographical market			
Africa	**1 760 055**	(60 591)	(256 107)
Central and North America	**176 676**	191 685	1 814 921
Rest of the World(**)	**1 405 317**	1 012 349	2 585 553
South Africa(*)	**1 356 857**	670 181	2 014 613
South America	**1 508 129**	360 746	757 590
Total	**6 207 034**	2 174 370	6 916 570

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

13. 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.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS continued

13. FAIR VALUE (continued)

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 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 30 June):

	Level 1	Level 2	Level 3	Total
Investment in equity instruments	**283 997**	**–**	**–**	**283 997**
Derivative financial instrument	**–**	**1 290 766**	**–**	**1 290 766**
Derivative financial instrument	**–**	**(399 865)**	**–**	**(399 865)**
Put option for non-controlling interest	**–**	**–**	**(6 731 587)**	**(6 731 587)**

December 2024

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	248 753	–	–	248 753
Derivative financial instrument	–	323 121	–	323 121
Derivative financial instrument	–	(673 651)	–	(673 651)
Put option for non-controlling interest	–	–	(9 970 820)	(9 970 820)

14. CONSIDERATION PAYABLE – A&R ENGINEERING AND MINING SERVICES (PTY) LTD AND ITS RELATED COMPANIES

In May 2025, the Group acquired additional shares in the A&R Engineering and Mining Services (Pty) Ltd and its related companies, increasing interest as follow:

	Jun 2025	Dec 2024
A&R Engineering and Mining Services (Pty) Limited	**66.11%**	51.40%
Lamproom Solutions and Consulting (Pty) Limited	**69.88%**	51.15%
Moxie Digital (Pty) Limited	**67.49%**	50.83%

The Group has increased its majority voting power and continues to control the subsidiary.

The increase in shareholding was undertaken for a consideration of approximately ZAR 69 million (USD3.8 million). As this transaction does not alter the Group's control over the subsidiary, the increase in shareholding has been accounted for as an equity transaction. The Group previously accounted for this obligation as a put option liability for non-controlling interest until the contractual tiggering event(s) occur. As a result of the triggering event(s), the Group transferred an amount of USD3 840 035 of the put liability for non-controlling interest to consideration payable. (Refer to note 15)

The increase in shareholding has been treated as a transaction between equity holders. There is no impact on the Group's consolidated profit or loss.

As a result of this transaction, the carrying amount of the non-controlling interest has been adjusted. The movement in the non-controlling interest is as follows:

	Jun 2025
Non-controlling interest as at 1 January	**2 172 553**
Decrease in non-controlling interest due to change in shareholding	**(678 055)**
Non-controlling interest as at 30 June	**1 494 498**

	Jun 2025 USD	Dec 2024 USD
Consideration payable	**3 840 035**	–
Non-current liabilities	**3 172 048**	–
Current liabilities	**667 987**	–

15. PUT OPTION LIABILITY FOR NON-CONTROLLING INTEREST

The put liability relating to the obligation to pay in cash in the future to purchase minority shares must be recognised by the purchaser, even if the payment is conditional on the option being exercised by the holder. The put liability is recognised as a financial liability at the present value of the amount to be paid in terms of a contractual agreement on consolidation, the initial put liability is recognised as a reduction of the Group's equity, as the risk and rewards remain with the non-controlling interest.

As at the release date of this financial report, the put liability amount related to the key shareholders that left employment since the last reporting period was transferred to consideration payable. Refer to note 14.

As the put option liability is based on historical results, management deemed it not necessary to perform a sensitivity analysis as the historical results were audited and known to the Group.

	Jun 2025 USD	Dec 2024 USD
Put option liability for non-controlling interest	**6 731 587**	9 970 820
Non-current liabilities	**6 731 587**	7 976 656
Current liabilities	**–**	1 994 164
Reconciliation:		
Balance – Opening	**9 970 820**	8 842 812
Service charge recognised	**–**	743 476
Release of option	**–**	677 847
Transfer to consideration payable	**(3 840 035)**	–
Foreign exchange differences	**600 802**	(293 315)
Balance – Closing	**6 731 587**	9 970 820

16. RESTATEMENT OF PRIOR YEAR PERIOD

BEE structures were created as part of the Group's commitment to national transformation objectives and compliance with relevant legislation in the South African region. These structures, like many others in South Africa, involve the use of special purpose vehicles or trusts designed to facilitate broad-based black ownership and equity participation in the Group's operations.

Given the intricate nature of BEE structures in the Group, taking into account the specific terms of their foundational agreements, governance arrangements and operational dynamics and the requirements of IFRS 10, the Group contols the BEE structures and appropriate accounting treatment requires the consolidation of these BEE structures. The Group previously accounted for the BEE structures as non-current financial assets with related party loans receivable or payable from and to these BEE structures respectively. Although the change in accounting treating resulted in a restatement of prior periods, it is important to note though that the assessment of control in IFRS 10 terms, with the resultant consolidation, is based entirely on the accounting requirements embodied in IFRS and from a legal perspective, the Group does not control the BEE structures.

16. RESTATEMENT OF PRIOR YEAR PERIOD (continued)

The Group has restated the comparative financial information to reflect the full consolidation of the BEE structures. The correction has been applied retrospectively, resulting in the restatement of comparative balances as at and for the year ended 31 December 2023. With the consolidation of these BEE structures, the material line items affected are financial assets, non-controlling interest, transactions between equity holders and retained earnings.

All inter-company transactions and balances between the Group and the BEE structures have been eliminated upon consolidation.

Refer below for the individual lines affected by restating the consolidation of the BEE structures:

	2023 – as reported	2023 – restated	Impact 2023
Consolidated statement of financial position			
Foreign currency translation reserve	73 153 408	72 810 015	(343 393)
Financial assets	5 196 817	75 085	(5 121 732)
Retained earnings	(165 166 453)	(163 129 378)	2 037 075
Related parties	2 454 933	2 509 789	54 856
Transactions between equity holders	(1 611 385)	–	1 611 385
Trade and other receivables	76 367 261	76 367 354	93
Current tax payable	(6 920 411)	(6 921 077)	(666)
Non-controlling interest	(24 110 007)	(22 347 625)	1 762 382

	2024 – as reported	2024 – restated	Impact 2024
Consolidated statement of profit or loss and other comprehensive income			
Other operating expenses	(43 106 536)	(43 108 405)	1 869
Investment income	2 225 804	1 776 714	449 090
Finance costs	(6 260 390)	(6 264 199)	3 809
Consolidated statement of financial position			
Related parties	4 759 901	4 806 957	47 056
Financial assets	5 660 854	248 753	(5 412 101)
Foreign currency translation reserve	83 156 979	82 656 689	(500 290)
Current Tax Payable	(12 456 863)	(12 457 138)	(275)
Non-controlling interest	(24 314 317)	(22 354 404)	1 959 913
Retained earnings	(177 532 905)	(175 238 593)	1 839 544
Transactions between equity holders	(1 995 123)	(383 738)	1 611 385

The restatement resulted in changes to the basic and headline earnings figures for the year. However, there was no impact on the basic and headline earnings per share and both remained unchanged. Refer to Note 6 for further detail.

No other line items or comparative periods were affected by this restatement.

17. INVESTMENT IN JOINT OPERATION – SARGIN ULUSLARARASI

In April 2025, the Group established a joint operation with Sargin Uluslararasi ("Sargin"), a company incorporated in Turkey, to execute a raise bore drilling contract in Liberia. Unanimous consent is required by both parties for relevant activities with equal rights to assets and obligations for the liabilities of the joint operation.

Sargin is responsible to appoint an administrative representative while the Group is responsible to appoint a technical representative to ensure the project is successfully completed. As the operations of the joint operation are aligned with that of the Group, the Group is satisfied that it would be able to successfully mitigate the risks related to the project.

The table below summarises and also reconciles the statement of comprehensive income's financial information as at 30 June and 31 December respectively.

	Jun 2025 USD	Dec 2024 USD
Revenue	**2 216 635**	–
Profit from continuing operations	**734 700**	–
Total comprehensive income	**734 700**	–
Group's share of total comprehensive income included per each individual line	**367 350**	–
Dividends received/paid from/to joint operation	**–**	–
Non-current assets	**–**	–
Current assets	**1 026 964**	–
Non-current liabilities	**–**	–
Current liabilities	**(297 150)**	–
Net assets	**729 814**	–
Group's share of net assets included per each individual line	**364 907**	–
Loan to/from joint operation	**–**	–

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

REGISTERED AND CORPORATE OFFICE

4 Bosman Street
PO Box 902
Fochville, 2515
South Africa

DIRECTORS

Executive

Daniël (Danie) Coenraad Pretorius	Chief executive officer and founder
André Jean van Deventer	Financial director and chief financial officer
Barend Jacobus (Koos) Jordaan	Technical director
Fred George Dixon	Alternate director to Koos Jordaan
Gareth Robert Sheppard	Alternate director to Danie 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

COMPANY SECRETARY

Andrew Colin Beaven
6 Dwars Street
Krugersdorp
1739
South Africa
PO Box 158, Krugersdorp, 1740
South Africa

JSE SPONSOR

Investec Bank Limited
(Registration number: 1969/004763/06)
100 Grayston Drive, Sandown
Sandton, 2196
South Africa

CORPORATE INFORMATION continued

INDEPENDENT AUDITORS

BDO South Africa Incorporated
52 Corlett Drive
Illovo
2196
South Africa

SHARE TRANSFER SECRETARIES

Computershare Investor Services Proprietary Limited
(Registration number: 2004/003647/07)
Rosebank Towers, 15 Biermann Avenue
Rosebank, 2196
(Private Bag X9000, Saxonwold, 2132)
South Africa

INVESTOR RELATIONS CONTACTS

Izak Bredenkamp
Master Drilling Group Business Development Manager
Telephone: +27 18 771 8100
Mobile: +27 71 179 2039
E-mail: info@masterdrilling.com

GENERAL E-MAIL ENQUIRIES

info@masterdrilling.com

MASTER DRILLING WEBSITE

www.masterdrilling.com

COMPANY SECRETARIAL E-MAIL

Companysecretary@masterdrilling.com

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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