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Fertilisers separation concludes as strong momentum continues in explosives business

Dyno Nobel Limited (ASX:**DNL**) today announced the signing of a binding agreement for the sale of Phosphate Hill to Ryowa II GPS Pty Ltd, a wholly owned subsidiary of Mayfair Australia Corporation Pty Ltd (**Mayfair**). With the sale of the Perdaman offtake agreement to Macquarie Group's Commodities and Global Markets business completing as planned in Q1 FY26, this marks a significant strategic milestone for Dyno Nobel as a leading global pure play explosives business.

The Dyno Nobel explosives business has also delivered a strong operating performance year to date and remains on track to achieve its earnings guidance for FY26¹.

Phosphate Hill sale highlights

- Dyno Nobel has entered into a binding agreement to sell Phosphate Hill to Mayfair, an experienced Australian operator.
- The transaction secures ongoing employment for Phosphate Hill's ~540 employees and contractors, enabling continuity of operation for the North-West Queensland region.
- Dyno Nobel expects nominal NPV positive cashflows from the transaction, with Asset Retirement Obligations offsetting tax benefits.
- The transaction is expected to deliver a clean exit from Phosphate Hill, concludes the separation of Fertilisers, and achieves Dyno Nobel's strategic objective of transforming into a pure play global explosives leader.

Under the terms of the agreement:

- **Purchase price:** Nominal consideration of \$1.
- **Deferred consideration:** of up to \$100m is payable to Dyno Nobel, subject to certain conditions and meeting certain performance hurdles².
- **Economic risk transfer:** Subject to completion occurring, Mayfair will assume the economic risk and benefit of Phosphate Hill from 1 April 2026, including all operating cashflows and capital expenditure requirements, including for the upcoming turnaround.
- **Asset Retirement Obligation (ARO) funding:** Dyno Nobel will provide \$125.9m of funding to support the future rehabilitation and remediation of Phosphate Hill. This funding amount reflects the Estimated Remediation Cost (ERC) for Phosphate Hill, which is the basis for the historical provision on Dyno Nobel's balance sheet.

¹ See Dyno Nobel's 2025 Full Year Financial Results Presentation dated 10 November 2025 for further details.

² The amount of deferred consideration payable (if any) is calculated based on an agreed portion of certain positive earnings before amortisation, interest and tax for the Phosphate Hill business as set out in Mayfair's annual audited accounts. The deferred consideration is only payable after certain other conditions are met, which are likely to be long dated. Any payment must be made within 60 days after the relevant calendar reporting period.

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- **Inventory:** Dyno Nobel will provide approximately \$80m of inventory at completion to support the continuity of operations.
- **Liabilities:** Mayfair will assume responsibility for all operational and environmental liabilities associated with Phosphate Hill from completion, providing Dyno Nobel with a clean separation from the asset.
- **Completion:** The transaction is expected to complete in Q3 FY26, subject to satisfaction of a limited set of conditions precedent, including reaching an acceptable agreement between Dyno Nobel, Mayfair and the Queensland Government³, ACCC and other relevant regulatory approvals⁴. Consistent with commentary in the Company's FY25 results, if the transaction does not complete, Dyno Nobel will progress an orderly closure of Phosphate Hill by 30 September 2026.

Perdaman offtake agreement

Sale of the Perdaman Offtake Agreement to Macquarie Group's Commodities and Global Markets business completed as planned in Q1 FY26. Consideration receipts of up to \$145m are subject to operational milestones for the project, which is expected to commence production in 2027.

Update on 1H26 Performance

Dyno Nobel Explosives

The Dyno Nobel explosives business has continued to perform strongly during 1H FY26 and remains on track to achieve FY26 EBIT guidance of \$460-\$500 million. AUD:USD headwinds are expected to be offset by improved trading conditions in the Dyno Nobel Americas (DNA) business, while the Dyno Nobel Asia Pacific (DNAP) and Europe & LATAM (DNEL) business units are both tracking to plan.

Phosphate Hill

With Mayfair assuming economic risk for the asset from 1 April 2026, Dyno Nobel will no longer be providing outlook on Phosphate Hill performance.

Phosphate Hill financial year to date EBIT to the end of February was ~\$33m (unaudited), which has been impacted by flooding in Northern Queensland, supply chain interruptions from extended closures of the rail line, and ongoing interruption to the supply of metallurgical gas to the Mt Isa plant. Increased sulphur burn rates have also coincided with a spike in global sulphur pricing, which has increased operational costs.

³ The relevant agreement is in relation to the ARO and must be signed by the parties within 60 days. Dyno Nobel and Mayfair must use best endeavours and act reasonably and in good faith to reach agreement based on certain key terms.

⁴ The conditions precedent must be satisfied or waived by 30 June 2026 (or a later date agreed by Dyno Nobel and Mayfair).

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Commentary from CEO & Managing Director

Commenting on the transaction, Dyno Nobel's CEO & Managing Director, Mauro Neves, said: *"The sale of Phosphate Hill to Mayfair is an important milestone that concludes our separation from the Fertilisers business. This transaction delivers the certainty that we have been working towards and allows us to fully focus on our future as a global explosives leader."*

"We have always been committed to achieving a responsible transfer of ownership of Phosphate Hill that protects the interests of our shareholders, our people, our customers, and the North-West Queensland community. I am very pleased that our talented teams in Phosphate Hill, Mt Isa and Townsville will continue to provide Australian farmers with a secure domestic source of fertilisers supply."

"With this announcement, Dyno Nobel is well positioned to continue executing on our transformation strategy and delivering further value for our shareholders."

About Mayfair

Mayfair is a privately held Australian energy and resources company headquartered in Brisbane, Queensland. Mayfair invests in operating and development-stage projects across bulk commodities, precious and base metals, strategic metals and other critical minerals. Mayfair has an established portfolio of resources and energy investments in Queensland, and its management team has participated in a number of significant transactions in Queensland's resources sector in recent years, including an investment in the Bowen Basin's Ensham Mine. Mayfair has also recently acquired a minority interest in the Gladstone Power Station, a 1680MW electricity generation asset in Queensland.

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This document has been authorised for release by Richa Puri, Company Secretary

This announcement contains forward-looking statements, including statements about the expected benefits, financial impacts and timing of the transaction described above. The words "expect", "would", "could", "potential", "may", "intend", "will", "believe", "estimate", "aim", "target" and "forecast" and other similar expressions are intended to identify forward-looking statements. These statements are based on current expectations and assumptions and are subject to risks and uncertainties that could cause actual results to differ materially. There can be no assurance that actual outcomes will not differ materially from these statements. Undue reliance should not be placed on forward-looking statements. Dyno Nobel disclaims any obligation to update or revise any forward-looking statement except as required by law. To the maximum extent permitted by law, Dyno Nobel and its affiliates, directors, officers, partners, employees, agents and advisers disclaim any responsibility for the accuracy or completeness of any forward-looking statements whether as a result of new information, future events or results or otherwise.