

MANAGEMENT REPORT

The Management of Construction Materials Industries SAOG has the honor of submitting the report on the performance of the Company for the nine months ended on 30th September 2025.

Key Performance Indicators

Particulars	2025 30 – Sep RO	2024 30 – Sep RO	Increase / (Decrease)	% of Increase / (Decrease)
Sales	2,398,224	2,125,407	272,817	12.84%
Gross Profit	355,676	269,925	85,751	31.77%
Finance Cost – Interest on Lease Liability (IFRS16)	22,321	25,216	(2,895)	(11.48%)
Amortization of Lease Liability	62,919	62,919	---	---
Profit/(Loss) before Tax	(32,355)	(66,390)	34,035	(51.27%)
Net Profit /(Net Loss) after Tax	(32,355)	(66,390)	34,035	(51.27%)
Earnings Per Share	(0.0005)	(0.0011)	0.0005	(51.27%)
Particulars	2025 30 – Sep RO	2024 31-Dec RO	Increase / (Decrease)	% of Increase / (Decrease)
Total Assets	9,253,537	8,984,720	268,817	2.99%
Total Liabilities	2,794,027	2,492,855	301,172	12.08%
Net Assets	6,459,510	6,491,865	(32,355)	(0.50%)
Total Number of Shares	62,500,000	62,500,000	---	
Net Assets Per Share	0.1034	0.1039	(0.0005)	(0.50%)

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OPERATING PERFORMANCE

Sales:

Sales has been increased by 12.84%, RO.272,817/-, during the reporting period 2025, compared to the same period in the previous year.Comparative sales up to the third quarter are 2025: RO.2,398,224/- and 2024: RO.2,125,407/-

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Net Profit/Loss:

The Company's results during the period ending on 30th September 2025 were affected by several factors, the most important of which are:

- Production from one of the Quick Lime kiln was limited to 160MTper day during January till mid of April due to replacement of heat exchanger, which was done in late April 2025.
- We have stopped Quick Lime Kiln with 100MTPD capacity production for complete revamping and modernization to raise the efficiency and increase the quality of the materials produced in line with the requirements of the market.
- The decision of the Ministry of Transport to prevent the entry of (empty) land transport vehicles from neighboring countries that were transporting the company's products to water desalination plants in the neighboring countries, which greatly affected the Company's ability to fully fulfill its obligations to supply the required materials, in addition to the highest cost of transportation.

However, the Company's management is taking action to reduce the impact of this during the coming period and achieve the best possible results under these difficult circumstances.

On the other hand, the company still faces some obstacles of which the most important are mentioned below:

Preventing the entry of (empty) land transportation vehicles to the Sultanate of Oman to transport hydrate lime, which had a negative impact on the company and led to a decline in its sales.

Increasing the customs tariff from the customs authority on consignments exported outside Sultanate of Oman.

Increase in customs duties imposed by neighboring countries on importing raw materials and exporting our products, the most important of which is the increase and introduction of road tolls, which negatively affect significantly in the cost of the product.

Future Outlook:-

The Company's management and all employees strive diligently and continuously to find solutions to the problems and challenges facing the company through:

- The company has updated and enhanced its production methods, reduced expenses and costs, and maintained a consistent level of product quality. The installation and commissioning of the new hydrated lime production unit was completed in the second quarter of this year, with operations commencing shortly thereafter. This development has

positively influenced company performance and improved production quality during the third quarter, and it is anticipated to deliver even greater benefits to company performance in the fourth quarter and throughout the coming year, God willing.

- Work is in progress to develop, update, and refurbish the 100-ton lime kiln in alignment with market requirements. This project is anticipated to positively influence the factory’s production capacity, lower operational costs, and strengthen the company’s competitive position both domestically and internationally. The renovation is scheduled for completion by the end of November this year.
- Work is underway to develop and operate the Company’s quarry located in the Wilayat of Sohar – Wadi Al Jizi, to provide raw materials for operating limestone kilns at a lower cost and high quality. The quarry is expected to be operational during the first half of year 2026, God willing.
- Opening new markets and new customers for quick lime, dololime and hydrated lime products to compensate for the negative effects that affected the company’s sales as a result of the reasons mentioned above. And as a result of the effort and continuous endeavor, negotiations are under way with some customers in foreign markets to find new markets for quick lime, dololime and hydrated lime products which heralds promising results, God willing.
- Works are underway to study some projects that will contribute to developing and modernizing production methods, reducing expenses and costs, and maintaining the level of product quality through maintenance and continuous improvement of the performance of production machines and developing the factory’s technical staff.

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