

COMPANY REPORT

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The Management of Construction Materials Industries SAOG has the honor of submitting the report on the performance of the Company for the three months ended on 31st March 2026.

Key Performance Indicators

Particulars	2026 31 – Mar RO	2025 31 – Mar RO	Increase / (Decrease)	% of Increase / (Decrease)
Sales	856,072	659,466	196,606	29.81%
Gross Profit	194,510	95,693	98,817	103.26%
Finance Cost – Interest on Lease Liability (IFRS16)	6,581	7,598	(1,017)	(13.39%)
Amortization of Lease Liability	20,973	20,973	---	---
Profit/(Loss) before Tax	62,599	(22,618)	85,217	376.77%
Net Profit /(Net Loss) after Tax	53,209	(22,618)	75,827	335.25%
Earnings Per Share	0.0008	(0.0004)	0.0012	335.25%
Particulars	2026 31 – Mar RO	2025 31-Dec RO	Increase / (Decrease)	% of Increase / (Decrease)
Total Assets	9,390,256	9,379,217	11,039	0.12%
Total Liabilities	2,836,534	2,878,705	(42,171)	(1.46%)
Net Assets	6,553,722	6,500,512	53,210	0.82%
Total Number of Shares	62,500,000	62,500,000	---	---
Net Assets Per Share	0.105	0.104	0.001	0.82%

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OPERATING PERFORMANCE

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1. Production:

During the first quarter of 2026, the company's quicklime production rose by 3,961 tons, an increase of 28.91% compared to the same period in 2025 (17,660 MT in 2026 versus 13,699 MT in 2025).

2. Sales:

Sales have increased by 29.81%, RO.196,606/-, during the first quarter of 2026, compared to the same period in the previous year. Comparative sales for the first quarter 2026: RO.856,072/- and 2025: RO.659,466/-

3. Net Profit/Loss:

The Company's results during the period ending on 31st March 2026 were impacted by several factors, the most important of which are:

- Due to the increased demand for the company's products during the period, Production from one of the Quick Lime kiln was increased to an average of 196 MT per day during January to March 2026, in turn resulted in an increase in sales.
- Sales were affected during the end of February and March of this year due to the prevailing geopolitical circumstances in the region; however, the company's management continues to strive to find possible solutions to minimize the impact of this in the coming period and achieve the best possible results under these difficult conditions.

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

- ❖ The company's ability to provide the raw materials required for the production process, such as natural gas and limestone materials, with the required quality at reasonable and stable prices.
 - ❖ The rise in direct and indirect production costs, including increases in electricity, water, natural gas tariffs, and other components used in operating lime kilns.
 - ❖ The increase in customs duties imposed by neighboring countries on the import of raw materials and the export of the company's products, most notably the increase and introduction of road fees, which have a significant negative impact on the product cost.
 - ❖ The intense competition we face in the local and external markets from competitors in neighboring countries is extremely difficult, as we are unable to pass on these additional expenses to our customers.
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Future Outlook:-

The company's management continues its diligent and continuous pursuit of growth through targeted expansion in high-consumption market sectors and finding solutions to the obstacles and challenges facing the company through:

- Upgrading production methods, reducing expenses and costs, and maintaining the quality level of materials by installing and operating a new production unit (Hydrated Lime).
- Upgrading, developing, and renewing the 100-ton lime kiln in a manner that meets market requirements, which will have a positive impact on increasing the factory's production capacity, reducing costs, and enhancing the company's ability to compete in local and international markets.
- Opening new markets and attracting new customers for the company's products of quicklime, dololime and hydrated lime. As a result of continuous effort and pursuit, negotiations have been made with some customers in foreign markets, and negotiations are ongoing with others, aiming to open new markets for the company's products of quicklime, dolomite, and hydrated lime, which promise promising results, God willing.
- Continuing follow-up with the relevant government authorities to obtain the necessary permits in a timely manner.
- Work is being carried out intensively to update production methods, reduce expenses and costs, and maintain the product quality level through continuous maintenance and improvement of production machines' performance and the development of the plant's technical staff.

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