

Board of Directors Report

For the nine-month period ended 30 September 2025

The Board of Directors of Raysut Cement Company SAOG is pleased to present the unaudited Group financial results for the nine-month period ending 30 September 2025.

During the period, the Company has recorded significant progress with robust revenue growth of 29.8%, driven by higher sales volumes across key markets. Operational efficiency initiatives have resulted in an improved gross profit margin and notably stronger positive cash flows. Through deliberate cost control measures, and embedding operational excellence, the Company continues its transformation into a leaner, smarter, and more sustainable organization focused on turnaround strategy and growth. The Company continues to generate revenues with a certain reliability and sustainability quarter on quarter on its way back to profitability.

The Third Quarter results were marginally impacted by unplanned plant shutdowns coupled which pressure from higher cost of Raw materials and Semi Finished materials used in production, driving our cost base and impacting Q3’25 margins.

The company continues to build on its five strategic pillars that form the foundation of its recovery plan, with the objective of solidifying a sustainable business model going forward.

- Timely resolution of legacy issues;
- Restructuring the organization and empowering management;
- Enhancing operational performance by adopting operational excellence initiatives;
- Strengthening corporate governance and building stakeholders’ trust; and
- Continued focus on cash flow management.

Financial Performance

3rd Quarter performance:

	Amount in RO '000		
	Sep'25	Sep'24	Var %
Revenue	21,832	17,250	27%
Gross profit	2,730	2,853	(4%)
Operating (loss)/Profit	(84)	436	(119%)
Net loss	(1,080)	(936)	(15%)

Nine months performance:

	Amount in RO '000		
	Sep'25	Sep'24	Var %
Revenue	63,237	48,822	30%
Gross profit	7,770	5,523	41%
Operating loss	(224)	(1,542)	(85%)
Net loss	(3,928)	(5,620)	30%

Q3'25 vs Q3'24:

Revenues continued to grow, and we see this positive momentum to continue backed robust processes and go to market strategies. Our consolidated revenue increased by 27% in Q3'25 vs Q3'24.

	Group Consolidated Revenues
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<i>Amount in RO '000</i>	Q1'25	Q2'25	Q3'25
Revenue	19,753	21,652	21,832

Operations and Business Review

Our core domestic markets of Dhofar, Al Wusta, and North Oman continue to show growth momentum. Export markets including Yemen, the Maldives, and Eastern Africa remain strategically significant. Our big driver during the year has been our UAE operations contributing significantly to consolidated sales and profitability. Domestic and export sales volumes have grown significantly for the Parent and the Group.

The Oman market continues to face challenges, primarily overcapacity in neighboring cement markets, resulting in excess supply and downward pressure on prices.

Capital Erosion and restoration plan

In accordance with Article 147 of the Commercial Companies Law, the Board of Directors convened an Extraordinary General Meeting (EGM) on 16 November 2025 to seek shareholder approval for a Capital Restoration Plan.

Shareholders approved the EGM agenda, authorizing the Board of Directors to proceed with finalizing the strategy to restore the Company’s share capital.

The restoration plan comprises the following key components:

- Rights Issue / Bridge Loan
- Debt-to-Equity/Convertible Securities
- Fresh Share Capital Injection
- Strategic Divestment

The proceeds from these initiatives will be directed towards enhancing liquidity, settling outstanding liabilities, supporting ongoing operations, and investing in efficiency and sustainability projects.

The Board remains confident in the Company’s ability to continue as a going concern, subject to the timely and effective execution of the approved restoration measures.

Outlook

Looking forward, the outlook is optimistic about the Group’s prospects. Our steadfast focus will remain on executing strategic priorities, opening new geographies, strengthening our market position, optimizing operational efficiency, and driving sales through the remainder of 2025 and beyond.

Tribute

We extend our sincere thanks and gratitude to His Majesty Sultan Haitham bin Tarik for his wise leadership and his wise government for their continuous support and guidance. We pray to Almighty Allah to bless him with good health and long life.

Engr. Ali Abdullah Ali Al Zadjali
 Chairman of the Board of Directors