

ANNUAL REPORT 2025



ريسوت للأسمنت  
Raysut Cement

الشريك الإستراتيجي للنمو  
Strategic Partner for Growth



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**BUILT FOR TODAY.**  
Trusted for Generations.

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928,545

28,545

8,545

128,150

548,125

215,810

9,007

337,296

124,545

284,004





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**His Majesty Sultan Haitham bin Tarik**

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# Board of Director's







**Engr. Ali Abdullah Ali Al Zadjali**  
Chairman – Board of Directors

**Auditors**

PriceWaterHouseCoopers LLC

**Bankers**

Oman Arab Bank (SAOG)

Bank Dhofar (SAOG)

Bank Muscat (SAOG)

Sohar International Bank (SAOG)

Ahli Bank (SAOG)

Bank Nizwa (SAOG)

# Board of Directors



**Mr. Khalid Masud  
Ansari**

Vice Chairman - Board of Directors



**Ms. Asma Ali Ramadhan  
Al Zadjali**

Vice Chairperson - Audit Committee



**Mr. Abdullah Mohammed  
Musallam Al Abri**

Director



**Mr. Ahmed Mohammed  
Abdullah Al Bahar Al Rawas**

Director



**Mr. Saeed Hamed Saeed  
Al Daheri**

Director



**Mr. Rashed Mohammed  
Ahmed Al Kaabi**

Director



**Mr. Khalil Fadhl Khalil  
Al Mansoori**

Director



**Mr. Salim Hamood  
Salim Al Habsi**

Director

# Board of Director's Report



# Board of Directors' Report

## for the year ended 31 December 2025

The Board of Directors of Raysut Cement Company SAOG is pleased to present the audited Group financial results for the year ended on 31 December 2025.

The past year stands as a testament to Raysut's strategic evolution. The Company has translated a 29% top-line growth into tangible shareholder value, driven by a rigorous focus on operational discipline, pricing strategy and cost-efficiency. This synergy has not only fortified our gross margins but has also unlocked strong, reliable and predictable cash flows from our core operations. As our transformation continues: we have emerged as a more resilient and sustainable organization, fully aligned with our vision. By demonstrating predictable and repeatable revenue generation, we have successfully navigated the path to sustained profitability and are now positioned to lead our sector with confidence.

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.

**1. Resolution of Legacy Issues:** Significant progress was achieved in addressing historic challenges that had constrained performance and reputation for years.

- Long-outstanding vendor dues are in the process of being renegotiated with the possibility of conversion into structured long-term settlement, easing short-term liquidity pressure.
- Confidence among suppliers and customers strengthened meaningfully.
- The long-pending Duqm Project loan was successfully restructured on improved terms.

This has allowed the Company to close a difficult chapter and move forward with enhanced stakeholder trust.

**2. Restructuring the Organization structure:** To support the next phase of growth, the Company continued to streamline and professionalize its operating model:

- A leaner, more efficient organisation structure was designed, identifying redundancies and improving decision-making speed.
- Experienced industry professionals were recruited into key executive leadership roles.
- Comprehensive organizational structure is underway to ensure accountability, performance alignment, and operational excellence.
- The next step is to conduct an exercise if the current workforce is properly aligned to the new organisational structure.

**3. Enhancing Operational Performance:** Operational excellence remains the cornerstone of our recovery.

- All operating units - Salalah, Pioneer, Sohar and Maldives - achieved improved productivity, cost efficiency, and asset utilization.
- Manpower rationalization and cost-optimization measures ensured tighter financial discipline.
- Operational reliability strengthened across the Group, positioning Raysut to meet rising domestic and regional demand.

**4. Enforcing Corporate Governance:** The Board continued to reinforce strong governance practices aligned with regulatory and stakeholder expectations:

- All key policies and delegation of authority frameworks were approved during the year.
- Risk management, internal controls, and compliance processes were strengthened.
- Governance alignment across subsidiaries was improved, ensuring consistent oversight and adherence to best practices.

**5. Strengthening Cash Flow Management:** Liquidity remained the most significant challenge throughout 2025.

- Through stringent cash controls and support from suppliers, lenders, and customers, the Company successfully managed cash commitments.
- Enhanced forecasting, treasury controls, and disciplined working capital management supported ongoing operations.

With these pillars advancing strongly, the Company remains confident with a focused approach and collaborative effort of all the stakeholders: the Government entities and Regulators, Banks, Employees, Customers, Suppliers and the Shareholders, Raysut Cement Group will be well positioned to navigate its current challenges and achieve sustainable business for the future.

## Overview of Economy

Cement demand in Oman and the UAE has risen steadily during the year, driven by active infrastructure projects, urbanization, and economic diversification efforts. From the second quarter of 2025 onwards, the noticeable increase in regional cement demand led to a meaningful price correction and helped ease the long-standing issue of cement dumping caused by overcapacity in the country.

After almost a decade of severe price pressure that negatively affected the industry, the recent increase in demand has brought much-needed relief and better balance to the market. Strong activity in housing, commercial developments, industrial zones and major infrastructure projects continues to support healthy cement consumption in the markets we operate, driving positive momentum in the sector.

## Consolidated Financial Performance

Raysut Cement has entered a period of powerful operational resurgence. By driving a 29% surge in consolidated revenue, we have successfully captured dominant market share across both domestic and regional frontiers. The true strength of our turnaround is reflected in our core operations turning cash-positive, a pivotal milestone that proves our business model is now generating real value. While we finalized essential one-off accounting resets of ~~₹~~ 8.9 million pertaining to additional demand charges of Gas supplier of ~~₹~~ 2.3 million, provision for impairment on property, plant and equipment of ~~₹~~ 6.5 million and recognized an additional depreciation charge of ~~₹~~ 3.3 million arising from revaluation of fixed assets carried out at the end of 2024, the underlying performance tells the real story: a massive 87% improvement in EBITDA. With efficiency now hardwired into our operations, Raysut is no longer just recovering - we are scaling with discipline.

The consolidated financial performance for the year ended 31 December 2025, compared to the prior year, is summarized below (amounts in ~~₹~~ '000):

	Amount in <del>₹</del> '000		
	31 December 2025	31 December 2024	Var %
Performance before one-off accounting provisions / resets & additional depreciation:			
Revenue	<b>90,668</b>	70,269	<b>29%</b>
Gross profit	<b>11,137</b>	8,822	<b>26%</b>
EBITDA	<b>7,361</b>	3,942	<b>87%</b>
Operating Profit / (loss)	<b>871</b>	(2,504)	-
Finance cost	<b>(4,550)</b>	(6,093)	<b>25%</b>
Net loss before one-off accounting provisions & additional depreciation	<b>(3,695)</b>	(8,583)	<b>57%</b>
One-off accounting provisions / resets & additional depreciation	<b>(12,190)</b>	(4,400)	<b>(177%)</b>
Net Loss as per Audited Financial Statements	<b>(15,885)</b>	(12,983)	<b>(22%)</b>

Excluding the impact of one-off items and additional depreciation, the Group would have reported a loss of ~~₹~~ 3.70 million compared to ~~₹~~ 8.58 million in 2024, representing a 57% improvement in underlying operational performance.

The fourth quarter of 2025 stands as a definitive breakthrough for Raysut Cement Group, signaling the successful realization of our restructuring strategy.

Our Q4 performance was headlined by an ~~₹~~ 27.4 million revenue peak, representing a 26% increase over Q3 and marking our first operationally profitable quarter after 6 years (excluding the one-offs and additional depreciation). This success is the direct result of operational synergy between our three core facilities - Raysut, Pioneer, Maldives and Sohar, each delivering peak performance to meet rising demand in the domestic construction sectors. While we have 'cleared the decks' by addressing historical accounting provisions, our core engine is now lean, profitable, and primed for growth. We are entering 2026 with a rebuilt customer base and a proven ability to deliver bottom-line results in a competitive landscape.

	Group consolidated quarterly performance				
	Amount in <del>₹</del> '000				
	Q1'25	Q2'25	Q3'25	Q4'25	FY 2025
Revenue	19,753	21,651	21,832	27,432	90,668

Net (loss) /profit - current operations (before one-off accounting provisions & depreciation)	(1,808)	(1,040)	(1,080)	233	(3,695)
One-off Accounting Provision & resets & depreciation					(12,190)
Net Loss as per Audited Financial Reports					(15,885)

## Operations and Business Review

Our core domestic markets of Dhofar, Al Wusta, and North Oman continue to show positive growth momentum. Export markets including Yemen, Maldives, and East Africa remain strategically significant. Our big driver during the year has been our UAE operations contributing significantly to consolidated sales and profitability.

## 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

Based on the Board's detailed assessment of timing, cost efficiency, regulatory considerations, and major shareholder feedback, the preferred instrument currently under evaluation and being introduced to shareholders is an Optional Convertible Shareholder Loan.

This structure is designed to:

1. Provide timely and cost-effective liquidity to support essential operational and CAPEX requirements,
2. Strengthen the Company's balance sheet,
3. Align long-term value creation with shareholder participation, and
4. Allow conversion at maturity in accordance with FSA-compliant valuation mechanisms.

This proposed instrument remains subject to shareholder approval and adherence to all relevant regulatory requirements.

## Outlook

Looking forward, the outlook is optimistic about the Group's prospects. Our steadfast focus will remain on executing strategic priorities, strengthening our market position, optimizing operational efficiency, managing margins and driving sales for 2026 and beyond.

## Acknowledgement

We would like to thank our shareholders not only for their confidence but also for their continuous support.

We express our gratitude to the Financial Services Authority, the Integrated Gas Company, banks, creditors and the employees for their support.

## 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

# Management Discussion and Analysis



# MANAGEMENT DISCUSSION AND ANALYSIS

## Management Team



**Mr. Salem Abdul Kader**  
Chief Executive Officer



**Mr. Raashid Ali**  
Chief Financial Officer

The Management is pleased to present the Management Discussion & Analysis (MD&A) alongside the audited financial statements of the Company for the financial year ended 31 December 2025. This report highlights the significant progress made during the year across both the Parent and the Group, reflecting stronger underlying operational performance, improved market positioning, and continued momentum in our strategic initiatives. The information provided below encompasses the unconsolidated and consolidated performance of the Company during this year.

### FINANCIAL RESULTS

The financial performance for 2025 reflects a year of strong operational growth, supported by a 29% increase in revenue and a 30% increase in sales volumes across the Group.

The reported loss for the year was materially influenced by three non-recurring adjustments:

- A one-off impairment provision of ~~₹~~ 6.5 million, and
- An additional demand charges for the gas supplier of ~~₹~~ 2.3 million
- An additional depreciation charge of ~~₹~~ 3.3 million arising from the fixed asset revaluation concluded at the end of 2024.

These adjustments do not reflect the operating strength of the business and will not recur at the same scale in future periods. Excluding these items, the Group's loss would have reduced to ~~₹~~ 3.69 million, representing a 57% improvement over the previous year's underlying performance - clear evidence that operational fundamentals continue to strengthen.

### Revenue Growth

The Group delivered a robust revenue performance, with total consolidated revenue rising from ~~₹~~ 70.27 million to ~~₹~~ 90.67 million, supported by improved demand, better plant reliability, and enhanced commercial initiatives across all operating units.

During the year the group performance is detailed below:

Revenue	2025	2024
	AED in Million	
Raysut Cement Company S.A.O.G (Parent)	47.47	38.43
Pioneer Cement Industries SPC	26.00	17.66
Sohar Cement Factory SPC	17.62	13.56
Raysut Maldives Cement Private Limited	3.31	2.64
Inter- company sales	(3.73)	(2.02)
<b>Total consolidated revenue</b>	<b>90.67</b>	70.27
Increase in revenue: 29%		

### Sales Volume Performance

Higher plant utilization and improved market penetration led to a 30% increase in consolidated sales quantities, demonstrating strong customer demand and improved competitiveness.

	2025	2024
Sales Volume: Cement and Clinker:	Million Tons	
Raysut Cement Company S.A.O.G (Parent)	2.47	1.95
Pioneer Cement Industries SPC	1.59	1.11
Sohar Cement Factory SPC	0.96	0.73
Raysut Maldives Cement Pvt. Ltd	0.07	0.06
Inter- company sales	(0.26)	(0.13)
<b>Total consolidated sales quantity</b>	<b>4.83</b>	3.72
Increase in sales quantity: 30%		

### Profitability Overview

Despite the accounting-driven adjustments, operational profitability remained stable, and on an underlying basis saw meaningful improvement.

	AED in Million	
	2025	2024
Performance before one-offs accounting provisions / resets & depreciation:		
Gross profit	11.14	5.63
EBITDA	7.36	3.94
Operating Profit / (loss)	0.87	(2.50)
Finance Cost	(4.55)	(6.09)
Loss Before Tax	(3.65)	(12.88)
Loss After Tax	(3.70)	(8.58)
One-off accounting provisions / resets and depreciation	(12.19)	(4.40)
Loss after Tax (as per audited financial statements)	(15.89)	(12.98)

**Underlying operational loss (excluding one-offs): ~~₹~~ 3.70 million vs. ~~₹~~ 8.58 million in 2024 - a 57% improvement**

This reflects a clear trajectory toward operational recovery, supported by volume growth, efficiency improvements, and disciplined cost actions.

**FiveYear Financial Highlights (~~₹~~ in million)**

The Group's five-year performance underscores continued progress in operational efficiency and revenue generation, despite the non-recurring adjustments taken in 2025.

**The Highlights of Financial Results of the group during last five years:**

	<del>₹</del> in Million				
	2025	2024	2023	2022	2021
<b>Sales</b>	<b>90.67</b>	70.27	65.54	69.07	93.60
<b>Operating profit / (loss)</b>	<b>(11.32)</b>	(6.90)	(4.45)	(41.85)	(10.55)
<b>Cash profit / (loss)</b>	<b>3.11</b>	2.57	3.17	(12.18)	(6.34)
<b>PBT</b>	<b>(15.84)</b>	(12.88)	(10.95)	(97.63)	(14.11)
<b>PAT</b>	<b>(15.89)</b>	(12.98)	(11.08)	(97.63)	(13.58)
<b>Equity &amp; Reserve</b>	<b>(6.40)</b>	9.49	3.08	16.61	114.24
<b>Loans</b>	<b>38.69</b>	44.94	48.57	46.61	43.82
<b>Cash EPS in <del>₹</del></b>	<b>0.02</b>	0.01	0.02	(0.06)	(0.03)
<b>EPS in <del>₹</del></b>	<b>(0.08)</b>	(0.07)	(0.06)	(0.05)	(0.07)
<b>Dividend %</b>	-	-	-	-	-
<b>Production MT '000</b>					
<b>Clinker</b>	<b>3,213</b>	2,687	3,144	3,004	3,104
<b>Cement</b>	<b>4,630</b>	3,595	3,090	3,160	3,799
<b>Sales MT '000</b>					
<b>Cement</b>	<b>4,656</b>	3,590	3,085	3,157	3,560
<b>Clinker</b>	<b>170</b>	118	115	269	328

## PRODUCTION PERFORMANCE

The Group delivered strong production growth across both cement and clinker, demonstrating stable operations and enhanced plant reliability.

	Cement (in '000 MT)		Clinker (in '000 MT)	
	2025	2024	2025	2024
Parent Company	<b>2,270</b>	1,838	<b>1,947</b>	1,866
Pioneer Cement	<b>1,403</b>	1,023	<b>1,266</b>	821
Sohar Cement	<b>957</b>	734	-	-
<b>Consolidated</b>	<b>4,630</b>	3,595	<b>3,213</b>	2,687

## ACKNOWLEDGEMENTS

We take this opportunity to express our deep sense of gratitude to His Majesty and his Government for their continued guidance and support.

We extend our appreciation to our shareholders for their trust and confidence, and to our customers, suppliers, financial institutions, and business partners for their continued collaboration. The dedication and commitment of our employees remain the cornerstone of our progress, and we acknowledge their valuable contributions to the Company's sustained growth.

**Salim Abdul Kader**  
Chief Executive Officer

**Raashid Ali**  
Chief Financial Officer

# Corporate Governance



# Auditor's Report



## Agreed-upon procedures report on factual findings in connection with the Corporate Governance report

To the Board of Directors of Raysut Cement Company SAOG

### Purpose of this Agreed-upon Procedures Report

Our report is solely for the purpose of assisting the directors of Raysut Cement Company SAOG (the "Company") in determining whether their Corporate Governance Report is in compliance with the Code of Corporate Governance (the "Code") of the Financial Services Authority of the Sultanate of Oman ("FSA"), as prescribed in the FSA Circular No. E/10/2016 dated 1 December 2016 (together the "Governance Code") and may not be suitable for another purpose.

### Responsibilities of the directors

The directors of the Company have prepared the Corporate Governance Report ("the Report") and remain solely responsible for it and are also responsible for identifying and ensuring that the contents of the Report comply with the Code. The directors are also responsible for determining that the scope of the agreed-upon procedures is appropriate and sufficient for the purposes of the engagement.

### Our Responsibilities

We have conducted the procedures agreed with the Company, and set out below, in accordance with the International Standard on Related Services (ISRS) 4400 (Revised), *Agreed-Upon Procedures Engagements*. An agreed-upon procedures engagement involves performing the procedures that have been agreed with the Company, and reporting the findings, which are the factual results of the agreed-upon procedures performed. We make no representation regarding the appropriateness or sufficiency of the agreed-upon procedures.

This agreed-upon procedure engagement is not an audit or assurance engagement made in accordance with generally accepted auditing or assurance standards, the objective of which would be the expression of assurance on the contents of the Report. Accordingly, we do not express such assurance.

Had we performed additional procedures, or had we performed an audit or assurance engagement on the Report, other matters might have come to our attention that would have been reported.

### Professional Ethics and Quality Control

We have complied with the relevant ethical requirements, including International Independence Standards, in the International Code of Ethics for Professional Accountants (IESBA Code) issued by the International Ethical Standards Board for Accountants.

We apply the International Standard on Quality Management (ISQM) 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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**Procedures and Findings**

We have performed the procedures described below, which were agreed with the Company in the terms of our engagement letter dated 02 October 2025, on the compliance of the Report with the Code for the year ended 31 December 2025.

No.	Procedures	Findings
(a)	We obtained the Corporate Governance Report issued by the Board of Directors and compared its contents to the minimum requirements of the FSA as set out in Annexure 3 of the Code.	No exceptions noted
(b)	We obtained from the Company details of the areas of non-compliance with the Code identified by the Company, as set out in its Board minutes and in its non-compliance checklist, and compared these with those included in the Report in the section "Details of non-compliance and penalties, together with the reasons for such non-compliance for the year ended 31 December 2025".  Additionally, we obtained written representations from the directors that there were no areas of non-compliance with the Code for the year ended 31 December 2025, of which they were aware.	No exceptions noted

Our report is intended solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose.

This report relates only to the accompanying Corporate Governance Report of the Company to be included in its annual report for the year ended 31 December 2025 and does not extend to the Company's financial statements taken as a whole.

12 March 2026  
Muscat, Sultanate of Oman



# Corporate Governance Report

## for the Financial Year 2025

### 1. A brief statement on Company's Philosophy on Code of Governance:

Corporate governance assumes a pivotal role in determining the success, long-term viability, and sustainability of any organization. Raysut Cement Company SAOG has strategically implemented a robust corporate governance system, characterized by framework, rules, and policies. This framework ensures the company's efficient trajectory towards sustainable long-term success while steadfastly adhering to pertinent laws and regulations.

Looking ahead, RCC remains resolute in applying sound corporate governance standards to ensure the ongoing sustainability of our business. We are steadfastly committed to creating long-term value for our shareholders, stakeholders, and the industry at large.

### 2. Board of Directors:

During the year 2022, Financial Services Authority (FSA) dissolved the Board of Directors of the company and appointed a temporary Board for a period of three years, effective from 11 December 2022 by Administrative Decision No. (149/2022). In 2025, Shareholders in Ordinary General Meeting elected the new Board of Directors.

The previous Board of Directors of the Company consisted of five Directors and the new Board elected consists of nine Directors. The company's Board Directors consist of Independent and non-independent members; all Board members are Non-Executive Directors. As per requirement of the Financial Services Authority Regulation and Commercial Companies Law of Oman, none of the Directors on the Board has combined membership in the Board of Directors of Public Companies or other committees more than what is stipulated in Company laws.

All the members of the present Board satisfy the conditions required for membership. The details of composition and categories of Directors are given below:

#### Composition of the Board of Directors from 1 January 2025 to 16 March 2025 as appointed by FSA:

	Name of the Director	Designate	Category, basis & capacity of membership
1	Mr. Shabib Mohammed Saif Al Darmaki	Chairman	Non-Executive and Independent/In personal capacity
2	Mr. Nasser Juma Al Zadjali	Vice Chairman	Non-Executive and Independent/In personal capacity
3	Mr. Abdul Hamid Ahmed Al Balushi	Director	Non-Executive and Independent/In personal capacity
4	Mr. Ali Rashid Al Shehhi	Director	Non-Executive and Independent/In personal capacity
5	Mr. Bader Awad Al Shanfari	Director	Non-Executive and Independent/In personal capacity

## Constitution the new Board of Directors on 17th March 2025 after election by Shareholders in General Ordinary Meeting held on 16th March 2025

	Name of the Director	Designate	Category, basis & capacity of membership
1	Mr. Jamal Shamis Saud Al Hooti (upto 26th June 2025)	Chairman	Non-Executive and Independent/In personal capacity
2	Engr. Ali Abdullah Ali Al Zadjali (From 6th July 2025 till date)	Chairman	Non-Executive and Independent/In personal capacity
3	Mr. Khalid Masud Ansari	Vice Chairman	Non-Executive and Non-Independent/In personal capacity
4	Ms. Asma Ali Ramadhan Al Zadjali	Director	Non-Executive and Independent/In personal capacity
5	Mr. Abdullah Mohammed Musallam Al Abri	Director	Non-Executive and Independent/In personal capacity
6	Mr. Ahmed Mohammed Abdullah Al Bahar Al Rawas	Director	Non-Executive and Independent/In personal capacity
7	Mr. Saeed Hamed Saeed Al Daheri	Director	Non-Executive and Non-Independent/In personal capacity
8	Mr. Rashed Mohammed Ahmed Al Kaabi	Director	Non-Executive and Non-Independent/ In personal capacity
9	Mr. Khalil Fadhl Khalil Al Mansoori	Director	Non-Executive and Non-Independent/In personal capacity
10	Mr. Salim Hamood Salim Al Habsi (From 6th July 2025)	Director	Non-Executive and Independent/In personal capacity

### 2.1. Brief Profile of the Board Members and Executive Management

#### Engr. Ali Abdullah Ali Al Zadjali - Chairman

Ali Abdullah Al Zadjali is an industry expert in construction, mining, and renewable energy, with over 22 years of experience in both the public and private sectors. He holds a master's degree in construction management from the University of Glasgow, Scotland, along with a bachelor's degree in construction engineering and Building Environment and a Higher Diploma in Civil Engineering. He has played key roles in infrastructure projects, mineral exploration, and value addition in mining, focusing on limestone, calcium carbonate, and rare minerals.

Ali has held leadership positions, including CEO of Duqm Quarries, Founder and President of Rocks Minerals Holding, and Vice Chairman of the Energy and Minerals Committee at the Oman Chamber of Commerce and Industry. His expertise extends to AI-driven mineral detection, waste recycling in oil & gas, and green hydrogen projects. Additionally, he is a certified expert with the Arab Industrial Development, Standardisation, and Mining Organisation and serves as a Commercial Advisor for Binit Energy Group in Dubai.

#### Mr. Khalid Masud Ansari - Vice Chairman

Khalid Masud Ansari is a seasoned finance professional with over 40 years of experience in auditing, corporate governance, and financial consulting. A Fellow Member of the Institute of Chartered Accountants in England and Wales, he holds a Bachelor of Commerce in Auditing and Accounting. He began his career at KPMG UK in 1980, later transferring to KPMG Oman in 1986, where he rose to Partner in Charge of Advisory Oman and served on the KPMG Lower Gulf Board. He retired in 2018 after leading key audit and advisory assignments for major public and government owned entities.

He served as CEO of Al Anwar Investment SAOG (2018-2021) and currently holds board positions at Raysut Cement Company, Sharqiyah Desalination Company, Dhofar Tourism Company, and Oman Emirates Investment Holding Company, chairing their audit committees. His expertise spans business valuations, M&A, public company floatation's, and corporate restructuring, making him a key figure in Oman's financial landscape.

#### Ms. Asma Ali Ramadhan Al Zadjali - Director

Asma Ali Ramadhan Al Zadjali, General Manager & Chief Banking Operations Officer at Oman Arab Bank, has over 23 years of banking experience. She holds an MBA from the University of Strathclyde, an Executive Leadership certification from

IMD, Switzerland, and is pursuing a DBA from the University of Gloucestershire. Her expertise includes strategy execution, digital transformation, Lean Six Sigma, and cost optimization.

She is a member of the Oman Business Forum and Operations Committee of Oman Banks Association and has served in leadership roles at ICF Oman and University of Strathclyde Alumni. Recognized for her contributions, she won the 2018 AlMar'a Excellence Award and 2020 Middle East's Woman Leaders Award.

#### **Mr. Abdullah Mohammed Musallam Al Abri - Director**

Abdullah Mohammed Musallam Al Abri is a strategic leader with over 26 years of experience in project management, offset programs, and public-private partnerships (PPP). He holds an MBA from Coventry University, UK, and a bachelor's in production and Operations Management from Sultan Qaboos University. He has also completed executive programs at Oxford University and London Business School. Currently serving as Director General of the Partnership & Privatization Unit at the Ministry of Finance, Oman, he manages multi-billion-dollar projects, drives economic diversification, and facilitates private sector investment.

Previously, he led key roles at the Public Authority for Privatization and Partnership, CC Energy Development, and various government initiatives, negotiating over 21 strategic investment agreements and spearheading legal and regulatory reforms. A Chevening Scholar, he is skilled in strategic planning, risk management, and contract negotiations, making him a pivotal figure in Oman's economic transformation.

#### **Mr. Ahmed Mohammed Abdullah Al Bahar Al Rawas - Director**

Ahmed Mohammed Abdullah Al Bahar Al Rawas is a seasoned civil engineer with over 35 years of experience in the public and private sectors. He holds a bachelor's degree in civil engineering from the University of the Pacific, California, USA. His extensive career includes 31 years at the Office of the Minister of State and Governor of Dhofar, where he played a key role in water infrastructure projects, and four years in the private sector with Nama Services Dhofar.

Currently, he serves as the Advisor to the CEO of the Water Sector at Nama Services Dhofar, overseeing strategic water management initiatives. He has also held leadership roles in project management, public sector administration, and water resource planning. Ahmed has been a board member of Salalah Sanitary Drainage Company and a key contributor to Oman's water sector policies.

#### **Mr. Saeed Hamed Saeed Binwqaish Al Dhaheri - Director**

Saeed Hamed Saeed Binwqaish Al Dhaheri is a distinguished leader with expertise in finance, investment, and infrastructure development. He holds an MBA from Abu Dhabi University and a bachelor's degree in civil engineering from the University of Portsmouth, UK.

He currently serves as Director of the Financial Department at the Abu Dhabi Fund for Development and holds key board positions, including Chairman of ADKI - Kyrgyzstan and UAE Bangladesh Investment. He is also a Board Member at Abu Dhabi Investment Company and Tourism (Egypt), Sousse Nord (Tunisia), and ARTES (Tunisia), contributing to strategic investments across multiple regions.

#### **Mr. Rashed Mohammed Ahmed Al Kaabi - Director**

Rashed Mohammed Ahmed Al Kaabi is an accomplished executive with over 18 years of experience in investment management and corporate leadership. He holds an MBA, a Master Certificate in Project Management from the University of Houston, and a bachelor's degree in architectural engineering. He has also completed executive programs, including Building Capabilities for Execution Delivery at Harvard University.

He has held key leadership roles, including CEO of Al Ain Farms for Livestock Production, and currently serves as Director of the Investment Department at the Abu Dhabi Fund for Development. In addition, he is a Board Member at Emirates Refreshments Company and several other organizations across various countries, contributing his expertise in investment strategy and corporate governance.

#### **Mr. Khalil Fadhl Khalil Al Mansoori - Director**

Khalil Fadhl Al Mansoori is an accomplished finance and engineering professional, currently serving as Director General of Abu Dhabi Exports Office (ADEX), a subsidiary of Abu Dhabi Fund for Development (ADFD). He holds a bachelor's degree in civil engineering from Ohio State University, USA. With extensive expertise in foreign investment, project financing, and infrastructure development, he oversees loan evaluations, stakeholder relations, and strategic growth initiatives at ADEX.

Since joining ADFD in 2013 as an engineer, he has held key roles, including Senior Engineer (2017) and Finance Department Manager (2018), before assuming leadership at ADEX in 2022. He has also served on various committees and boards, including the Arabian Gulf Program for Development, UAE-Bangladesh Investment Company, Al Ain Farm for Livestock Production, Al Dhabi Development Company, and Abu Dhabi Tourism Investment Company. Fluent in Arabic and English,

Khalil plays a pivotal role in advancing global development financing.

#### **Mr. Salim bin Hamood bin Salim Al Habsi - Director**

Mr. Salim Al Habsi is a distinguished professional with over 20 years of extensive experience in project and asset management. He specializes in overseeing and executing high-value turnkey projects and maximizing asset management. Currently, Mr. Salim currently holds the position of Vice President - Portfolio Management at OQ SAOC. Mr. Al Habsi earned an Executive Master of Business Administration (MBA) from the Hull University in the United Kingdom, as well as Bachelor's degree in Electrical and Electronics Engineering from Sultan Qaboos University (SQU). Throughout his career, Mr. Salim has served in several key leadership roles, leading strategic initiatives across project delivery and asset management, showcasing exceptional expertise in these areas.

#### **Mr. Salim Abdul Kader - Group Chief Executive Officer (w.e.f. 15 February 2026)**

Mr. Salim Abdul Kader is a seasoned cement industry CEO, having spent the past 15 years leading the transformation and repositioning of companies across Sub-Saharan Africa and the Middle East. He brings over 30 years of cement manufacturing experience, having held C-suite positions in both listed and privately held companies, globally. His most compelling vision is to drive performance through people, and his track record of achievements in this regard, comes at a time when Raysut Cement is well positioned for operational turnaround in its core markets. Salim has a bachelor's degree in sciences from the University of Durban- Westville, and holds both Honours and cum laude master's degrees in business administration, from the University of Stellenbosch, in Cape town, South Africa.

#### **Mr. Raashid Ali - Chief Financial Officer**

Mr. Raashid has extensive expertise in strategic restructuring and is a seasoned finance executive with over 30 years of international expertise across the automotive, facilities management, real estate, and retail sectors. He has held senior leadership positions at DAMAC, Jumeirah International, and Renaissance. Mr. Raashid Ali is also a Chartered Accountant, with deep expertise in financial operation, restructuring, mergers and acquisitions, capital raising, and corporate transformation. Mr. Raashid Ali was appointed as the Acting CEO of the Company from 1 October 2025 to 15 Feb 2026.

### **3. Board Elections:**

The current three-year term of the Board of Directors will end in March 2028. A new Board shall be elected at the AGM in 2028 in compliance with the current requirements for board composition

Anyone who wishes to stand as a candidate for the Board and is eligible for the same as per regulations, is required to submit an application form, as prescribed by the Financial Services Authority (FSA) not later than 5 days before date fixed for the General meeting for election of the Board members. A candidate who stands for election to the Board is elected at the General Meeting by following the procedures laid down in the Commercial Companies Law, and rules and regulations issued by the FSA. The directors shall be elected by direct issued by Royal Decree NO.18/2019 secret ballot by the shareholders.

### **4. Role of the Board of Directors and Management:**

The Company's business is conducted by its employees, officers, managers and other executives under the direction of the Acting Chief Executive Officer and the oversight of the Board of Directors.

### **5. Board meetings, Audit Committee meetings and Executive, Nomination and Remuneration Committee meetings:**

#### **Board Meetings**

During the financial year 2025, the Board of Directors met 15 times. The maximum time gap between any two meetings was not more than four months.

Meetings No.	Date of the meetings	Total members	Attendance by number of members
1st meeting	07-01-2025	5	4
2nd meeting	16-02-2025	5	4
3rd meeting	26-02-2025	5	4
The new Board after election by Shareholders			
4th meeting	17-03-2025	9	9
5th meeting	25-03-2025	9	9
6th meeting A	15-04-2025	9	8
6th meeting B	28-04-2025	9	9
7th meeting	13-05-2025	9	8
8th meeting	02-06-2025	9	9
9th meeting	26-06-2025	9	8
10th meeting	03-07-2025	8	8
11th meeting	06-07-2025	8	8
12th meeting	14-08-2025	9	8
13th meeting	10-09-2025	9	8
14th meeting	13-11-2025	9	9
15th meeting	16-12-2025	9	8

### Audit Committee Meetings

The details of the Audit Committee Meetings held during the financial year 2025:

Meetings No.	Date of the meetings	Total members	Attendance by number of members
1st meeting	26/01/2025	3	3
2nd meeting	27/02/2025	3	3
The Audit committee established after election of the new Board by Shareholders			
3rd meeting	06/04/2025	5	5
4th meeting	09/04/2025	5	5
5th meeting	14/04/2025	5	5
6th meeting	01/05/2025	5	5
7th meeting	14/05/2025	5	5
8th meeting	22/05/2025	5	4
9th meeting	02/06/2025	5	5
10th meeting	24/06/2025	5	4
11th meeting	08/07/2025	5	3
12th meeting	11/08/2025	5	5
13th meeting	01/10/2025	5	4
14th meeting	07/10/2025	5	4
15th meeting	11/11/2025	5	5
16th meeting	10/12/2025	5	5

## Executive, Nomination and Remuneration Committee Meetings

The details of the Executive, Nomination and Remuneration Committee Meetings held during the financial year 2025:

Meetings No.	Date of the meetings	Total members	Attendance by number of members
1st meeting	26/02/2025	3	3
2nd meeting	12/03/2025	3	3
<b>The Executive, Nomination and Remuneration Committee established by the new Board elected by Shareholders</b>			
3rd meeting	30/04/2025	5	5
4th meeting	06/05/2025	5	5
5th meeting	19/06/2025	5	4
6th meeting	08/07/2025	5	5
7th meeting	22/07/2025	5	5
8th meeting	28/07/2025	5	4
9th meeting	25/08/2025	5	4
10th meeting	22/09/2025	5	5
11th meeting	07/10/2025	5	5
12th meeting	21/10/2025	5	4
13th meeting	06/11/2025	5	4
14th meeting	22/12/2025	5	5

**The details of attendance of each Director at the Board and its Committees meetings held during the financial year 2025:**

	Name	No. of Board Meetings attended	No. of Audit Committee Meetings attended	No. of Executive, nomination and remuneration Committee Meetings attended
1	Mr. Shabib Mohammed Saif Al Darmaki	3	-	2
2	Mr. Nasser Juma Al Zadjali	3	2	2
3	Mr. Abdul Hamid Ahmed Al Balushi	3	2	2
4	Mr. Ali Rashid Al Shehhi	-	-	-
5	Mr. Bader Awad Al Shanfari	3	2	-
<b>New Board after election by shareholders</b>				
6	Mr. Jamal Shamis Saud Al Hooti (upto 26th June 2025)	5	-	3
7	Mr. Khalid Masud Ansari	12	13	9
8	Ms. Asma Ali Ramadhan Al Zadjali	11	14	-
9	Mr. Abdullah Mohammed Musallam Al Abri	11	8	11
10	Mr. Ahmed Mohammed Abdullah Al Bahar Al Rawas	12	14	8
11	Engr. Ali Abdullah Ali Al Zadjali	12	-	3
12	Mr. Rashed Mohammed Ahmed Al Kaabi	11	-	8
13	Mr. Saeed Hamed Saeed Al Daheri	12	-	12
14	Mr. Khalil Fadhl Khalil Al Mansoori	11	12	-
15	Mr. Salim Hamood Salim Al Habsi	4	4	-

## Details of attendance of each Director at the Board meetings held during the financial year 2025:

	Name	Meeting Number & Dates of the meeting											
		1	2	3	4	5	6A	6B	7	8	9	10	
		Jan 07	Feb 16	Feb 26	Mar 17	Mar 25	Apr 15	Apr 28	May 13	Jun 02	Jun 26	Jul 03	
1	Mr. Shabib Mohammed Saif Al Darmaki	✓	✓	✓									
2	Mr. Nasser Juma Al Zadjali	✓	✓	✓									
3	Mr. Abdul Hamid Ahmed Al Balushi	✓	✓	✓									
4	Mr. Ali Rashid Al Shehhi	-	-	-									
5	Mr. Bader Awad Al Shanfari	✓	✓	✓									

## Constitution the new Board of Directors after election by Shareholders in General Ordinary Meeting

1	Mr. Jamal Shamis Saud Al Hooti (Chairman - upto 26th June 2025)				✓	✓	✓	✓	✓	✓	-	
2	Mr. Khalid Masud Ansari				✓	✓	✓	✓	✓	✓	✓	✓
3	Ms. Asma Ali Ramadhan Al Zadjali				✓	✓	✓	✓	-	✓	✓	✓
4	Mr. Abdullah Mohammed Musallam Al Abri				✓	✓	✓	✓	✓	✓	✓	✓
5	Mr. Ahmed Mohammed Abdullah Al Bahar Al Rawas				✓	✓	✓	✓	✓	✓	✓	✓
6	Engr. Ali Abdullah Ali Al Zadjali				✓	✓	✓	✓	✓	✓	✓	✓
7	Mr. Saeed Hamed Saeed Al Daheri				✓	✓	✓	✓	✓	✓	✓	✓
8	Mr. Rashed Mohammed Ahmed Al Kaabi				✓	✓	✓	✓	✓	✓	✓	✓
9	Mr. Khalil Fadhl Khalil Al Mansoori				✓	✓	-	✓	✓	✓	✓	✓

## Details of attendance of each Director at the Board meetings (continued..)

	Name	Meeting Number and Date of the meeting				
		11	12	13	14	15
		Jul 06	Aug 14	Sep 10	Nov 13	Dec 16
1	Mr. Jamal Shamis Saud Al Hooti (Chairman - upto 26th June 2025)					
2	Engr. Ali Abdullah Ali Al Zadjali (Chairman)	✓	✓	✓	✓	✓
3	Mr. Khalid Masud Ansari	✓	✓	✓	✓	✓
4	Ms. Asma Ali Ramadhan Al Zadjali	✓	✓	✓	✓	✓
5	Mr. Abdullah Mohammed Musallam Al Abri	✓	✓	-	✓	✓
6	Mr. Ahmed Mohammed Abdullah Al Bahar Al Rawas	✓	✓	✓	✓	✓
7	Mr. Saeed Hamed Saeed Al Daheri	✓	✓	✓	✓	✓
8	Mr. Rashed Mohammed Ahmed Al Kaabi	✓	-	✓	✓	✓
9	Mr. Khalil Fadhl Khalil Al Mansoori	✓	✓	✓	✓	-
10	Mr. Salim Hamood Salim Al Habsi	✓	✓	✓	✓	✓

### The details of attendance of director at the Audit Committee Meetings held during the year 2025:

		Meeting Number and Date of the meeting									
		1	2	3	4	5	6	7	8	9	10
		Jan 26	Feb 27	Apr 06	Apr 09	Apr 14	May 01	May 14	May 22	Jun 02	Jun 24
1	Mr. Bader Awad Al Shanfari	✓	✓								
2	Mr. Ali Rashid Al Shehhi	✓	✓								
3	Mr. Abdul Hamid Ahmed Al Balushi	✓	✓								

### The Election and Formation of the Audit Committee from 16th March 2025:

1	Ms. Asma Ali Ramadhan Al Zadjali (Chairperson)			✓	✓	✓	✓	✓	✓	✓	✓
2	Mr. Khalid Masud Ansari			✓	✓	✓	✓	✓	✓	✓	-
3	Mr. Khalil Fadhl Khalil Al Mansoori			✓	✓	✓	✓	✓	-	✓	✓
4	Mr. Ahmed Mohammed Al Bahar Al-Rawas			✓	✓	✓	✓	✓	✓	✓	✓
5	Mr. Abdullah Mohammed Musallam Al Abri			✓	✓	✓	✓	✓	✓	✓	✓

### Details of attendance of director at the Audit Committee Meetings (continued)

		Meeting Number and Date of the meeting					
		11	12	13	14	15	16
		Jul 08	Aug 11	Oct 01	Oct 07	Nov 11	Dec 10
1	Ms. Asma Ali Ramadhan Al Zadjali (Chairperson)	✓	✓	✓	✓	✓	✓
2	Mr. Ahmed Mohammed Abdullah Al Bahar	✓	✓	✓	✓	✓	✓
3	Mr. Salim Hamood Salim Al Habsi	✓	✓	-	✓	✓	✓
4	Mr. Abdullah Mohammed Musallam Al Abri						
5	Mr. Khalid Masud Ansari	✓	✓	✓	✓	✓	✓
6	Mr. Khalil Fadhl Khalil Mitaafi Al Mansoori	✓	✓	✓	-	✓	✓

### The details of attendance of director at the Executive Nomination and Remuneration Committee Meetings held during the financial year 2025:

		Meeting Number and Date of the meeting				
		1	2	3	4	5
		Feb 26	Mar 12	Apr 30	May 06	Jun 19
1	Mr. Shabib Mohammed Saif Al Darmaki (Chairman)	✓	✓			
2	Mr. Nasser Juma Al Zadjali	✓	✓			
3	Mr. Abdul Hamid Ahmed Al Balushi	✓	✓			

### The Election and Formation of the Executive, Nomination and Remuneration Committee from 16th March 2025

1	Engr. Ali Abdullah Ali Al Zadjali (Chairman)			✓	✓	✓
2	Mr. Jamal Shamis Al Hooti			✓	✓	✓
3	Mr. Rashed Mohamed Al Kaabi			✓	✓	✓
4	Mr. Saeed Hamad Al Dhaheiri			✓	✓	✓
5	Mr. Abdullah Mohamed Al Abri			✓	✓	✓

		Meeting Number and Date of the meeting								
		6	7	8	9	10	11	12	13	14
		Jul 08	Jul 22	Jul 28	Aug 25	Sep 22	Oct 07	Oct 21	Nov 11	Dec 22
1	Mr. Abdullah Mohammed Musallam Al Abri (Chairman)	✓	✓	✓	✓	✓	✓	✓	-	✓
2	Mr. Saeed Hamed Saeed Al Daheri	✓	✓	✓	✓	✓	✓	✓	✓	✓
3	Mr. Rashed Mohammed Ahmed Al Kaabi	✓	✓	-	-	✓	✓	-	✓	✓
4	Mr. Ahmed Mohammed Al Bahar Al-Rawas	✓	✓	✓	✓	✓	✓	✓	✓	-
5	Mr. Khalid Masud Ansari	✓	✓	✓	✓	✓	✓	✓	✓	✓
6	Engr. Ali Abdullah Ali Al Zadjali									
7	Mr. Jamal Shamis Al Hooti									

The Annual General Meeting for the year 2025 is scheduled to be held on 31 March 2026.

## 6. Audit committee:

The Committee acts as a link between the statutory and internal auditors and the Board of Directors. It reviews the various reports placed before it by the Management and Audit Department and addresses to the larger issues, and examines and considers those facets that could be of vital concern to the Company including adequacy of internal controls, reliability of financial statements/other management information, adequacy of provisions for liabilities, and whether the audit tests are appropriate and scientifically carried out and that they were aligned with the realities of the business, adequacy of disclosures and compliance with all relevant statutes.

The Audit Committee comprises the following Directors:

### Composition of the Management Audit Committee from 1st January 2025 to 16th March 2025:

Mr. Bader Awad Al Shanfari	Chairman
Mr. Ali Rashid Al Shehhi	Member
Mr. Abdul Hamid Ahmed Al Balushi	Member

### The Election and Formation of the Audit Committee from 16 March 2025 to 31 Dec 2025:

Ms. Asma Ali Ramadhan Al Zadjali	Chairman
Mr. Khalid Masud Ansari	Member
Mr. Khalil Fadhl Khalil Al Mansoori	Member
Mr. Ahmed Mohammed Al Bahar Al-Rawas	Member
Mr. Abdullah Mohammed Musallam Al Abri (up to 6 July 2025)	Member
Mr. Salim Hamood Salim Al Habsi (from 6 July 2025)	Member

## 7. Executive, nomination, and remuneration committee

The role and power of the Committee is to implement the decisions of the Board of Director and to assist the general meeting in the nomination of proficient directors and the election of the most fit for purpose. Moreover, the committee aims to assist the board in selecting the appropriate and necessary executives for the executive management and to assist the company in formulating clear, credible, and accessible policies to inform shareholders about directors' and executives' remuneration.

The executive, nomination and remuneration Committee comprised of the following Directors:

### Composition of Executive, Nomination and Remuneration Committee from 1st January 2025 to 16th March 2025:

Mr. Shabib Mohammed Saif Al Darmaki	Chairman
Mr. Nasser Juma Al Zadjali	Member
Mr. Abdul Hamid Ahmed Al Balushi	Member

### The Election and Formation of the Executive, Nomination and Remuneration Committee from 16th March 2025 to 6th July 2025:

Engr. Ali Abdullah Ali Al Zadjali	Chairman
Mr. Saeed Hamed Saeed Al Daheri	Member
Mr. Rashed Mohammed Ahmed Al Kaabi	Member
Mr. Abdullah Mohammed Musallam Al Abri	Member
Mr. Jamal Shamis Al Hooti (upto 26th June 2025)	Member

### Reconstituted Executive, Nomination and Remuneration Committee from 6 July 2025:

Mr. Abdullah Mohammed Musallam Al Abri	Chairman
Mr. Saeed Hamed Saeed Al Daheri	Member
Mr. Rashed Mohammed Ahmed Al Kaabi	Member
Mr. Ahmed Mohammed Al Bahar Al-Rawas	Member
Mr. Mr. Khalid Masud Ansari	Member

## 8. Tender Committee

The role and power of the Tender Committee is to take decisions on the procurement of material and services. The Tender Committee is comprised of the heads of various departments.

## 9. Remuneration Matters

During the financial year 2025, the Directors were paid a total sum of **₹ 110,500** towards sitting fee for attending various board meetings, audit committee meetings, executive committee meetings and nomination and remuneration committee meeting as compared to **₹ 62,000** in 2024.

Name	Sitting fee ₹
Mr. Shabib Mohammed Saif Al Darmaki	3,500
Mr. Nasser Juma Al Zadjali	3,500
Mr. Abdul Hamid Ahmed Al Balushi	4,500
Mr. Ali Rashid Al Shehhi	1,000
Mr. Bader Awad Al Shanfari	4,000
<b>The new Board after election by Shareholders</b>	
Mr. Jamal Shamis Saud Al Hooti	6,500
Mr. Khalid Masud Ansari	10,000
Ms. Asma Ali Ramadhan Al Zadjali	10,000
Mr. Abdullah Mohammed Musallam Al Abri	10,000
Mr. Ahmed Mohammed Abdullah Al Bahar Al Rawas	10,000
Engr. Ali Abdullah Ali Al Zadjali	10,000
Mr. Saeed Hamed Saeed Al Daheri	10,000
Mr. Rashed Mohammed Ahmed Al Kaabi	10,000
Mr. Khalil Fadhi Khalil Al Mansoori	10,000
Mr. Salim Hamood Salim Al Habsi	7,500
<b>Total</b>	<b>110,500</b>

The Company has made a provision of Nil (2024: RO 150,000) for the current year.

In addition to the above, the Company paid per diem and travel allowances to the directors amounting to RO 3,900.

Remuneration for the top 5 employees of the company for 2025 including salary, allowances, benefits and other expenditures amount to RO 355, 735 (2024 - RO 215,946).

Service contracts are usually for two years and unless terminated by either of the parties is automatically renewed for a further period of two years. The notice period for termination of the contract is one to two months.

#### 10. Disclosure of non-compliance

During the year, the company has diligently adhered to all applicable corporate governance regulations and standards. No instances of material non-compliance have been identified. In the event of any future non-compliance, the company is committed to promptly disclosing such instances and taking corrective actions to rectify the situation.

#### 11. Board performance appraisal.

No formal appraisal of the Board was carried out relating to the year 2025.

#### 12. Procedures and Conditions for the Selection of Board Members:

Article (6) of the Articles of Association of the Company shall be applied in the election of the members of the Board of Directors. However, the Board is appointed by the Financial Services Authority effective on 11th December 2022 for the period of three year and on 05th May 2024 regulator issued a resolution (27/2024) to reconstitute the Board of the Company. In 2025, Shareholders in Ordinary General Meeting elected the new Board of Directors.



#### 13. Means of Communication:

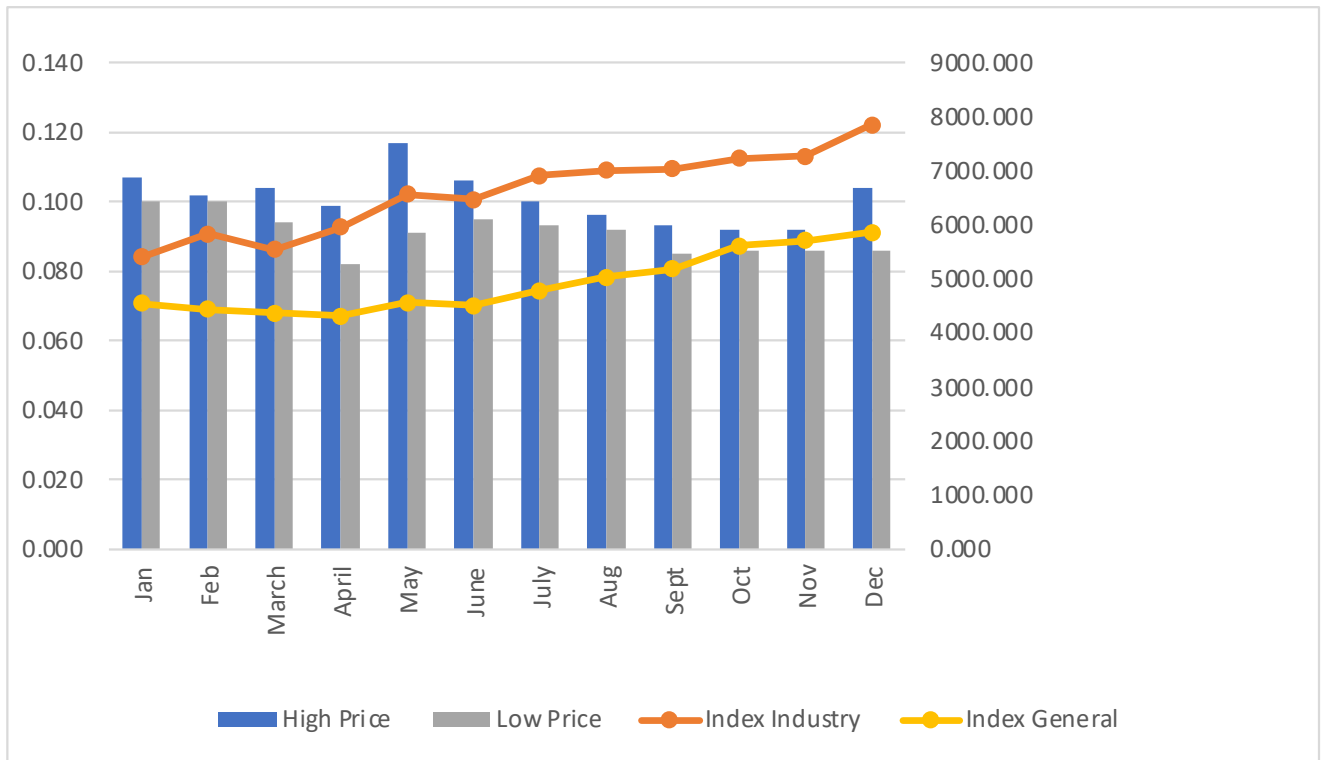
Annual financial statements and invitation to attend the annual general meeting to be sent by post to the shareholders according to their registered addresses. Annual, Quarterly and half yearly results were published in local newspapers as per the guidelines of FSA and Muscat Securities Market.

Financials were also posted on the web site of Muscat Securities Market. Chairman's Report and the management discussions and analysis report are part of the annual report.

#### 14. Market Price Data:

The monthly high and low quotations at Muscat Securities Market during financial year 2025 are as follows:

Period	Traded		Price 	
	Shares	Value 	High	Low
January 2025	478,493	48,620	0.107	0.100
February 2025	257,146	25,918	0.102	0.100
March 2025	822,497	79,965	0.104	0.094
April 2025	728,475	67,161	0.099	0.082
May 2025	987,403	105,597	0.117	0.091
June 2025	815,742	82,685	0.106	0.095
July 2025	789,796	76,238	0.100	0.093
August 2025	634,029	59,212	0.096	0.092
September 2025	1,173,434	105,878	0.093	0.085
October 2025	564,720	51,036	0.092	0.086
November 2025	298,380	26,384	0.092	0.086
December 2025	2,362,175	225,043	0.104	0.086



### 15. Distribution of shareholding:

The following are the major shareholders who own more than 5% of the outstanding shares as at 31 December 2025:

S. No	Name of shareholders	Shareholding %
1.	Abu Dhabi Fund for Development	15.00
2.	Social Protection Fund	14.97
3.	Islamic Development Bank	11.71
4.	Dolphin International	10.33
5.	Schwenk Cement Nederland B.V.	10.00
6.	Oman Investment Authority	7.32
7.	Sindbad International Trading Company LLC	5.94
<b>Total</b>		<b>75.27</b>

The shareholding distribution of equity shares as on 31 December 2025 is given below:

No. of equity shares	No. of shareholders	No. of shares	Shareholding %
Less than 100,000	1530	13,808,321	6.904%
100,000 to 500,000	79	15,047,196	7.524%
500,001 to 1,000,000	11	7,852,991	3.926%
1,000,001 to 10,000,000	7	27,393,133	13.697%
10,000,001 and above	6	135,898,359	67.949%
<b>TOTAL</b>	<b>1,633</b>	<b>200,000,000</b>	<b>100%</b>

### 16. Professional Profile of Statutory Auditor:

PricewaterhouseCoopers (PwC) was appointed as the Company's statutory auditor for the year 2025 at the General meeting held on 7 August 2025. This appointment is in line with the Financial Services Authority (FSA) decision (8/2024) issued on 25th August 2024.

## About PricewaterhouseCoopers (PwC)

PwC is a network of firms with more than 370,393 people operating from 149 countries in 656 cities across the globe, making us the largest professional services provider in the world. We are committed to delivering quality services in Assurance, Tax and Advisory (which includes our Consulting, Deals and Strategy& practices) and Internal Firm Services. In doing so we help to build trust in society, enable our clients to make the most of opportunities and solve important business problems.

PwC has operated in the Middle East region for more than 40 years. Collectively, our Middle East network employs in the region of almost 12,000 people including over 499 partners and 766 directors working from 30 offices (in 22 locations) across 12 countries: Bahrain, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Oman, the Palestinian territories, Qatar, Saudi Arabia and the United Arab Emirates and 41% of our Middle East workforce is female. We are one of the fastest growing PwC member firms worldwide and the largest professional services firm in the Middle East. ([www.pwc.com/me](http://www.pwc.com/me)).

PwC is strongly committed to Oman where we are recognized as one of the leading providers of quality business advisory services. PwC have had a local practice in Oman since 1971 and now have 9 partners, 1 of whom is Omani and 5 directors and approximately 144 members of staff operating from our office in Muscat.

PwC refers to the PwC network and/or one or more of its member firms, each of which is a separate legal entity. Please see [www.pwc.com/structure](http://www.pwc.com/structure) for further details.

PwC billed an amount of RO 125,080 towards professional services rendered to the Company for the year 2025 (2024: RO 290,000 for audit).

PwC Kenya billed USD 165,055 for professional services (other than external audit) rendered to the Company in 2022. This amount was accrued in 2024 and repaid in instalments of USD 27,500 in 2025 and USD 110,000 in 2026. PwC Kenya also provided a haircut of USD 27,555 to settle the agreement in full.

### 17. Confirmation by the Board of Directors

Raysut Cement Company is committed to conducting business legally and professionally under the highest standards of business ethics and moral code. This same high standard is expected and required of all Raysut subsidiary companies and people working at every level throughout the group. The Board of Directors confirms its accountability for the preparation of the financial statements in accordance with the IFRS Accounting Standards and their preparation in compliance with the relevant requirements of the Financial Services Authority of the Sultanate of Oman and the applicable provisions of the Commercial Companies Law of 2019.

The Board of Directors confirms that it has reviewed the efficiency and adequacy of the internal control systems of the Company. The Board is pleased to inform shareholders that adequate and efficient internal controls are in place, and that they are in full compliance with the internal rules and regulations. The Board of Directors also confirms that there are no material matters that affect the continuation of the Company and its ability to continue its operations during the next financial year.



**Engr. Ali Abdullah Ali Al Zadjali**

Chairman of the Board of Directors

# Financial Statements





## Independent auditor's report

To the shareholders of Raysut Cement Company SAOG

### Report on the audit of the financial statements

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#### Our opinion

In our opinion, the financial statements of Raysut Cement Company SAOG (the "Parent Company") and the consolidated financial statements of the Parent Company and its subsidiaries (together the "Group") present fairly, in all material respects, the respective financial positions of the Parent Company and the Group as at 31 December 2025, and their respective financial performance and their respective cash flows for the year then ended in accordance with IFRS Accounting Standards.

#### What we have audited

The financial statements of the Parent Company and the consolidated financial statements of the Group (together "these financial statements") comprise their respective:

- statement of comprehensive income for the year ended 31 December 2025;
- statement of financial position as at 31 December 2025;
- statement of changes in equity for the year then ended;
- statement of cash flows for the year then ended; and
- notes to these financial statements, comprising material accounting policy information and other explanatory information.



## Independent auditor's report (Continued)

To the shareholders of Raysut Cement Company SAOG

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### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in *the Auditor's responsibilities for the audit of these financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) as applicable to audits of financial statements of public interest entities and the ethical requirements that are relevant to our audit of these financial statements in the Sultanate of Oman. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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### Material uncertainty related to going concern

We draw attention to Note 2.1 (c) to these financial statements, which states that the Group incurred a net loss of RO 15,885,078 for the year ended 31 December 2025 and, as of that date, its current liabilities exceeded its current assets by RO 75,924,003 and the Group reported accumulated losses of RO 66,413,160. The Parent Company also incurred a net loss of RO 17,472,509 for the year ended 31 December 2025 and, as of that date, its current liabilities exceeded its current assets by RO 83,203,148 and it reported accumulated losses of RO 69,288,795. Both the Group and the Parent Company's accumulated losses have exceeded 50% of the Parent Company's issued share capital.

Further, the Group and the Parent Company have an overdue balance of RO 55,069,727 with its primary gas supplier at the main plant, with whom negotiations are ongoing for restructuring its liability. The Group's ability to execute its business plan is also highly dependent on achieving certain operational and performance assumptions.



## Independent auditor's report (Continued)

To the shareholders of Raysut Cement Company SAOG

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### Material uncertainty related to going concern (continued)

These conditions, along with other matters as disclosed in Note 2.1 (c) indicate the existence of a material uncertainty that may cast a significant doubt on the Parent Company's and the Group's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

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### Our audit approach

#### Overview

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Key Audit Matter	Inventory quantities of raw materials and work in progress
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As part of designing our audit, we determined materiality and assessed the risks of material misstatement in these financial statements. In particular, we considered where the directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on these financial statements as a whole, taking into account the structure of the Group and the Parent Company, the accounting processes and controls, and the industry in which the Group and the Parent Company operate.

#### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of these financial statements of the current period. These matters were addressed in the context of our audit of these financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the material uncertainty related to going concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.



## Independent auditor's report (Continued)

To the shareholders of Raysut Cement Company SAOG

### Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
<p><b>Inventory quantities of raw materials and work in progress</b></p> <p>As disclosed in Note 17.7 to these financial statements, the Group holds raw materials inventories amounting to RO 3,085,777 (2024: RO 1,721,367) (mainly limestone, iron ore, shale and gypsum) and work in progress inventories amounting to RO 5,276,443 (2024: RO 10,548,610) (mainly clinker and limestone) which are stored in stockpiles as at 31 December 2025. Since the weighing of these inventories is not practicable, management assesses the quantities on hand at the year-end by obtaining measurements of the stockpiles and converting these measurements to unit of volumes by using surveying and other techniques and density. In doing so, management appoints external surveyors to estimate the measurements of the stockpiles and applies the density conversion method which is a commonly used method for similar inventory in the cement industry to arrive at the inventory quantity balances.</p> <p>Due to the significance of the inventory balances and related estimations involved in the determination of the quantities, this is considered a key audit matter.</p> <p>Refer to Note 2.12 to these financial statements for the accounting policy, Note 3 for the critical estimates and judgements and Note 17.7 for the details of inventories.</p>	<p>Our audit procedures performed included the following:</p> <ul style="list-style-type: none"><li>• Obtained an overall understanding of the inventory count process and basis of measurement including surveying equipment and conversion methods used towards eventual determination of the inventory quantities;</li><li>• Attended the physical inventory count performed by the Group and the external surveyors;</li><li>• Evaluated the competence, capabilities and objectivity of the external surveyors;</li><li>• Obtained and read the external surveyors' stockpile measurement reports;</li><li>• Traced, on a sample basis, the inventory count result to and from the external surveyors' reports against the Group's final inventory compilation listings;</li><li>• Assessed the reasonableness of the density conversion factors applied by management in the density conversion calculation;</li><li>• Tested the mathematical accuracy of the density conversion calculation used by management to arrive at the quantities on hand at the year-end; and</li><li>• Assessed the adequacy of the disclosures relating to the inventories in these financial statements.</li></ul>



## Independent auditor's report (Continued)

To the shareholders of Raysut Cement Company SAOG

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### Other information

The directors are responsible for the other information. The other information comprises the Board of Directors Report, Management Discussion and Analysis and the Corporate Governance Report (but does not include these financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and Groups' Annual Report, which is expected to be made available to us after that date.

Our opinion on these financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of these financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with these financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read Groups' Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors.

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### Responsibilities of the directors for these financial statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with IFRS Accounting Standards and their preparation in compliance with the relevant requirements of the Financial Services Authority of the Sultanate of Oman and the applicable provisions of the Commercial Companies Law of 2019, and for such internal control as they determine is necessary to enable the preparation of these financial statements that are free from material misstatement, whether due to fraud or error.



## Independent auditor's report (Continued)

To the shareholders of Raysut Cement Company SAOG

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### Responsibilities of the directors for these financial statements (continued)

In preparing these financial statements, the directors are responsible for assessing the Parent Company and Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Parent Company and the Group or to cease operations, or have no realistic alternative but to do so.

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### Auditor's responsibilities for the audit of these financial statements

Our objectives are to obtain reasonable assurance about whether these financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of these financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Parent Company's and/or the Group's internal control.



## Independent auditor's report (Continued)

To the shareholders of Raysut Cement Company SAOG

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### **Auditor's responsibilities for the audit of these financial statements (continued)**

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Parent Company's and/ or the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in these financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Parent Company and/ or the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of these financial statements, including the disclosures, and whether these financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Parent Company and/ or the Group as a basis for forming an opinion on these financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



## Independent auditor's report (Continued)

To the shareholders of Raysut Cement Company SAOG

### Auditor's responsibilities for the audit of these financial statements (continued)

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of these financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on other legal and regulatory requirements

Further, as required by the relevant requirements of the Financial Services Authority of the Sultanate of Oman and the applicable provisions of the Commercial Companies Law of 2019, we report that these financial statements have been prepared and comply, in all material respects, with those requirements and provisions.

**Omar Al Sharif**  
**Muscat, Sultanate of Oman**  
**12 March 2026**



# PARENT COMPANY AND CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	Parent Company		Consolidated	
		2025	2024	2025	2024
		<u>₹</u>	<u>₹</u>	<u>₹</u>	<u>₹</u>
Revenue from contracts with customers	6	<b>47,468,983</b>	38,429,444	<b>90,668,108</b>	70,269,059
Cost of sales	7	<b>(46,686,005)</b>	(33,267,437)	<b>(85,165,334)</b>	(64,638,058)
<b>Gross profit</b>		<b>782,978</b>	5,162,007	<b>5,502,774</b>	5,631,001
General and administrative expenses	8	<b>(3,681,949)</b>	(3,934,062)	<b>(6,004,000)</b>	(6,092,708)
Selling and distribution expenses	10	<b>(4,468,021)</b>	(3,714,942)	<b>(5,018,082)</b>	(4,298,537)
Net impairment loss on financial assets	4.1 (b)	<b>(5,434,228)</b>	(585,031)	<b>629,474</b>	(1,200,175)
Impairment loss on property, plant and equipment	17.1	<b>(2,708,283)</b>	(311,387)	<b>(6,555,745)</b>	(1,208,921)
Impairment loss on investment in a subsidiary	17.6	<b>(150,000)</b>	(102,000)	-	-
Other income	11	<b>3,181</b>	7,562	<b>126,376</b>	265,370
<b>Operating loss</b>		<b>(15,656,322)</b>	(3,477,853)	<b>(11,319,203)</b>	(6,903,970)
Finance costs - net	12	<b>(3,006,693)</b>	(4,226,140)	<b>(4,550,256)</b>	(6,093,049)
Investment income	14	<b>1,315,548</b>	202,306	<b>158,348</b>	202,306
Fair value loss on financial assets at FVTPL	16.4	<b>(125,042)</b>	(88,144)	<b>(125,042)</b>	(88,144)
<b>Loss before tax</b>		<b>(17,472,509)</b>	(7,589,831)	<b>(15,836,153)</b>	(12,882,857)
Income tax expense	15	-	-	<b>(48,925)</b>	(100,475)
<b>Loss for the year</b>		<b>(17,472,509)</b>	(7,589,831)	<b>(15,885,078)</b>	(12,983,332)
<b>Loss for the year attributable to:</b>					
Equity shareholders of the Parent Company		<b>(17,472,509)</b>	(7,589,831)	<b>(15,975,465)</b>	(12,958,436)
Non-controlling interest		-	-	<b>90,387</b>	(24,896)
		<b>(17,472,509)</b>	(7,589,831)	<b>(15,885,078)</b>	(12,983,332)
<b>Basic and diluted loss per share</b>	22	<b>(0.087)</b>	(0.038)	<b>(0.080)</b>	(0.065)
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Revaluation of property, plant and equipment	17.1	-	15,716,004	<b>(13,704)</b>	22,537,916
Deferred tax impact on revaluation of property, plant and equipment	15	-	(2,357,401)	<b>1,233</b>	(3,140,902)
		-	13,358,603	<b>(12,471)</b>	19,397,014

# PARENT COMPANY AND CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

<b>Total comprehensive income for the year</b>		<b><u>(17,472,509)</u></b>	<u>5,768,772</u>	<b><u>(15,897,549)</u></b>	<u>6,413,682</u>
<b>Total comprehensive income attributable to:</b>					
Equity shareholders of the Parent Company		<b><u>(17,472,509)</u></b>	5,768,772	<b><u>(15,987,936)</u></b>	6,028,570
Non-controlling interest		<u>-</u>	<u>-</u>	<b><u>90,387</u></b>	<u>385,112</u>
		<b><u>(17,472,509)</u></b>	<u>5,768,772</u>	<b><u>(15,897,549)</u></b>	<u>6,413,682</u>

The notes 1 to 26 and other explanatory information form an integral part of these Parent Company's and consolidated financial statements.

Independent auditor's report - pages 36 - 43.

# PARENT COMPANY AND CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2025

	Note	Parent Company		Consolidated	
		2025	2024	2025	2024
		₹	₹	₹	₹
<b>ASSETS</b>					
<b>Non-current assets</b>					
Goodwill	17.3	-	-	<b>3,188,812</b>	3,188,812
Property, plant and equipment	17.1	<b>63,741,249</b>	70,668,436	<b>100,753,668</b>	114,382,663
Right-of-use assets	17.4	<b>1,875,407</b>	2,099,810	<b>5,246,242</b>	5,631,966
Investment in subsidiaries	17.6	<b>29,626,880</b>	29,776,880	-	-
Deferred tax assets	15	-	-	<b>99,362</b>	125,165
<b>Total non-current assets</b>		<b>95,243,536</b>	102,545,126	<b>109,288,084</b>	123,328,606
<b>Current assets</b>					
Inventories	17.7	<b>10,735,146</b>	15,913,449	<b>15,958,757</b>	20,755,481
Trade receivables	16.1	<b>3,317,767</b>	2,167,334	<b>6,591,578</b>	4,801,508
Financial assets at fair value through profit or loss	16.4	<b>3,008,221</b>	3,097,593	<b>3,008,221</b>	3,097,593
Prepayments, advances and other receivables	17.8	<b>1,927,071</b>	2,309,654	<b>1,631,723</b>	812,154
Cash and cash equivalents	16.2	<b>1,125,202</b>	400,807	<b>3,810,901</b>	1,697,338
<b>Total current assets</b>		<b>20,113,407</b>	23,888,837	<b>31,001,180</b>	31,164,074
<b>Total assets</b>		<b>115,356,943</b>	126,433,963	<b>140,289,264</b>	154,492,680
<b>EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>					
Share capital	18	<b>20,000,000</b>	20,000,000	<b>20,000,000</b>	20,000,000
Share premium	19	<b>13,456,873</b>	13,456,873	<b>13,456,873</b>	13,456,873
Legal reserve	20	<b>6,666,667</b>	6,666,667	<b>6,666,667</b>	6,666,667
Revaluation surplus		<b>13,358,603</b>	13,358,603	<b>18,974,535</b>	18,987,006
Accumulated losses		<b>(69,288,795)</b>	(51,816,286)	<b>(66,413,160)</b>	(50,437,695)
<b>Equity attributable to the equity holders of the Parent Company</b>		<b>(15,806,652)</b>	1,665,857	<b>(7,315,085)</b>	8,672,851
<b>Non-controlling interest</b>		-	-	<b>911,454</b>	821,067
<b>Total equity</b>		<b>(15,806,652)</b>	1,665,857	<b>(6,403,631)</b>	9,493,918

The notes 1 to 26 and other explanatory information form an integral part of these Parent Company's and consolidated financial statements.

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# RAYSUT CEMENT COMPANY SAOG AND ITS SUBSIDIARIES

## PARENT COMPANY AND CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2025 (continued)

	Note	Parent Company		Consolidated	
		31 December 2025	31 December 2024	31 December 2025	31 December 2024
		<u>₹</u>	<u>₹</u>	<u>₹</u>	<u>₹</u>
<b>LIABILITIES</b>					
<b>Non-current liabilities</b>					
Term loans	16.6	<b>16,944,062</b>	19,728,241	<b>28,185,890</b>	29,546,435
Loan from a subsidiary	25 (d)	<b>4,284,527</b>	-	-	-
Lease liabilities	16.9	<b>2,064,676</b>	2,099,943	<b>5,815,976</b>	5,969,121
Deferred tax liabilities	15	<b>3,870,401</b>	3,870,401	<b>4,543,186</b>	4,653,903
Provision for employees' end of service benefits	17.9	<b>683,374</b>	676,423	<b>1,222,660</b>	1,201,207
<b>Total non-current liabilities</b>		<b>27,847,040</b>	26,375,008	<b>39,767,712</b>	41,370,666
<b>Current liabilities</b>					
Term loans	16.6	<b>7,966,759</b>	6,059,171	<b>10,504,858</b>	15,392,561
Loan from a subsidiary	25 (d)	<b>2,049,915</b>	6,534,477	-	-
Lease liabilities	16.9	<b>189,568</b>	329,984	<b>465,997</b>	581,174
Trade and other payables	16.5	<b>31,048,895</b>	30,470,434	<b>32,348,303</b>	31,019,444
Trade payable - gas supplier	16.8	<b>55,069,727</b>	48,115,288	<b>55,069,727</b>	48,115,288
Short term borrowings	16.7	<b>6,991,691</b>	6,883,744	<b>8,536,298</b>	8,445,552
Income tax payable	15 (d)	-	-	-	74,077
<b>Total current liabilities</b>		<b>103,316,555</b>	98,393,098	<b>106,925,183</b>	103,628,096
<b>Total liabilities</b>		<b>131,163,595</b>	124,768,106	<b>146,692,895</b>	144,998,762
<b>Total equity and liabilities</b>		<b>115,356,943</b>	126,433,963	<b>140,289,264</b>	154,492,680
<b>Net assets per share</b>	<b>21</b>	<b>(0.079)</b>	0.008	<b>(0.037)</b>	0.043

These financial statements along with notes 1 to 26 and other explanatory information were approved by the Board of Directors on 12 March 2026 and signed on their behalf by:



**Engr Abdullah Al Zadjali**

Chairman of the Board of Directors



**Raashid Ali**

Chief Financial Officer



**Salim Abdul Kader**

Chief Executive Officer

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# RAYSUT CEMENT COMPANY SAOG AND ITS SUBSIDIARIES

## PARENT COMPANY AND CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2025

Parent Company	Note	Share capital	Share premium	Legal reserve	Asset replacement reserve	Voluntary reserve	Revaluation reserve	Accumulated losses	Total
		₪	₪	₪	₪	₪	₪	₪	₪
At 1 January 2024		20,000,000	13,456,873	6,666,667	3,647,566	6,352,434	-	(54,226,455)	(4,102,915)
Comprehensive income:									
Loss for the year		-	-	-	-	-	-	(7,589,831)	(7,589,831)
Other comprehensive income:									
Revaluation surplus (net of tax)	17.1	-	-	-	-	-	13,358,603	-	13,358,603
Loss and total comprehensive income for the year		-	-	-	-	-	13,358,603	(7,589,831)	5,768,772
Transactions within equity:									
Transfer of reserves	21 & 22	-	-	-	(3,647,566)	(6,352,434)	-	10,000,000	-
At 31 December 2024		20,000,000	13,456,873	6,666,667	-	-	13,358,603	(51,816,286)	1,665,857
<b>At 1 January 2025</b>		<b>20,000,000</b>	<b>13,456,873</b>	<b>6,666,667</b>	<b>-</b>	<b>-</b>	<b>13,358,603</b>	<b>(51,816,286)</b>	<b>1,665,857</b>

# RAYSUT CEMENT COMPANY SAOG AND ITS SUBSIDIARIES

## PARENT COMPANY AND CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

Parent Company	Note	Share capital	Share premium	Legal reserve	Asset replacement reserve	Voluntary reserve	Revaluation reserve	Accumulated losses	Total
		₹	₹	₹	₹	₹	₹	₹	₹
<b>Comprehensive income:</b>									
Loss and total comprehensive income for the year		-	-	-	-	-	-	<b>(17,472,509)</b>	<b>(17,472,509)</b>
<b>At 31 December 2025</b>		<b>20,000,000</b>	<b>13,456,873</b>	<b>6,666,667</b>	<b>-</b>	<b>-</b>	<b>13,358,603</b>	<b>(69,288,795)</b>	<b>(15,806,652)</b>

The notes 1 to 26 and other explanatory information form an integral part of these Parent Company's and consolidated financial statements.

Independent auditor's report - pages 36 - 43.

# RAYSUT CEMENT COMPANY SAOG AND ITS SUBSIDIARIES

## PARENT COMPANY AND CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

Consolidated	Attributable to equity shareholders of the Parent Company										Total
	Note	Share capital	Share premium	Legal reserve	Asset replacement reserve	Voluntary reserve	Revaluation reserve	Accumulated losses	Total attributable to equity shareholders	Non-controlling interest	
At 1 January 2024		20,000,000	13,456,873	6,666,667	3,647,566	6,352,434	-	(47,479,259)	2,644,281	435,955	3,080,236
Comprehensive income:	22										
Loss for the year		-	-	-	-	-	-	(12,958,436)	(12,958,436)	(24,896)	(12,983,332)
Other comprehensive income:											
Revaluation surplus (net of tax)	17.1	-	-	-	-	-	18,987,006	-	18,987,006	410,008	19,397,014
Loss and total comprehensive income for the year		-	-	-	-	-	18,987,006	(12,958,436)	6,028,570	385,112	6,413,682
Transactions within equity:											
Transfer of reserves	21 & 22	-	-	-	(3,647,566)	(6,352,434)	-	10,000,000	-	-	-
At 31 December 2024		20,000,000	13,456,873	6,666,667	-	-	18,987,006	(50,437,695)	8,672,851	821,067	9,493,918

# RAYSUT CEMENT COMPANY SAOG AND ITS SUBSIDIARIES

## PARENT COMPANY AND CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

Consolidated	Attributable to equity shareholders of the Parent Company										Total
	Note	Share capital	Share premium	Legal reserve	Asset replacement reserve	Voluntary reserve	Revaluation reserve	Accumulated losses	Total attributable to equity shareholders	Non-Controlling interest	
At 1 January 2025		20,000,000	13,456,873	6,666,667	-	-	18,987,006	(50,437,695)	8,672,851	821,067	9,493,918
Comprehensive income:											
Loss for the year		-	-	-	-	-	-	(15,975,465)	(15,975,465)	90,387	(15,885,078)
Other comprehensive income:											
Revaluation surplus (net of tax)	17.1	-	-	-	-	-	(12,471)	-	(12,471)	-	(12,471)
Loss and total comprehensive income for the year		-	-	-	-	-	(12,471)	(15,975,465)	(15,987,936)	90,387	(15,897,549)
At 31 December 2025		20,000,000	13,456,873	6,666,667	-	-	18,974,535	(66,413,160)	(7,315,085)	911,454	(6,403,631)

The notes 1 to 26 and other explanatory information form an integral part of these Parent Company's and consolidated financial statements.  
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# RAYSUT CEMENT COMPANY SAOG AND ITS SUBSIDIARIES

## PARENT COMPANY AND CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	Parent Company		Consolidated	
		2025	2024	2025	2024
		<u>₹</u>	<u>₹</u>	<u>₹</u>	<u>₹</u>
<b>Cash flows from operating activities</b>					
Loss before taxation		<b>(17,472,509)</b>	(7,589,831)	<b>(15,836,153)</b>	(12,882,857)
<b>Adjustments for:</b>					
Depreciation of property, plant and equipment	17.1	<b>6,432,636</b>	3,996,347	<b>9,359,181</b>	6,048,061
Depreciation of right-of-use assets	17.4	<b>224,403</b>	224,403	<b>447,334</b>	441,470
Net impairment loss on financial assets	4.1	<b>5,431,071</b>	585,031	<b>(558,481)</b>	1,200,175
Impairment loss on investment in subsidiary	17.6	<b>150,000</b>	102,000	-	-
Impairment loss on property, plant and equipment	17.1	<b>2,708,283</b>	311,387	<b>6,555,745</b>	1,208,921
Allowance for obsolete and slow-moving inventories and stock shortage	17.7	<b>350,302</b>	120,000	<b>558,728</b>	445,318
Gain on disposal of property, plant and equipment		-	-	<b>(10,180)</b>	-
Interest expense	12	<b>2,866,063</b>	4,093,840	<b>4,118,005</b>	5,643,974
Interest expense on lease liabilities	17.4	<b>154,300</b>	164,640	<b>443,460</b>	468,924
Investment income	14	<b>(1,279,878)</b>	(202,306)	<b>(122,678)</b>	(202,306)
Stock dividend income		<b>(35,670)</b>	-	<b>(35,670)</b>	-
Increase in fair value of financial assets at fair value through profit or loss	16.4	<b>125,042</b>	88,144	<b>125,042</b>	88,144
End of service benefits charge for the year	17.9	<b>40,000</b>	-	<b>92,118</b>	37,182
<b>Operating cash flows before payment of end of service benefits and working capital changes</b>		<b>(305,957)</b>	1,893,655	<b>5,136,452</b>	2,497,006
End of service benefits paid	17.9	<b>(33,049)</b>	(33,880)	<b>(70,665)</b>	(129,731)
<b>Working capital changes:</b>					
Trade receivables		<b>(999,288)</b>	(15,451)	<b>(1,742,394)</b>	1,035,627
Prepayments, advances and other receivables		<b>(730,592)</b>	(758,997)	<b>(297,963)</b>	412,686
Inventories		<b>4,828,001</b>	(2,478,439)	<b>4,237,996</b>	(484,742)
Trade and other payables		<b>8,690,100</b>	9,999,027	<b>8,100,518</b>	8,317,270
<b>Cash generated from operations</b>		<b>11,449,215</b>	8,605,915	<b>15,363,943</b>	11,648,116
Income tax paid	15	-	-	<b>(39,461)</b>	(60,496)
<b>Net cash generated from operating activities</b>		<b>11,449,215</b>	8,605,915	<b>15,324,482</b>	11,587,620

# RAYSUT CEMENT COMPANY SAOG AND ITS SUBSIDIARIES

## PARENT COMPANY AND CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

	Note	Parent Company		Consolidated	
		2025	2024	2025	2024
		<u>₹</u>	<u>₹</u>	<u>₹</u>	<u>₹</u>
<b>Cash flows from investing activities</b>					
Dividend income	14	<b>122,678</b>	202,306	<b>122,678</b>	202,306
Repayment of quasi capital by a subsidiary	17.6 (d)	-	147,060	-	-
Additions to property, plant and equipment	17.1	<b>(2,213,732)</b>	(557,604)	<b>(2,306,552)</b>	(737,293)
Proceeds on disposal of property, plant and equipment		-	-	<b>17,097</b>	-
<b>Net cash used in investing activities</b>		<b>(2,091,054)</b>	(208,238)	<b>(2,166,777)</b>	(534,987)
<b>Cash flows from financing activities</b>					
Payments of long-term loans from commercial banks		<b>(4,655,595)</b>	(2,016,592)	<b>(5,276,220)</b>	(3,635,519)
Short-term bank borrowings - net		<b>244,771</b>	(847,868)	<b>227,570</b>	(782,383)
Repayment of loan from a subsidiary		<b>(200,035)</b>	(463,139)	-	-
Lease payments		<b>(329,983)</b>	(65,601)	<b>(773,392)</b>	(353,142)
Interest and finance costs paid		<b>(3,556,100)</b>	(3,879,141)	<b>(5,090,033)</b>	(5,210,902)
<b>Net cash used in financing activities</b>		<b>(8,496,942)</b>	(7,272,341)	<b>(10,912,075)</b>	(9,981,946)
<b>Net changes in cash and cash equivalents during the year</b>		<b>861,219</b>	1,125,336	<b>2,245,630</b>	1,070,687
Cash and cash equivalents at the beginning of the year		<b>(706,602)</b>	(1,831,938)	<b>515,000</b>	(555,687)
<b>Cash and cash equivalents at the end of the year</b>	16.2	<b>154,617</b>	(706,602)	<b>2,760,630</b>	515,000
<b>Non cash transactions:</b>					
Additions to right-of-use assets		-	-	<b>61,610</b>	-
Loan given to a subsidiary	25 (c)	<b>4,469,041</b>	-	-	-
Transfer of term loan to Parent Company from subsidiary	16.6	<b>4,469,041</b>	-	<b>4,469,041</b>	-
Dividend received from subsidiary		<b>1,157,200</b>	-	-	-
Lease modifications	16.9	-	-	<b>61,610</b>	-

The notes 1 to 26 and other explanatory information form an integral part of these Parent Company's and consolidated financial statements.

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# RAYSUT CEMENT COMPANY SAOG AND ITS SUBSIDIARIES

## NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

### 1. Legal status and principal activities

Raysut Cement Company SAOG (the "Parent Company" or the "Parent" or the "Company") was formed in 1981 by Ministerial Decision No. 7/81 and is registered in the Sultanate of Oman as a public joint stock company. The Company and its subsidiaries (see below) are together referred to as the "Group".

The principal activities of the Parent Company are the production and sale of ordinary portland cement, sulphur resistant cement, oil well class 'G' cement and pozzolana well cement. The registered office of the Parent Company is at Salalah, P.O. Box 1020, Postal Code 211, Sultanate of Oman.

The principal activities of the subsidiaries and associate are set out below:

Subsidiary companies	Country of incorporation	Shareholding percentage		Principal activities
		2025	2024	
		%	%	
<b>Operational subsidiary companies</b>				
Pioneer Cement Industries ('Pioneer')	United Arab Emirates	100	100	Production and sale of cement
Raysut Maldives Cement Private Limited	Republic of Maldives	75	75	Trading activity
Sohar Cement Factory SPC	Sultanate of Oman	100	100	Production and sale of cement
<b>Non-operational subsidiary companies</b>				
Pioneer Cement Industries Georgia Limited*	Georgia	100	100	Limestone quarry
Raysut Barwaaqo Cement Company LLC ('RBCC')***	Sultanate of Oman	51	51	Wholesale of cement and plastic
Raysut Cement Trading Madagascar**	Madagascar	100	100	Trading activity
Duqm Cement Factory LLC	Sultanate of Oman	100	100	Production and sale of cement

Associate company	Country of incorporation	Shareholding percentage		Principal activities
		2025	2024	
		%	%	
Mukalla Raysut for Manufacturing and Trading Company Limited ('MRTIC')	Republic of Yemen	49	49	Importing, exporting, packing and marketing of cement products

Branch of the Parent Company	Country of incorporation	Principal activities
Raysut Cement Company S.A.O.G (Branch)	United Arab Emirates	Limestone quarry

These financial statements represent the results of operations of the Parent Company on a standalone basis and

# RAYSUT CEMENT COMPANY SAOG AND ITS SUBSIDIARIES

## NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

### 1. Legal status and principal activities (continued)

consolidated with its subsidiaries (the "Group").

\* Pioneer Cement Industries Georgia Limited is a subsidiary of Pioneer Cement Industries. The company is inoperative.

\*\* Raysut Burwaqo Cement Company LLC ('RBCC') and Raysut Cement Trading Madagascar are in-active and non-operative companies.

### 2. Summary of material accounting policies

The material accounting policies applied in the preparation of these Parent Company's and consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### 2.1 Basis of preparation

(a) Compliance with IFRS

The consolidated financial statements of the Group and the financial statements of the Parent Company (together referred to as "these financial statements") have been prepared in accordance with IFRS Accounting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS and the applicable requirements of the Commercial Companies Law 2019 of the Sultanate of Oman and the rules and guidelines on disclosure issued by the Financial Services Authority.

Due to the fraudulent activities performed by the former Board of Directors and management in 2022, the financial performance of the Parent Company was adversely impacted which was which was detrimental to the interests of its shareholders. As per the provisions of the article 148 of the Commercial Companies Law 2019 of the Sultanate of Oman, the FSA has issued its administrative decree no. 149/2022 on 11 December 2022 to dissolve the then Board of Directors and appoint a temporary Board of Directors for three years extendable by the FSA decree. During the ordinary general meeting on 16 March 2025, the shareholders resolved the appointment of new Board of Directors for the Parent Company which included independent as well as shareholder representative directors. The same board has continued to oversee the Group throughout the year 2025. Refer to the note 26 (b)(i) for the details of the criminal case against the former Board of Directors and management.

The preparation of these financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to these financial statements are disclosed in note 3.

#### (b) Historical cost convention

These Parent Company's and consolidated financial statements have been prepared on a historical cost basis except as modified by the revaluation of property, plant and equipment and financial assets at fair value through profit or loss.

#### (c) Going concern

The Group delivered a notably stronger operating performance during the year ended 31 December 2025, achieving a 29% increase in sales revenue compared to 2024. These results reflect the early impact of the Group's restructuring measures, improved plant utilization, and enhanced coordination across core facilities.

Despite the noted operational improvements, the Group continues to face financial pressures that give rise to material uncertainties regarding its ability to continue as a going concern. The Group and Parent Company recorded accounting losses of RO 15.8 million (2024: RO 12.9 million) and RO 17.4 million (2024: RO 7.5 million) respectively for 2025, resulting in accumulated losses of RO 66.4 million (2024: RO 50.4 million) and RO 69.2 million (2024: RO 51.8 million) as at year end. Both the Group and the Parent Company remain in a significant net current liability position of RO 75.9 million (2024: RO

# RAYSUT CEMENT COMPANY SAOG AND ITS SUBSIDIARIES

## NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

### 2. Summary of material accounting policies (continued)

#### 2.1 Basis of preparation (continued)

##### (c) Going concern (continued)

72.4 million) and RO 83.2 million (2024: RO 74.5 million) respectively, and the Parent Company's share capital has been fully eroded as at 31 December 2024 and 2025.

In accordance with Article 147 of the Commercial Companies Law of Oman, the Board convened an Extraordinary General Meeting (EGM) on 16 November 2025 to present to shareholders the reasons for the erosion of capital and the options available to restore the Company's equity position. Shareholders approved the agenda and authorised the Board to proceed with finalising a capital restoration strategy. The options evaluated include a rights issue or bridge financing, debt to equity conversion or convertible instruments, a direct capital injection, and potential strategic divestments. The Board will conduct a detailed assessment of these options and report back to shareholders with a comprehensive study within the agreed 60-day period.

Following the completion of the 60-day time frame approved by the shareholders in the EGM held on 16 November 2025, the Directors determined that additional time was required to evaluate the options and finalise the capital restoration strategy. Accordingly, another EGM was scheduled on 8 March 2026 and the majority of shareholders approved the Board of Director's request for an extension period of further 90 days, and the preferred capital raising instrument of a convertible shareholder loan, convertible at the option of the shareholders.

The financial conditions highlighted above, together with the matters described below, indicate the existence of material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern:

i. Outstanding gas supplier liability: As at 31 December 2025, the Parent Company and the Group have an overdue balance of RO 42 million (2024: RO 38 million) and accruals of RO 13 million (2024: RO 9 million) with its primary supplier of gas to the main plant in Salalah. The liability to the gas supplier represents approximately 51% (2024: 46%) of the Group's total current liability. The continuous supply of gas is critical for the continued operation of the Parent Company and the Group's main plant, and the Board has proposed a long-term settlement plan to the gas supplier. However, no settlement agreement was reached with the gas supplier as of the date of approval of these financial statements, and there is a risk that the gas supplier may demand immediate repayment, which could materially impact on the Group's cash flow forecast and require support from shareholders, the plan for which is not yet formally approved. Based on the progress of negotiations and the ongoing plan for further shareholder capital injection as noted above, management remains confident that there will be no immediate repayment required for the full outstanding amount in the next twelve months. The projected cash flow remains sensitive to this assumption as a 10% additional repayment of the projected overdue balance would result in remaining available cash to reduce by 21%.

ii. Non-compliance with certain banking covenants: As of 31 December 2025, the Group has breached certain financial covenants on borrowings totaling RO 17,944,718 (2024: RO 20,236,443). These borrowings continue to be classified as non-current liabilities as the Group obtained the required waiver letters from the financial institutions before the year end. The Group expects that repayments continue to be based on the original repayment schedules without any acceleration in the projected cash flows. The Group's repayment abilities, however, are highly sensitive to the operational assumptions and any changes could impact on the repayment schedule on borrowings and result in the banks demanding immediate repayment of the outstanding balance which would result in negative projected cash flows.

iii. Business plan assumptions: A Group-wide 5-year business plan has been developed by the Board. The plan assumes increased production capacity, stable pricing, exploring new markets and improved efficiency in overall operations of the Group. The plan is sensitive to external market conditions, uninterrupted operations, and maximum capacity utilization. Any delays in execution or external disruptions could materially affect the Group's ability to generate the forecast cash flows and settle its current liabilities, which include the overdue liabilities. The projected cash flow remains sensitive to even 5% change in the average sales price, cost increases or capacity utilization. A 5% deterioration in even one of the assumptions would result in negative cash flows.

# RAYSUT CEMENT COMPANY SAOG AND ITS SUBSIDIARIES

## NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

### 2. Summary of material accounting policies (continued)

#### 2.1 Basis of preparation (continued)

##### (c) Going concern (continued)

In summary, the Group's liquidity projections for the next twelve months are based on the proposed gas settlement plan, waivers for breached financial covenants that would not result in immediate repayment of any borrowings, successful implementation of the turnaround strategy and support from key shareholders through the convertible loan option as approved in the EGM. Additionally, directors have also considered the impact of the subsequent event relating to the regional escalation in its going concern assessment and do not expect these events to have any significant impact.

Despite the above challenges, the management and the Board of Directors remain confident in the Group's and Parent Company's ability to continue as a going concern based on the actions taken to improve the operational performance, the ongoing negotiations with key suppliers and lenders, and further support from key shareholders. The management and the Directors therefore have a reasonable expectation that the Group and the Parent Company will have adequate resources to meet its financial obligations for a period of at least 12 months from the date of approval of these financial statements. Accordingly, these financial statements have been prepared on a going concern basis.

##### New and amended standards adopted by the Group

For the year ended 31 December 2025, the Group has adopted all of the new and revised standards and interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRS IC) of the IASB that are relevant to its operations and effective for periods beginning on 1 January 2025.

The Group has applied the following standards and amendments as of 1 January 2025:

Classification of Liabilities as Current or Non-current and Non-current liabilities with covenant- Amendments to IAS 1 (effective on or after 1 January 2024);

Lease liability in sale and leaseback – Amendments to IFRS 16 (effective on or after 1 January 2024); and

Amendments to IAS 21 - Lack of Exchangeability (effective for annual periods beginning on or after 1 January 2025);

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7 (effective on or after 1 January 2024);

The amendments listed above did not have any material impact on the Group's accounting policies and did not require retrospective adjustments.

##### (e) New standards and interpretations not yet adopted

A number of new standards, amendments and interpretations to existing standards have been published and are mandatory for the annual accounting periods beginning on or after 1 January 2026 or later periods. The Group is currently assessing the impact of these standards, amendments or interpretations on the future period.

Classification and measurement of Financial Instruments - Amendment of IFRS 9 and IFRS 7 (effective for annual periods beginning on or after 1 January 2026);

Annual improvements to IFRS Accounting standards - Volume 11 (effective for annual periods beginning on or after 1 January 2026);

IFRS 18, Presentation and Disclosure in Financial Statements- IFRS 18 replaces IAS 1, which sets out presentation and base disclosure requirements for financial statements. (effective for annual periods beginning on or after 1 January 2027); and

IFRS 19 Subsidiaries without Public Accountability: Disclosures (effective for annual periods beginning on or after 1 January

# RAYSUT CEMENT COMPANY SAOG AND ITS SUBSIDIARIES

## NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

### 2. Summary of material accounting policies (continued)

2027).

#### 2.2 Principles of consolidation

##### (i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity where the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date the control ceases.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of financial position respectively.

Investments in subsidiaries are accounted for in the separate financial statements using the historical cost method. The carrying amount of these investments is reviewed for impairment, with any loss recognized if the recoverable amount of an individual investment is lower than its carrying value. Investments are recorded using the cost method and are subject to impairment testing; an impairment loss is recognized if future cash flows from these investments are not expected to be sufficient to recover the carrying amount.

##### (ii) Associates

Associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting see below, after initially being recognised at cost.

##### Equity method

Investments in associates are accounted in the separate financial statements by using the equity method. Investments in associates are initially recorded at cost and the carrying amount is increased or decreased to recognise the Parent Company's share of the profits or losses of the associate and other comprehensive income after acquisition.

The carrying amount of these investments is reduced to recognise any impairment of the value of the individual investment. If the Parent Company's share of losses exceeds its interest in the investment, the carrying value of that investment is reduced to nil and the recognition of any further losses is discontinued unless the Parent Company has an obligation to make further funding contributions to that associate.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit or loss, and the group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment.

Where the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

# RAYSUT CEMENT COMPANY SAOG AND ITS SUBSIDIARIES

## NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

### 2. Summary of material accounting policies (continued)

#### 2.2 Principles of consolidation (continued)

Unrealised gains on transactions between the group and its associates are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated, unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

#### 2.3 Segment reporting

An operating segment is component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segment's operating results are reviewed by the Group's Board of Directors to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

#### 2.4 Foreign currency translation

##### (i) Functional and presentation currency

Items included in the consolidated and Parent Company's financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Rial Omani, which is the Parent Company's functional and presentation currency.

##### (ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Foreign exchange gains and losses that relate to borrowings, trade payables and cash and cash equivalents are presented in the statement of comprehensive income within "foreign exchange gains/(losses) - net".

##### (iii) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position,

income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and

all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

# RAYSUT CEMENT COMPANY SAOG AND ITS SUBSIDIARIES

## NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

### 2. Summary of material accounting policies (continued)

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

#### 2.5 Revenue from contracts with customers

The Group generates revenue from the sale of cement. Where the revenue is recognised at the point in time.

The following are some of the key indicators used by the Group in determining when control has passed to the customer:

- the Company has a right to payment for the product or service;
- the customer has legal title to the product;
- the Company has transferred physical possession of the product to the customer;
- the customer has the significant risks and rewards of ownership of the product; and
- the customer has accepted the product.

#### Revenue from sale of cement

Revenue is measured at the fair value of the consideration received or receivable in the ordinary course of the Group's activities. The Group recognizes revenue when control of cement has transferred, being when cement is delivered to the customer, the customer has full discretion over the use or sale of cement, and there is no unfulfilled obligation that could affect the customer's acceptance of the goods.

Delivery occurs when cement is received by the customer at the Group's premises as per the terms of the contract, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the acceptance provisions have lapsed.

Revenue is recognized net of discounts and returns. Revenue from the sales with discounts, if any, is recognized based on the price specified in the contract, net of the estimated volume discounts.

Accumulated experience is used to estimate and provide for the discounts, using the expected value method, and revenue is only recognized to the extent that it is highly probable that a significant reversal will not occur. A refund liability, if any (included in trade and other payables) is recognized for expected volume discounts, if any, payable to customers in relation to sales made until the end of the reporting period.

No element of financing is deemed present as the sales are made with a credit term of 30 days, which is consistent with market practice. A receivable is recognized when the cement is delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

#### 2.6 Taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to the items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax is recognised in the statement of comprehensive income as the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred income tax is provided, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred tax. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits

# RAYSUT CEMENT COMPANY SAOG AND ITS SUBSIDIARIES

## NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

### 2. Summary of material accounting policies (continued)

#### 2.6 Taxation (continued)

will be available against which the asset can be utilised.

Deferred tax assets and liabilities are offset as there is a legally enforceable right to do so in Oman.

The principal temporary differences arise from depreciation on property plant and equipment, provision for impairment of trade and instalment receivables and provision for obsolete and slow moving inventories.

Pioneer Cement Industries ('Pioneer') a subsidiary, is subject to the income tax in accordance with the Federal Decree-Law No. 47 of 2022 and amendments of the United Arab Emirates.

Raysut Maldives Cement Private Limited a subsidiary, is subject to the income tax Act No. 25/2019 of the Republic of Maldives.

#### 2.7 Leases

##### (i) Identification of a lease

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the assesses whether:

the contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;

the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use;

the Group has the right to direct the use of the asset. The Group has the decision-making rights that are most relevant to changing how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:

the Group has the right to operate the asset; or

the Group designed the asset in a way that predetermines how and for what purpose it will be used.

This policy is applied to contracts which are or contain lease, on or after 1 January 2019.

##### (ii) Identification of a lease as a lessee

Under IFRS 16, the Group recognises right-of-use assets and corresponding lease liabilities at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct cost incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated/amortised using the straight-line method from the commencement date to the earliest useful life of the right-of-use asset or at the end of the lease term. The estimated useful lives of the right-of-use assets is determined as the initial non-cancellable lease term adjusted by any extension or termination options available under the contract. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of lease liability. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

# RAYSUT CEMENT COMPANY SAOG AND ITS SUBSIDIARIES

## NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

### 2. Summary of material accounting policies (continued)

#### 2.7 Leases (continued)

##### (ii) Identification of a lease as a lessee (continued)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if such rate is not readily available, incremental borrowing rate of the Group. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed lease payments, including in-substance fixed payments less any lease incentives receivable;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price of a purchase option if the group is reasonably certain to exercise that option,
- lease payments to be made under an extension option if the group is reasonably certain to exercise the option, and
- payments of penalties for terminating the lease, if the lease term reflects the group exercising that option.

The lease liability is remeasured when there is a change in any of the following:

- The lease terms
- The assessment of whether the Group is reasonably certain to exercise an option to purchase the underlying asset
- The amounts expected to be payable under residual value guarantees
- Future lease payments resulting from a change in an index or rate
- In-substance fixed lease payments

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost, comprising the following:

- the amount of the initial measurement of lease liability,
- any lease payments made at or before the commencement date, less any lease incentives received,
- any initial direct costs, and restoration costs.

The Group presents lease liabilities and right-of-use assets that do not meet the definition of investment property as separate line items in the statement of financial position classifying short- and long-term liabilities separately. Similarly, the depreciation/amortisation arising from the right-of-use asset has been recognised under 'cost of sales' and 'general and administrative expenses' and interest on lease liabilities under 'Finance cost' in the statement of comprehensive income.

#### Short-term leases and leases of low-value assets

At the time of initial recognition, the Group shall elect to not recognise right-of-use assets and liabilities for leases where, the total lease term is less than or equal to 12 months i.e. short-term leases;

value of the underlying asset is considered as a low value lease.

The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

# RAYSUT CEMENT COMPANY SAOG AND ITS SUBSIDIARIES

## NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

### 2. Summary of material accounting policies (continued)

#### 2.8 Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of:

- the consideration transferred,
- the amount of any non-controlling interest in the acquired entity, and
- the acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or as a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value, with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

#### 2.9 Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount might not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

# RAYSUT CEMENT COMPANY SAOG AND ITS SUBSIDIARIES

## NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

### 2. Summary of material accounting policies (continued)

#### 2.10 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, demand deposits held with financial institutions, other short-term with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

#### 2.11 Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less Expected Credit Loss (ECL) allowance. See note 16.1 for further information about the Group's accounting for trade receivables and note 4.1(b) for a description of the Group's impairment policies.

#### 2.12 Inventories

Inventories are stated at the lower of cost and net realizable value, where net realizable value is the estimated selling price less any estimated costs of completion and estimated selling expenses. Cost of raw materials includes purchase price, delivery costs and other direct expenses incurred in bringing the inventories to their present condition and location. The cost of finished goods includes an appropriate share of costs of production overheads based on normal operating capacity. Costs are assigned using the weighted average cost method.

Raw materials cost represents price of the goods, and related direct expenses. Finished goods cost represent cost of raw materials, direct labour and other attributable overheads. Work-in-progress cost represents proportionate cost of raw materials, direct labour and other attributable overheads. Finished goods and work in progress are valued at standard cost i.e. at standard usage and standard overheads. Any significant variance if any in actuals then the same is dealt accordingly in inventory valuation.

Inventory quantities are verified through periodic physical stock counts. Any shortages, losses, or missing stock identified during physical verification are investigated and adjusted in the period in which they are identified. Where such shortages are considered to be abnormal, they are charged to the statement of profit or loss. Where shortages relate to normal handling or process losses, they are included in the cost of inventories in accordance with the Group's inventory costing policy.

#### 2.13 Financial assets

##### (i) Classification

The group classifies its financial assets in the following measurement categories:

those to be measured subsequently at fair value (either through OCI or through profit or loss), and

those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will be recorded either in profit or loss or in OCI. For investments in equity instruments that are not held for trading, this will depend on whether the group has made an irrevocable election at the time of initial recognition to present subsequent changes in fair value in other comprehensive income.

The group reclassifies debt instruments only when its business model for managing those assets changes.

# RAYSUT CEMENT COMPANY SAOG AND ITS SUBSIDIARIES

## NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

### 2. Summary of material accounting policies (continued)

#### 2.13 Financial assets (Continued)

##### (ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date, being the date on which the group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all of the risks and rewards of ownership.

##### (iii) Measurement

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payments of principal and interest.

##### Debt instruments

Subsequent measurement of debt instruments depends on the group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the group classifies its debt instruments:

- Amortised cost: assets that are held for collection of contractual cash flows, where those cashflows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in 'other gains/(losses)' together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of profit or loss.

##### Equity instruments

The group subsequently measures all equity investments at fair value. Where management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the group's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in 'other gains/(losses)' in the statement of profit or loss as applicable.

Dividend income

Dividend income is recognised when the right to receive payment is established.

##### (iv) Impairment

The group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see note 4(b) for further details.

# RAYSUT CEMENT COMPANY SAOG AND ITS SUBSIDIARIES

## NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

### 2. Summary of material accounting policies (continued)

#### 2.1 Property, plant and equipment

Effective 31 December 2024, the Group has changed its accounting policy for measuring land, building civil works, plant and machinery and factory vehicles equipment and tools from the cost model to the revaluation model, in accordance with IAS 16 – Property, Plant and Equipment. This change in accounting policy is applied prospectively in accordance with IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors and accounted for as a revaluation in the current period.

The above classes of property, plant and equipment are stated at a value determined by an independent professional valuer on an open market basis less accumulated depreciation from the date of the last revaluation. When adjusting the carrying amount of an asset upon revaluation, the Group applies 'net' approach where it eliminates accumulated depreciation against the carrying amount of the asset and then revalues the net carrying amount. Revaluations are made every three to five years to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. The revalued amounts in respect of individual assets are depreciated over the estimated remaining useful lives of three to five years from the date of revaluation.

Increases in the carrying amount arising on revaluation are credited to other comprehensive income and increase the revaluation surplus in equity. Decreases that offset previous increases of the same asset are recognised in other comprehensive income and decrease the previously recognised revaluation surplus in equity; all other decreases are charged to profit or loss for the year. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from the property, plant and equipment revaluation surplus to retained earnings. The revaluation reserve for land included in equity is transferred directly to retained earnings when the revaluation surplus is realised on the disposal of the asset.

The remaining classes of assets, including motor vehicles, furniture and fixtures and office equipment are continued to be measured at cost less accumulated depreciation and accumulated impairment losses, except for capital work-in-progress which is carried at cost less impairment losses.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The cost of replacing part of an item of property, plant and equipment is capitalized in the carrying amount of an item if it is probable that future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in the separate and consolidated statement of comprehensive income as incurred.

Depreciation is calculated to write off the cost or revalued amounts of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognised in separate and consolidated statement of comprehensive income. Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

	Years
Buildings and civil works	5 - 35
Plant and machinery	32
Motor vehicles	5
Furniture and fixtures	5
Office equipment	5
Factory vehicles, equipment and tools	3 - 5

# RAYSUT CEMENT COMPANY SAOG AND ITS SUBSIDIARIES

## NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

### 2. Summary of material accounting policies (continued)

#### 2.14 Property, plant and equipment (continued)

Depreciation methods, useful lives and residual values are reassessed at each reporting date. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted, if appropriate.

Capital work-in-progress

Capital work-in-progress represents structures and facilities under construction and is stated at cost. This includes the cost of construction, equipment and other direct costs. Capital work-in-progress is not depreciated until such time that the relevant assets are available for intended use.

#### 2.15 Exploration and evaluation assets

Recognition

All costs incurred prior to obtaining the legal right to undertake exploration and evaluation activities on a project are written off as incurred. Following the granting of a prospecting right, general administration and overhead costs directly attributable to exploration and evaluation activities will be expensed and all other costs are capitalised and recorded at cost on initial recognition.

Classification and measurement

The following expenditures are included in the initial and subsequent measurement of the exploration and evaluation assets:

- Acquisition of rights to explore
- Topographical, geological, geochemical or geographical studies
- Exploratory drilling
- Trenching
- Sampling
- Activities in relation to the evaluation of both the technical feasibility and the commercial viability of extracting minerals
- Exploration staff related costs
- Equipment and infrastructure
- Other administrative costs

Exploration and evaluation costs that have been capitalised are classified as either tangible or intangible according to the nature of the assets acquired and this classification is consistently applied.

The tangible assets are subsequently classified as property, plant and equipment and carried at cost less depreciation.

The intangible assets are subsequently carried at cost and amortised to their residual value over their economic useful life.

Impairment

As the capitalised exploration and evaluation expenditure asset is not available for use, it is not depreciated.

Under the full cost method of accounting for exploration and evaluation costs, such costs are capitalised as intangible

# RAYSUT CEMENT COMPANY SAOG AND ITS SUBSIDIARIES

## NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

### 2. Summary of material accounting policies (continued)

#### 2.15 Exploration and evaluation assets (continued)

assets and are assessed for impairment on a concession basis based on the IFRS 6, "Exploration for and Evaluation of Mineral Resources", impairment indicators.

All capitalised exploration and evaluation expenditure are monitored for indications of impairment in accordance with IFRS 6.

#### 2.16 Intangible assets

Goodwill

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Once impaired, goodwill is not reversed, refer to note 2.9 for details.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments.

#### 2.17 Financial liabilities

Classification and subsequent measurement

The Company's financial liabilities include trade and other payables, loan from a subsidiary, lease liabilities, long term borrowings and short term borrowings which are measured at amortised cost.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Company designated a financial liability at fair value through profit or loss. Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in the statement of comprehensive income under its line items 'finance costs' or 'finance income'.

#### 2.18 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Parent Company and the Group prior to end of reporting date which are unpaid. These amounts are unsecured. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

#### 2.19 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent that there is no evidence that

# RAYSUT CEMENT COMPANY SAOG AND ITS SUBSIDIARIES

## NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

### 2. Summary of material accounting policies (continued)

#### 2.19 Borrowings (continued)

it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

#### 2.20 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings, pending their expenditure on qualifying assets, is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

#### 2.21 Modification of financial liabilities

The Group treats an extinguishment of the original financial liability and the recognition of a new financial liability if it restructures its financial liability or part of it with the existing lender on substantially different terms. For the purpose of substantial modification, the Company looks at the qualitative characteristics of the modification involved.

#### 2.22 Provisions

Provisions are recognised when the Parent Company and the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

#### 2.23 Provision for employees' end of service benefits and leave entitlements

End of service benefits are accrued in accordance with the terms of employment of the Company's employees at the reporting date, having regard to the requirements of the Oman Labour Law 2023 as amended and in accordance with IAS 19 'Employee benefits'. Employee entitlements to annual leave and leave passage are recognised when they accrue to employees and an accrual is made for the estimated liability as a result of services rendered by employees up to the reporting date. These accruals are included in current liabilities, while the provision relating to end of service benefits is disclosed as a non-current liability. The liability is calculated using projected unit credit method.

Contributions to a defined contribution retirement plan and occupational hazard insurance for Omani employees in accordance with the Social Protection Law 2024 are recognised as an expense in the statement of comprehensive income as incurred.

# RAYSUT CEMENT COMPANY SAOG AND ITS SUBSIDIARIES

## NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

### 2. Summary of material accounting policies (continued)

#### 2.24 Dividend distribution

The Board of Directors recommends to the Shareholders the dividend to be paid out of the Parent Company's retained earnings. The Board of Directors takes into account appropriate parameters including the requirements of the Commercial Companies Law of the Sultanate of Oman and other relevant directives issued by Financial Services Authority while recommending the dividend. Dividends are recognised as a liability when declared and approved by the shareholders.

Holders of ordinary shares in the subsidiary companies are entitled to receive dividends as and when declared in accordance with applicable local laws and regulations. Ordinary shareholders are entitled to one vote per share at meetings of the respective companies. Dividends are recognised as a liability when they are declared and approved by the appropriate governing body in accordance with the relevant statutory requirements.

#### 2.25 Directors' remuneration

The Company follows the Commercial Companies Law of 2019, and other latest relevant directives issued by the Financial Services Authority, in regard to determination of the amount to be paid as Directors' remuneration. Directors' remuneration is charged to statement of comprehensive income in the year to which it relates.

#### 2.26 Interest income and expense

Interest income and expense are accounted for on the accrual basis using an effective interest method.

#### 2.27 Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares, by
- the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

#### (ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

#### (iii) Net assets per share

Net assets per share is calculated by dividing the net assets attributable to ordinary shareholders of the Parent Company by the weighted average number of ordinary shares outstanding during the year.

# RAYSUT CEMENT COMPANY SAOG AND ITS SUBSIDIARIES

## NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

### 3 Critical estimates and judgements

The preparation of these financial statements requires the use of accounting estimates which, by definition, will likely differ from the actual results. Management also needs to exercise judgement in applying the group's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to final outcomes deviating from estimates and assumptions made. Detailed information about each of these estimates and judgements is included in other notes, together with information about the basis of calculation for each affected line item in the financial statements. In addition, this note also explains where there have been actual adjustments this year as a result of an error and of changes to previous estimates.

The areas involving significant estimates or judgements are:

- Going concern assumptions – note 2.1(c)
- Useful lives of property, plant and equipment

Depreciation is calculated so as to allocate the cost of assets less residual value over their estimated useful lives. The calculation of useful lives is based on management's assessment of various factors such as the operating cycles, the maintenance programs, and normal wear and tear using its best estimates.

- Allowance for Expected Credit Losses (ECL)

The Group uses a provision matrix to calculate ECL for trade receivables. The provision matrix is initially based on the Group's historical observed default rates. The Group calibrates the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed and incorporated if considered relevant and significant.

The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customers' actual default in the future.

- Goodwill and investment in subsidiaries and associated companies

Management follows the guidance of IAS 36 to determine when an investment in a subsidiary and associate is impaired. This determination requires significant judgement and in making this judgement, the management evaluates, among other factors, the carrying amount of the entity's net assets and the financial health of and short-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow. The Board of Directors test annually whether goodwill and investment in subsidiaries and associates have suffered any impairment in accordance with IAS 36, 'Impairment of Assets' which require the use of estimates.

- Impairment of limestone mines

Limestone mines, which are included in property, plant and equipment, are tested for impairment when there is an indication of impairment. Testing for impairment of these mines requires management to estimate the limestone capacity of these mines and its recoverable amounts. Accordingly, provision for impairment is made where the net present value and / or recoverable amount is less than carrying value based on best estimates by the management.

- Impairment of non-financial assets

The review of the non-financial assets for impairment reflects management's best estimate of the recoverable value of the non-financial assets that is higher of its value in use or fair value less costs to sell. The estimated impairment on the non-financial assets reflect judgement include estimate of the future cash flows of the CGUs and the rates used to discount these cash flows, both of which are subject to uncertain factors such as use of available information and the application

# RAYSUT CEMENT COMPANY SAOG AND ITS SUBSIDIARIES

## NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

### 3 Critical estimates and judgements (continued)

#### Impairment of non-financial assets (continued)

of judgment are inherent in the formation of estimates; actual results in the future may differ from estimates upon which financial information is prepared (refer note 17.1).

- Inventory valuation

The valuation of inventories, particularly finished goods and work-in-progress in the cement manufacturing process, involves a degree of estimation uncertainty and management judgment. Inventories are stated at the lower of cost and net realizable value, where cost is determined using the weighted average method and includes raw materials, direct labor, and a proportion of manufacturing overheads based on normal operating capacity.

Management regularly assesses the net realizable value of inventory by considering factors such as current and forecasted market demand, selling prices, and production costs. The estimation is particularly sensitive to changes in market selling prices of cement and clinker, slow-moving or obsolete stock, and production variances that affect cost absorption.

Any changes in these assumptions or market conditions could have a material impact on the carrying value of inventories. The Parent Company and the Group believes that the assumptions used in the current year are reasonable and reflective of market and operational conditions at the reporting date.

- Inventory quantities of raw material and work in progress

Inventories comprise of raw materials (mainly limestone, iron ore, shale, gypsum) and work in process (mainly clinker and limestone) which are stored in stockpiles. Since the weighing of these inventories is not practicable, management assesses the quantities on hand at the year-end by obtaining measurements of the stockpiles and converting these measurements to unit of volumes by using surveying and other techniques and density. In doing so, management appoints external surveyors to estimate the quantities by using certain scientific systematic measurements calculations, after which management applies the density conversion method which is applied for similar stock in the cement industry. At year-end, if the estimated quantity increased / decreased by 5% with all other variables held constant, loss for the year of the Parent Company and the Group would have been higher or lower by RO 0.274 million and RO 0.418 million respectively.

- Provision for slow moving spare parts

The Company holds spare parts inventory for the machinery of its plant held longer than one reporting period, which may be ultimately disposed or sold below cost as a result of obsolescence or retirement of the related machinery. Management estimates the appropriate level of provisioning for spare parts at the end of each reporting period. Factors influencing this estimate includes management's expectations for future utilization, disposal or sale plans for the spare parts. At year-end, if management expectations increased / decreased by 5% with all other variables held constant, loss for the year of the Parent Company and the Group would have been higher or lower by RO 0.158 million and RO 0.231 million respectively.

- Fair valuation of unquoted equity investments

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses its judgement to select net asset approach at the end of each reporting period.

The determination of the valuation of unquoted equity investments requires significant estimation and are further disclosed in note 4.1 (a) (i).

- Change in the accounting policy on property, plant and equipment

Effective 31 December 2024, the Group has changed its accounting policy for measuring land, building civil works, plant

# RAYSUT CEMENT COMPANY SAOG AND ITS SUBSIDIARIES

## NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

### 3 Critical estimates and judgements (continued)

Change in the accounting policy on property, plant and equipment (continued)

and machinery and factory vehicles equipment and tools from the cost model to the revaluation model, in accordance with IAS 16 – Property, Plant and Equipment. The above classes of property, plant and equipment are stated at a value determined by an independent professional valuer on an open market basis less accumulated depreciation from the date of the last revaluation. Revaluations are made every three to five years. The revalued amounts in respect of individual buildings are depreciated over the estimated remaining useful lives from the date of revaluation.

The Group's property, plant and equipment is measured using the revaluation model in accordance with IAS 16. This model requires assets to be carried at fair value, which involves significant estimation and judgment by management.

The fair values of measuring property, plant and equipment were determined based on external valuations performed by qualified independent valuers as of 31 December 2024. These valuations involved the use of observable market data, where available, and unobservable inputs, including assumptions about market conditions, asset-specific factors, and the continued use of the assets in their current condition and location.

Key assumptions used in the valuation process include:

- Market-based evidence of fair value for similar assets
- Estimated useful lives and residual values
- Condition and location of the assets
- Current and expected future use of the assets

Given the nature of these estimates, changes in any of the above assumptions could result in material adjustments to the carrying amounts of PPE and the revaluation reserve in equity. Management reviews these assumptions periodically and updates them as necessary to reflect current market conditions.

The revaluation exercise covered the Group and its subsidiaries, including Pioneer Cement Industries, Sohar Cement Factory, and Raysut Maldives Cement and was approved by the Board of Directors. (refer to note 2.1.4).

- Non- recognition of deferred tax

The Company has not recognised deferred tax assets on accumulated tax losses as at 31 December 2025 as the management believes that these may not be recoverable in view of the uncertainty on availability of future taxable profits.

### 4 Financial risk management

#### 4.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses derivative financial instruments to hedge certain risk exposures. Risk management is carried out by the management under policies approved by the Board of Directors.

The Group has exposure to the following risks from its use of financial instruments:

- (a) Market risk
- (b) Credit risk
- (c) Liquidity risk

# RAYSUT CEMENT COMPANY SAOG AND ITS SUBSIDIARIES

## NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

### 4 Financial risk management (continued)

#### 4.1 Financial risk factors (continued)

##### (a) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange risk, interest rate risk, equity prices affect the group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

##### (i) Foreign exchange risk

Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency. The Group is exposed to foreign exchange risk arising primarily with respect to US Dollars and UAE Dirham. Management has set up a policy which requires the Group to manage its foreign exchange risk against its functional currency. With respect to foreign currency transactions that are either in US Dollars or in currencies linked to US Dollar, management believes that should these currencies weaken or strengthen against the Rial Omani there would be an insignificant or no impact on the pre-tax profits of the Group as Rial Omani is pegged against US Dollar.

At 31 December 2025 and 2024, the Group has entered into transactions only with United States Dollars and GCC currencies. The Group is not exposed to foreign currency risk arising from currency exposures as GCC currencies are pegged to the US Dollar.

##### (ii) Price risk

The Parent Company's investments are subject to market price risk arising from uncertainties about future prices of equities. Market price risk is managed through the diversification of the investments, thereby avoiding concentration of investments in individual securities. Furthermore, the Parent Company's investments are managed according to the guidelines provided by the Board of Directors.

The Parent Company's quoted investments are publicly traded in the Muscat Stock Exchange (MSX). Assuming that:

- the MSX index indices would have changed by 10%.
- the Parent Company's equity instruments move according with the historical correlation with the index; and
- all other variables are constant.

The impact on the net loss of the Group and Parent Company would be as follows.

	Parent Company		Consolidated	
	2025	2024	2025	2024
	₹	₹	₹	₹
Financial assets at FVTPL	<b>300,822</b>	309,759	<b>300,822</b>	309,759

##### (iii) Interest rate risk

The Parent Company and the Group's interest rate risk arises from bank borrowings and loan from related parties. The Group borrows from commercial banks at commercial rates of interest and from/to related parties at agreed rates.

Borrowings at variable rates expose the Parent Company and the Group to cash flow interest rate risk. During 2025 and 2024, the Parent Company and the Group's borrowings were denominated in Rials Omani, US Dollars and UAE Dirham. The Parent Company and the Group analyses its interest rate exposure on a regular basis and reassesses the source of

# RAYSUT CEMENT COMPANY SAOG AND ITS SUBSIDIARIES

## NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

### 4 Financial risk management (continued)

#### 4.1 Financial risk factors (continued)

##### (iii) Interest rate risk (continued)

borrowings and renegotiates interest rates at terms favorable to the Parent Company and the Group.

The interest rates on short term borrowing and overdrafts of RO 6,991,691 (2024 - RO 6,883,744) of the Parent Company and RO 8,536,298 (2024 - RO 8,445,552) of the Group with banks are subject to change upon re-negotiation of the facilities which takes place on an annual basis in the case of overdrafts and at more frequent intervals in the case of short-term loans. If the interest rate were to shift by 1%, there would be a maximum increase or decrease in the net interest expense of RO 69,992 (2024 - RO 68,837) of the Parent Company and RO 85,536 (2024 - RO 84,456) of the Group.

At 31 December 2025, the Parent Company and the Group have total term loans of RO 24,910,821 and RO 38,690,749 (2024 - RO 25,787,412 and RO 44,938,996) respectively which carry interest rates based on a floating rate and are subject to cash flow interest rate risk. If the interest rate were to shift by 1% on these long-term loans, there would be a maximum increase or decrease in the interest expense for the current year of RO 249,108 (2024 - RO 257,874) of the Parent Company and RO 386,907 (2024 - RO 449,390) of the Group.

At 31 December 2025, the Parent Company has a loan from a subsidiary of RO 6,334,442 (2024 - RO 6,534,477) which are subject to change upon re-negotiation with the subsidiary on an annual basis. If the interest rate were to shift by 1% on this loan from the subsidiary, there would be a maximum increase or decrease in the interest income for the current year of RO 63,344 (2024 - RO 65,345).

##### (b) Credit risk

###### (i) Risk management

Credit risk is the risk of financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Credit risk arises from cash and cash equivalents, long term deposits, loans to related parties and credit exposure to customers including outstanding trade and instalment debtors and committed transactions.

Maximum exposure to credit risk

The following are the maximum exposure credit risk at the end of the reporting period:

	Parent Company		Consolidated	
	2025	2024	2025	2024
	RO	RO	RO	RO
Trade receivables	<b>3,317,767</b>	2,167,334	<b>6,591,578</b>	4,801,508
Advances and other receivables	<b>1,476,783</b>	2,004,662	<b>839,335</b>	376,489
Cash and cash equivalents	<b>1,125,202</b>	400,807	<b>3,810,901</b>	1,697,338
	<b>5,919,752</b>	4,572,803	<b>11,241,814</b>	6,875,335

Concentration of credit risk arises when a number of counter-parties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Parent Company and the Group's performance to developments affecting a particular industry or geographical location. At 31 December 2025, 64% (2024: 66%) of trade receivables are due from 5 customers

# RAYSUT CEMENT COMPANY SAOG AND ITS SUBSIDIARIES

## NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

### 4 Financial risk management (continued)

#### 4.1 Financial risk factors (continued)

##### (b) Credit risk (continued)

##### (i) Risk management (continued)

(2024: 5 customers) of the Parent Company and 64% (2024: 66%) of trade receivables are due from 5 customers (2024: 5 customers) of the Group.

In respect of trade receivables, where there is no independent rating agency established in the country, the credit control team comprising senior management assesses the credit quality of the customers, taking into account their financial position, past experience and other factors.

As per the credit policy of the Parent Company and the Group, customers are extended a credit period of up to 60 days in the normal course of business. However, in some cases, due to the market conditions and historical business relationship with the customer the credit period may be further extended by 60 days. The credit quality of financial assets is determined by the customers history of meeting commitments, market intelligence related information and management's trade experience. External ratings generally are not available in the environment in which the Parent Company and the Group is operating.

The write downs relate to the issues with previous management described in note 26(b)(i). The amounts were originally receivable but as a result of the circumstances more fully described in note 26(b)(i) are now being sought solely from previous management.

#### Cash at bank and short term bank deposits

**Rating** (as per the global bank ratings by Moody's Investors Service)

	Parent Company		Consolidated	
	2025	2024	2025	2024
	<u>₹</u>	<u>₹</u>	<u>₹</u>	<u>₹</u>
P-2	-	-	<b>810,626</b>	264,498
P-3	<b>1,005,959</b>	275,489	<b>1,005,959</b>	449,998
NP	-	116,871	-	127,845
Not rated	<b>110,360</b>	499	<b>1,976,151</b>	838,831
	<b>1,116,319</b>	392,859	<b>3,792,736</b>	1,681,172

The rest of the statement of financial position item 'cash and cash equivalents' is cash on hand.

##### (ii) Impairment of financial assets

The Group has only trade receivable and due from related parties as a financial asset that is subject to IFRS 9's new expected credit loss model. While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

Trade receivables and due from related parties

The Parent Company and the Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

For due from related parties, the Parent Company and the Group uses general model and considers the probability of

# RAYSUT CEMENT COMPANY SAOG AND ITS SUBSIDIARIES

## NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

### 4 Financial risk management (continued)

#### 4.1 Financial risk factors (continued)

##### (b) Credit risk (continued)

##### (ii) Impairment of financial assets (continued)

default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk of related parties compares to the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- external credit rating (as far as available)
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
- actual or expected significant changes in the operating results of the customer
- significant changes in the expected performance and behaviour of the customer, including changes in the payment status of customers and changes in the operating results of the customer.

#### Trade receivables and due from related parties

To measure the expected credit losses, trade receivables and due from related parties have been grouped based on shared credit risk characteristic and the days past due.

For the trade receivable and due from related parties the expected loss rates are based on historical credit loss experience and are adjusted to reflect current and forward-looking information on macroeconomic factors mainly being the country's Gross Domestic Product and its per capita income affecting the ability of the customers to settle the receivables.

On that basis, the loss allowance as at 31 December 2025 and 2024 was determined as follows for trade receivables.

#### Parent Company

31 December 2025	Expected loss rate %	Loss carrying amount	Loss allowance
Due 0 to 30 days	0.20%	236,070	480
Due 31 to 60 days	0.79%	187,198	1,471
Due 61 to 90 days	1.34%	150,715	2,026
Due 91 to 120 days	5.51%	60,662	3,345
Due 121 to 150 days	16.14%	62,210	10,038
Due 151 to 180 days	12.86%	43,136	5,547
Due 181 to 210 days	25.76%	10,781	2,777
Due 211 to 240 days	6.58%	24,764	1,630
Due 241 to 270 days	0.05%	3,852	2
Due 271 to 300 days	71.31%	1,089	777
Due 301 to 330 days	0.00%	-	-
Due 331 to 360 days	0.00%	-	-
Due 361 & above	95.84%	1,855,473	1,778,369
<b>Total loss allowance on default risk</b>		<b>2,635,950</b>	<b>1,806,462</b>

# RAYSUT CEMENT COMPANY SAOG AND ITS SUBSIDIARIES

## NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

### 4 Financial risk management (continued)

#### 4.1 Financial risk factors (continued)

(b) Credit risk (continued)

#### Parent Company (continued)

31 December 2024	Expected loss rate %	Loss carrying amount ₹	Loss allowance ₹
<b>Receivables specifically written down*</b>		9,444,739	9,444,739
Due from related parties*		14,820,420	12,332,141
<b>Total</b>		<u>26,901,109</u>	<u>23,583,342</u>

31 December 2024	Expected loss rate %	Loss carrying amount ₹	Loss allowance ₹
Due 0 to 30 days	0.24%	202,009	485
Due 31 to 60 days	0.30%	170,136	511
Due 61 to 90 days	0.54%	93,592	501
Due 91 to 120 days	1.71%	50,964	871
Due 121 to 150 days	10.71%	68,209	7,306
Due 151 to 180 days	16.18%	40,207	6,507
Due 181 to 210 days	15.57%	17,808	2,772
Due 211 to 240 days	33.31%	12,551	4,181
Due 241 to 270 days	50.00%	6,461	3,230
Due 271 to 300 days	72.82%	922	672
Due 301 to 330 days	96.97%	25,801	25,020
Due 331 to 360 days	96.06%	35,769	34,358
Due 361 & above	92.90%	<u>1,416,043</u>	<u>1,315,467</u>
Total loss allowance on default risk		2,140,472	1,401,881
Receivables specifically written down*		<u>10,010,645</u>	<u>10,010,645</u>
		<u>12,151,117</u>	<u>11,412,526</u>
Due from related parties*		<u>13,750,704</u>	<u>12,321,961</u>
Total		<u>25,901,821</u>	<u>23,734,487</u>

# RAYSUT CEMENT COMPANY SAOG AND ITS SUBSIDIARIES

## NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

### 4 Financial risk management (continued)

#### 4.1 Financial risk factors (continued)

(b) Credit risk (continued)

#### Group

31 December 2025	Expected loss rate %	Loss carrying amount ₪	Loss allowance ₪
Due 0 to 30 days	0.45%	2,644,325	12,022
Due 31 to 60 days	1.81%	424,639	7,674
Due 61 to 90 days	1.09%	408,143	4,451
Due 91 to 120 days	3.18%	161,151	5,118
Due 121 to 150 days	18.36%	62,316	11,441
Due 151 to 180 days	7.16%	151,951	10,887
Due 181 to 210 days	2.70%	345,571	9,343
Due 211 to 240 days	5.17%	31,601	1,634
Due 241 to 270 days	0.05%	3,852	2
Due 271 to 300 days	71.35%	1,089	777
Due 301 to 330 days	0.00%	-	-
Due 331 to 360 days	0.00%	-	-
Due 361 & above	84.87%	5,746,072	4,876,770
		9,980,710	4,940,119
<b>Receivables specifically written down*</b>		9,444,739	9,444,739
Due from related parties*		12,149,392	10,598,405
<b>Total</b>		<b>31,574,841</b>	<b>24,983,263</b>

# RAYSUT CEMENT COMPANY SAOG AND ITS SUBSIDIARIES

## NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

### 4 Financial risk management (continued)

#### 4.1 Financial risk factors (continued)

(b) Credit risk (continued)

31 December 2024	Expected loss rate %	Loss carrying amount ₺	Loss allowance ₺
Due 0 to 30 days	0.07%	1,780,752	1,161
Due 31 to 60 days	0.33%	264,985	880
Due 61 to 90 days	0.46%	364,626	1,685
Due 91 to 120 days	2.46%	57,332	1,413
Due 121 to 150 days	10.72%	68,171	7,306
Due 151 to 180 days	9.21%	79,068	7,284
Due 181 to 210 days	15.36%	18,078	2,776
Due 211 to 240 days	29.63%	18,422	5,459
Due 241 to 270 days	45.83%	7,122	3,264
Due 271 to 300 days	10.44%	24,751	2,583
Due 301 to 330 days	96.05%	26,078	25,047
Due 331 to 360 days	94.55%	36,182	34,209
Due 361 & above	80.30%	5,397,957	4,334,313
Total loss allowance on default risk		8,143,524	4,427,380
Receivables specifically written down*		10,010,645	10,010,645
		18,154,169	14,438,025
Due from related parties*		11,678,278	10,592,914
Total		29,832,447	25,030,939

\* The write downs relate to the issues with previous management described in note 26(b)(i). The amounts were originally receivable but as a result of the circumstances more fully described in note 26(b)(i) are now being sought solely from previous management.

# RAYSUT CEMENT COMPANY SAOG AND ITS SUBSIDIARIES

## NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

### 4 Financial risk management (continued)

#### 4.1 Financial risk factors (continued)

##### (b) Credit risk (continued)

The loss allowances for trade receivables as at 31 December reconcile to the opening loss allowances as follows:

#### Parent Company

	Trade receivables from third parties		Trade receivables from related parties		Total	
	2025	2024	2025	2024	2025	2024
	<u>₹</u>	<u>₹</u>	<u>₹</u>	<u>₹</u>	<u>₹</u>	<u>₹</u>
At 1 January	<b>11,412,526</b>	11,119,136	<b>12,321,961</b>	12,341,796	<b>23,734,487</b>	23,460,932
Write-off during the year	<b>(3,157)</b>	-	-	-	<b>(3,157)</b>	-
Increase/ (decrease) in loss allowance recognised in profit or loss during the year	<b>(158,168)</b>	293,390	<b>10,180</b>	(19,835)	<b>(147,988)</b>	273,555
<b>At 31 December</b>	<b>11,251,201</b>	11,412,526	<b>12,332,141</b>	12,321,961	<b>23,583,342</b>	23,734,487

#### Consolidated

	Trade receivables from third parties		Trade receivables from related parties		Total	
	2025	2024	2025	2024	2025	2024
	<u>₹</u>	<u>₹</u>	<u>₹</u>	<u>₹</u>	<u>₹</u>	<u>₹</u>
At 1 January	<b>14,438,025</b>	13,949,063	<b>10,592,914</b>	10,594,569	<b>25,030,939</b>	24,543,632
Write-off during the year	<b>70,993</b>	-	-	-	<b>70,993</b>	-
Increase/ (decrease) in loss allowance recognised in profit or loss during the year	<b>(124,160)</b>	488,962	<b>5,491</b>	(1,655)	<b>(118,669)</b>	487,307
<b>At 31 December</b>	<b>14,384,858</b>	14,438,025	<b>10,598,405</b>	10,592,914	<b>24,983,263</b>	25,030,939

Trade receivables (including due from related parties) are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group.

Impairment losses on trade receivables (including due from related parties) are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Advances and other receivables, cash and cash equivalents and financial guarantees issued

The Group applies the three-stage model under IFRS 9 to measure the expected credit losses advances and other receivables and cash equivalents. Under the three-stage model management analyses the credit quality of prepayments, advances and other receivables and cash equivalents, accordingly the financial assets that does not have a significant increase in credit risk since the initial recognition were considered as stage 1 assets and management follows the 12-month expected credit loss method. When there is a significant increase in credit risk since the initial recognition, those assets are

# RAYSUT CEMENT COMPANY SAOG AND ITS SUBSIDIARIES

## NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

### 4 Financial risk management (continued)

#### 4.1 Financial risk factors (continued)

(b) Credit risk (continued)

considered under stage 2 and lifetime expected credit loss is followed. Financial assets that have objective evidence of impairment at reporting stage (stage 3), lifetime expected credit loss is followed. Management analysed the credit quality of prepayments, advances and other receivables and cash equivalents and determined to follow the 12 months expected credit loss model. The parent company has issued a financial guarantee to its subsidiary. The maximum exposure to credit risk representing the maximum amount the parent would need to pay if the guarantee is called upon is RO 6,334,442 (2024: RO 7,066,607). These guarantee remains in Stage 1 due to the subsidiary's healthy financial position and continued ability to meet its obligations.

The loss allowance for advances and other receivables as at 31 December reconciles to the opening loss allowance as follows:

	Parent Company		Consolidated	
	2025	2024	2025	2024
	RO	RO	RO	RO
At 1 January	<b>26,858,308</b>	26,546,832	<b>22,826,457</b>	22,113,589
Increase/(decrease) in loss allowance recognised in profit or loss during the year	<b>1,113,175</b>	311,476	<b>(510,806)</b>	712,868
<b>At 31 December</b>	<b>27,971,483</b>	26,858,308	<b>22,315,651</b>	22,826,457

Net impairment charge on financial assets recognised in profit or loss:

	Parent Company		Consolidated	
	2025	2024	2025	2024
	RO	RO	RO	RO
Movement in loss allowance for trade receivable and due from related parties	<b>(147,988)</b>	273,555	<b>(118,669)</b>	487,307
Impairment losses on advances and other receivables	<b>1,113,175</b>	-	<b>(510,806)</b>	-
Impairment loss on loan to a subsidiary [Note 25 (c)]	<b>4,469,041</b>	311,476	-	712,868
Net impairment loss on financial assets	<b>5,434,228</b>	585,031	<b>(629,475)</b>	1,200,175

# RAYSUT CEMENT COMPANY SAOG AND ITS SUBSIDIARIES

## NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

### 4 Financial risk management (continued)

#### 4.1 Financial risk factors (continued)

##### (c) Liquidity risk

Liquidity risk is the current and prospective risk to earnings or capital arising from the Parent Company and the Group's inability to meet its obligations when they become due. The finance department prepares and monitors the cash flow forecast and the Parent Company and Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn borrowed facilities at all times so that the Group does not breach borrowed limits or covenants on any of its borrowing facilities. Such forecast takes into consideration the Parent Company and the Group's debt financing plans, covenant compliance and compliance with internal statement of financial position ratio targets.

The table below analyses the Parent Company and Group's financial liabilities into the relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

For further information on going concern and covenants refer to notes 2.1(c) and 16.6(c) respectively.

##### Parent Company

At 31 December 2025	Less than 1 year	1 - 5 Years	More than 5 years	Total contractual cash flows	Carrying amount
	₹	₹	₹	₹	₹
Term loans	8,757,724	16,167,293	3,375,589	28,300,606	24,910,821
Short term borrowings	6,991,691	-	-	6,991,691	6,991,691
Loan from a subsidiary	2,470,142	5,220,272	-	7,690,414	6,334,442
Trade payable - gas supplier	55,069,727	-	-	55,069,727	55,069,727
Trade and other payables	29,260,185	-	-	29,260,185	31,048,895
Lease liabilities	332,713	1,360,388	1,437,011	3,130,112	2,254,244
<b>Total financial liabilities</b>	<b>102,882,182</b>	<b>22,747,953</b>	<b>4,812,600</b>	<b>130,442,735</b>	<b>126,609,820</b>

At 31 December 2024	Less than 1 year	1 - 5 Years	More than 5 years	Total contractual cash flows	Carrying amount
	₹	₹	₹	₹	₹
Term loans	6,173,398	22,151,451	-	28,324,849	25,787,412
Short term borrowings	6,969,791	-	-	6,969,791	6,883,744
Loan from a subsidiary	6,534,477	-	-	6,534,477	6,534,477
Trade payable - gas supplier	48,115,288	-	-	48,115,288	48,115,288
Trade and other payables	30,470,434	-	-	30,470,434	30,470,434
Lease liabilities	484,284	1,844,843	1,130,968	3,460,095	2,429,927
Financial guarantee issued	7,066,607	-	-	7,066,607	-
<b>Total financial liabilities</b>	<b>105,814,279</b>	<b>23,996,294</b>	<b>1,130,968</b>	<b>130,941,541</b>	<b>120,221,282</b>

# RAYSUT CEMENT COMPANY SAOG AND ITS SUBSIDIARIES

## NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

### 4 Financial risk management (continued)

#### 4.1 Financial risk factors (continued)

(c) Liquidity risk (continued)

#### Consolidated

At 31 December 2025	Less than 1 year	1 - 5 Years	More than 5 years	Total contractual cash flows	Carrying amount
	₹	₹	₹	₹	₹
Term loans	12,185,360	29,436,655	3,375,589	44,997,604	38,690,748
Short term borrowings	8,536,298	-	-	8,536,298	8,536,298
Trade payable - gas supplier	55,069,727	-	-	55,069,727	55,069,727
Trade and other payables	30,394,273	-	-	30,394,273	32,348,303
Lease liabilities	783,535	3,130,078	6,210,287	10,123,900	6,281,973
<b>Total financial liabilities</b>	<b>106,969,193</b>	<b>32,566,733</b>	<b>9,585,876</b>	<b>149,121,802</b>	<b>140,927,049</b>

At 31 December 2024	Less than 1 year	1 - 5 Years	More than 5 years	Total contractual cash flows	Carrying amount
	₹	₹	₹	₹	₹
Term loans	8,852,703	39,440,750	7,059,485	55,352,938	44,938,996
Short term borrowings	8,551,121	-	-	8,551,121	8,445,552
Trade payable - gas supplier	48,115,288	-	-	48,115,288	48,115,288
Trade and other payables	31,019,444	-	-	31,019,444	31,019,444
Lease liabilities	827,933	3,178,590	5,584,741	9,591,264	6,550,295
<b>Total financial liabilities</b>	<b>97,366,489</b>	<b>42,619,340</b>	<b>12,644,226</b>	<b>152,630,055</b>	<b>139,069,575</b>

The Group is under discussion with major suppliers to restructure payment in order to manage liquidity and this has been discussed in the going concern note 2.1 (c). If the management restructures the trade payable - gas supplier, the maturity of the Parent Company and Group's financial liabilities, the remaining undiscounted cash flows will be as follows:

#### Parent Company

At 31 December 2025	Less than 1 year	1 - 5 Years	More than 5 years	Total contractual cash flows	Carrying amount
	₹	₹	₹	₹	₹
Term loans	8,757,724	16,167,293	3,375,589	28,300,606	24,910,821
Short term borrowings	6,991,691	-	-	6,991,691	6,991,691
Loan from a subsidiary	2,470,142	5,220,272	-	7,690,414	6,334,442
Trade payable - gas supplier	12,500,000	22,900,000	19,669,727	55,069,727	55,069,727
Trade and other payables	29,260,185	-	-	29,260,185	31,048,895
Lease liabilities	332,713	1,708,471	1,088,928	3,130,112	2,254,244
<b>Total financial liabilities</b>	<b>60,312,455</b>	<b>45,996,036</b>	<b>24,134,244</b>	<b>130,442,735</b>	<b>126,609,824</b>

# RAYSUT CEMENT COMPANY SAOG AND ITS SUBSIDIARIES

## NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

### 4 Financial risk management (continued)

#### 4.1 Financial risk factors (continued)

(c) Liquidity risk (continued)

At 31 December 2024	Less than 1 year	1 - 5 Years	More than 5 years	Total contractual cash flows	Carrying amount
	₹	₹	₹	₹	₹
Term loans	6,173,398	22,151,451	-	28,324,849	25,787,412
Short term borrowings	6,969,791	-	-	6,969,791	6,883,744
Loan from a subsidiary	8,307,431	-	-	8,307,431	6,534,477
Trade payable - gas supplier	6,814,866	25,159,890	26,725,822	58,700,578	48,115,288
Trade and other payables	40,172,854	-	-	40,172,854	30,470,434
Lease liabilities	484,284	1,844,843	1,130,968	3,460,095	2,429,927
<b>Total financial liabilities</b>	<b>68,922,624</b>	<b>49,156,184</b>	<b>27,856,790</b>	<b>145,935,598</b>	<b>120,221,282</b>

### Consolidated

At 31 December 2025	Less than 1 year	1 - 5 Years	More than 5 years	Total contractual cash flows	Carrying amount
	₹	₹	₹	₹	₹
Term loans	<b>12,188,222</b>	<b>29,441,658</b>	<b>3,375,589</b>	<b>45,005,469</b>	<b>38,690,748</b>
Short term borrowings	<b>8,536,298</b>	-	-	<b>8,536,298</b>	<b>8,536,298</b>
Trade payable - gas supplier	<b>12,500,000</b>	<b>22,900,000</b>	<b>19,669,727</b>	<b>55,069,727</b>	<b>55,069,727</b>
Trade and other payables	<b>29,260,185</b>	-	-	<b>29,260,185</b>	<b>32,348,303</b>
Lease liabilities	<b>332,713</b>	<b>1,708,471</b>	<b>1,088,928</b>	<b>3,130,112</b>	<b>6,281,973</b>
<b>Total financial liabilities</b>	<b>62,817,418</b>	<b>54,050,129</b>	<b>24,134,244</b>	<b>141,001,791</b>	<b>140,927,049</b>

At 31 December 2024	Less than 1 year	1 - 5 Years	More than 5 years	Total contractual cash flows	Carrying amount
	₹	₹	₹	₹	₹
Term loans	8,852,703	39,440,750	7,059,485	55,352,938	44,938,996
Short term borrowings	8,551,121	-	-	8,551,121	8,445,552
Trade payable - gas supplier	6,814,866	25,159,890	26,725,822	58,700,578	48,115,288
Trade and other payables	40,671,831	-	-	40,671,831	31,019,444
Lease liabilities	827,933	3,178,590	5,584,741	9,591,264	6,550,295
<b>Total financial liabilities</b>	<b>65,718,454</b>	<b>67,779,230</b>	<b>39,370,048</b>	<b>172,867,732</b>	<b>139,069,575</b>

Liquidity risk considered the financial guarantees placed by the Parent Company on behalf of the subsidiaries of the Group.

# RAYSUT CEMENT COMPANY SAOG AND ITS SUBSIDIARIES

## NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

### 4 Financial risk management (continued)

#### 4.2 Fair value measurement

The Parent Company and the Group measure its financial assets at fair value through profit or loss at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market for the asset or liability. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The fair value for financial instruments traded in active markets at the reporting date is based on their quoted price or binding dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For all other financial instruments not traded in an active market, the fair value is determined by using valuation techniques deemed to be appropriate in the circumstances. Valuation techniques include the market approach (i.e., using recent arm's length market transactions adjusted as necessary and reference to the current market value of another instrument that is substantially the same), net assets value and the income approach (i.e., discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible).

#### Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. Different levels have been defined as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets.

Level 2- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 - Inputs for the assets that are not based on observable market data (that is, unobservable inputs).

#### Parent Company

31 December 2025	Level 1	Level 2	Level 3	Total
	₹	₹	₹	₹
Property, plant and equipment	-	-	52,280,037	52,280,037
Investments in quoted securities	2,705,251	-	-	2,705,251
Investments in local unquoted investments	-	-	267,300	267,300
<b>Total</b>	<b>2,705,251</b>	<b>-</b>	<b>52,547,337</b>	<b>55,252,588</b>

31 December 2024	Level 1	Level 2	Level 3	Total
	₹	₹	₹	₹
Property, plant and equipment	-	-	59,073,319	59,073,319
Investments in quoted securities	2,830,293	-	-	2,830,293
Investments in local unquoted investments	-	-	267,300	267,300
<b>Total</b>	<b>2,830,293</b>	<b>-</b>	<b>59,340,619</b>	<b>62,170,912</b>

# RAYSUT CEMENT COMPANY SAOG AND ITS SUBSIDIARIES

## NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

### 4 Financial risk management (continued)

#### 4.2 Fair value measurement (continued)

##### Fair value hierarchy (continued)

##### Consolidated

31 December 2025	Level 1	Level 2	Level 3	Total
	₹	₹	₹	₹
Property, plant and equipment	-	-	87,686,402	87,686,402
Investments in quoted securities	2,705,251	-	-	2,705,251
Investments in local unquoted investments	-	-	267,300	267,300
<b>Total</b>	<b>2,705,251</b>	<b>-</b>	<b>87,953,702</b>	<b>90,658,953</b>

31 December 2024	Level 1	Level 2	Level 3	Total
	₹	₹	₹	₹
Property, plant and equipment	-	-	97,325,075	97,325,075
Investments in quoted securities	2,830,293	-	-	2,830,293
Investments in local unquoted investments	-	-	267,300	267,300
<b>Total</b>	<b>2,830,293</b>	<b>-</b>	<b>97,592,375</b>	<b>100,422,668</b>

Investments classified within level 3 have significant unobservable inputs, as they trade infrequently. Level 3 instruments include private equity securities. As observable prices are not available for these securities, other valuation techniques have been used to derive the fair value.

The following table presents the movement in financial assets at fair value through profit or loss under level 1 and level 3 for the year ended 31 December 2025 and 31 December 2024:

Parent Company and consolidated	2025		2024	
	Level 1	Level 3	Level 1	Level 3
	₹	₹	₹	₹
At 1 January	2,830,293	267,300	2,918,437	267,300
Fair value change	(125,042)	-	(88,144)	-
<b>At 31 December</b>	<b>2,705,251</b>	<b>267,300</b>	<b>2,830,293</b>	<b>267,300</b>

There were no transfers of financial instruments between the levels during the year.

# RAYSUT CEMENT COMPANY SAOG AND ITS SUBSIDIARIES

## NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

### 4 Financial risk management (continued)

#### 4.2 Fair value measurement (continued)

##### Valuation process

##### Description of significant unobservable inputs to valuation of financial assets:

##### Unlisted equity investments

The Parent Company and the Group invest in private equity companies which are not quoted in an active market. The Parent Company and the Group uses a fair value based on valuation techniques for these investments as required under IFRS 13. The Board of Directors are responsible for valuations of the Parent Company and the Group's investments.

The valuations are also subject to quality assurance procedures performed by the management. The management verifies major inputs applied in the latest valuation by agreeing the information in the valuation computation to relevant documents and market information. In addition, the accuracy of the computation is tested. The latest valuation is also compared with the valuations of the preceding annual period.

##### Property, plant and equipment

The revaluation was carried out by an independent, professionally qualified valuer on 31 December 2025 using mainly the Depreciated Replacement Cost Method (cost approach) for the other classes of revalued property, plant and equipment and for land comparable sales (market approach).

Asset class	Valuation approach	Significant unobservable inputs
Land	Income Approach/Market Approach	Market Rent Leasing Fee
Building civil works	Depreciated Replacement Cost Method	Economic Age Life Residual Value
Plant and machinery	Depreciated Replacement Cost Method	Economic Age Life Residual Value
Factory vehicles equipment and tools	Depreciated Replacement Cost Method	Economic Age Life Residual Value

##### Information of significant unobservable inputs - Level 3

Information of significant unobservable inputs for all the direct equity investments is set out below:

Item	Valuation approach	Significant unobservable inputs
Dhofar University SAOC	Net asset approach	Not applicable

# RAYSUT CEMENT COMPANY SAOG AND ITS SUBSIDIARIES

## NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

### 5. Capital risk management

The Parent Company and the Groups' objectives when managing capital is to safeguard the Parent Company and the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Parent Company and the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The capital requirements of the Parent Company and the Group are determined by the Commercial Companies Law of the Sultanate of Oman.

The capital of the Group Companies comprises share capital, accumulated losses and borrowings. Management's policy is to maintain an optimum capital base to maintain investor, creditor and market confidence to sustain future growth of business as well as return on capital.

The Parent Company and the monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as 'Total equity' as shown in the statement of financial position plus net debt.

The gearing ratios at 31 December 2025 and 2024 were as follows:

	Parent Company		Consolidated	
	2025	2024	2025	2024
	<u>₹</u>	<u>₹</u>	<u>₹</u>	<u>₹</u>
Term loans	<b>24,910,821</b>	25,787,412	<b>38,690,748</b>	44,938,996
Lease liabilities	<b>2,254,244</b>	2,429,927	<b>6,281,973</b>	6,550,295
Loan from a subsidiary	<b>6,334,442</b>	6,534,477	-	-
Short term borrowings	<b>6,991,691</b>	6,883,744	<b>8,536,298</b>	8,445,552
Total borrowings	<b>40,491,198</b>	41,635,560	<b>53,509,019</b>	59,934,843
Less: cash and cash equivalents	<b>(1,125,202)</b>	(400,807)	<b>(3,810,901)</b>	(1,697,338)
Net debt	<b>39,365,996</b>	41,234,753	<b>49,698,118</b>	58,237,505
Equity	<b>(15,806,652)</b>	1,665,857	<b>(6,403,631)</b>	9,493,918
Total capital	<b>23,559,344</b>	42,900,610	<b>43,294,487</b>	67,731,423
Gearing ratio	<b>N/A</b>	96.12%	<b>N/A</b>	85.987%

### 6. Revenue from contracts with customers

	Parent Company		Consolidated	
	2025	2024	2025	2024
	<u>₹</u>	<u>₹</u>	<u>₹</u>	<u>₹</u>
Local sales	<b>18,187,518</b>	16,408,438	<b>62,425,720</b>	49,281,015
Export sales	<b>29,281,465</b>	22,021,006	<b>28,242,388</b>	20,988,044
	<b>47,468,983</b>	38,429,444	<b>90,668,108</b>	70,269,059

# RAYSUT CEMENT COMPANY SAOG AND ITS SUBSIDIARIES

## NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

### 6. Revenue from contracts with customers (continued)

(a) Disaggregation of revenue from contracts with customers

The Parent Company and Group derives revenue from the transfer of goods at point in time. The revenue by geographical regions are consistent with the revenue information that is disclosed for each segment under note 28:

	Parent Company		Consolidated	
	2025	2024	2025	2024
	<u>₹</u>	<u>₹</u>	<u>₹</u>	<u>₹</u>
Type of revenue				
Sale of goods	47,468,983	38,429,444	90,668,108	70,269,059
Timing of revenue recognition				
At point of time	47,468,983	38,429,444	90,668,108	70,269,059
Geographical market				
Within Oman and UAE	<b>18,506,558</b>	16,408,438	<b>59,433,961</b>	46,644,433
Outside Oman and UAE	<b>28,962,425</b>	22,021,006	<b>31,234,147</b>	23,624,626
	<b>47,468,983</b>	38,429,444	<b>90,668,108</b>	70,269,059

Revenue by segments are disclosed in note 26.

(b) Performance obligations Sales of goods

The Parent Company and the Group manufactures and sells a range of cement products. The revenue from sale of goods is recognised when performance obligation is satisfied and when control of the goods has transferred, being at the point the customer purchases the goods, the customer has full discretion over products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the cement is received by the customer at the factory premises for the local sales and the delivery upto the port as per the shipping terms for export sales, the risks of obsolescence and loss have been transferred to the customer. Payment of the transaction price is due immediately for local customers and 60 days credit period for export customers at the point the customer purchases the goods and takes delivery.

# RAYSUT CEMENT COMPANY SAOG AND ITS SUBSIDIARIES

## NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

### 7. Cost of sales

	Parent Company		Consolidated	
	2025	2024	2025	2024
	<u>₹</u>	<u>₹</u>	<u>₹</u>	<u>₹</u>
Fuel, gas and electricity	<b>19,428,315</b>	17,239,230	<b>32,195,927</b>	27,528,039
Staff costs [note 9]	<b>5,168,967</b>	5,110,955	<b>6,679,990</b>	6,552,613
Depreciation [note 17.1 (iv)]	<b>6,390,328</b>	3,865,173	<b>8,940,006</b>	5,826,788
Raw materials consumed	<b>3,748,066</b>	2,860,697	<b>17,891,752</b>	13,444,679
Other factory overheads	<b>2,002,408</b>	2,071,200	<b>4,621,387</b>	4,263,980
Packing materials	<b>2,096,355</b>	1,497,018	<b>2,775,177</b>	2,314,277
Spares and consumables	<b>2,252,961</b>	1,778,423	<b>3,486,169</b>	2,899,461
Depreciation on right-of-use assets [note 17.4]	<b>180,889</b>	180,889	<b>334,402</b>	328,196
Purchased clinker	-	-	<b>826,970</b>	-
Purchased cement	-	-	<b>1,385,800</b>	958,202
Provision for slow moving spares [note 17.7]	<b>120,000</b>	120,000	<b>302,247</b>	445,318
Provision for inventories [note 17.7]	<b>230,302</b>	-	<b>256,481</b>	3,309
Movement in finished and semi-finished goods	<b>5,067,414</b>	(1,456,148)	<b>5,469,026</b>	73,196
	<b><u>46,686,005</u></b>	<u>33,267,437</u>	<b><u>85,165,334</u></b>	<u>64,638,058</u>

### 8. General and administrative expenses

	Parent Company		Consolidated	
	2025	2024	2025	2024
	<u>₹</u>	<u>₹</u>	<u>₹</u>	<u>₹</u>
Staff costs [note 9]	<b>2,429,063</b>	2,111,903	<b>3,424,295</b>	3,012,314
Professional fees	<b>522,600</b>	808,764	<b>650,027</b>	838,166
Directors' fees and remuneration [note 25(g)]	<b>112,600</b>	214,243	<b>115,507</b>	226,833
Travelling expenses	<b>164,845</b>	199,657	<b>200,838</b>	224,355
Legal expenses	<b>114,608</b>	157,015	<b>175,096</b>	431,962
Depreciation [note 17.1 (iv)]	<b>42,308</b>	131,174	<b>419,174</b>	221,273
Communication expenses	<b>76,522</b>	115,816	<b>125,926</b>	167,159
Rent and utilities expenses	<b>101,200</b>	107,029	<b>230,071</b>	242,646
Bank charges	<b>30,601</b>	31,987	<b>180,926</b>	81,095
Recruitment, training and seminars	<b>4,162</b>	8,338	<b>4,162</b>	8,338
Advertisement and business promotion	<b>8,042</b>	8,246	<b>11,472</b>	27,840
Write off of advances	-	-	-	153,830
Depreciation of right-of-use assets [note 17.4]	-	-	<b>69,418</b>	69,760
Miscellaneous expenses	<b>75,398</b>	39,890	<b>397,088</b>	387,137
	<b><u>3,681,949</u></b>	<u>3,934,062</u>	<b><u>6,004,000</u></b>	<u>6,092,708</u>

# RAYSUT CEMENT COMPANY SAOG AND ITS SUBSIDIARIES

## NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

### 9. Staff costs

	Parent Company		Consolidated	
	2025	2024	2025	2024
	₹	₹	₹	₹
Wages and salaries	<b>6,696,199</b>	6,333,287	<b>8,039,397</b>	8,277,654
Other benefits	<b>425,669</b>	491,165	<b>1,474,694</b>	786,280
Social security expense	<b>436,162</b>	398,406	<b>498,076</b>	463,811
End of service benefits [note 17.9]	<b>40,000</b>	-	<b>92,118</b>	37,182
	<b><u>7,598,030</u></b>	<u>7,222,858</u>	<b><u>10,104,285</u></b>	<u>9,564,927</u>

#### Staff costs are allocated as follows:

	Parent Company		Consolidated	
	2025	2024	2025	2024
	₹	₹	₹	₹
Cost of sales [note 7]	<b>5,168,967</b>	5,110,955	<b>6,679,990</b>	6,552,613
General and administrative expenses [note 8]	<b>2,429,063</b>	2,111,903	<b>3,424,295</b>	3,012,314
	<b><u>7,598,030</u></b>	<u>7,222,858</u>	<b><u>10,104,285</u></b>	<u>9,564,927</u>

#### Number of employees are as follows:

	Parent Company		Consolidated	
	2025	2024	2025	2024
	₹	₹	₹	₹
Omani	<b>245</b>	243	<b>294</b>	293
Non - Omani	<b>125</b>	129	<b>368</b>	386
	<b><u>370</u></b>	<u>372</u>	<b><u>662</u></b>	<u>679</u>

### 10. Selling and distribution expenses

	Parent Company		Consolidated	
	2025	2024	2025	2024
	₹	₹	₹	₹
Export expenses	<b>2,600,132</b>	2,149,211	<b>2,600,132</b>	2,149,211
Transport charges	<b>1,386,875</b>	1,084,717	<b>1,896,190</b>	1,563,550
Shipping/terminal expenses	<b>437,500</b>	437,500	<b>437,500</b>	437,500
Depreciation on right-of-use assets [note 17.4]	<b>43,514</b>	43,514	<b>43,514</b>	43,514
Others	-	-	<b>40,746</b>	104,762
	<b><u>4,468,021</u></b>	<u>3,714,942</u>	<b><u>5,018,082</u></b>	<u>4,298,537</u>

# RAYSUT CEMENT COMPANY SAOG AND ITS SUBSIDIARIES

## NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

### 11. Other income

	Parent Company		Consolidated	
	2025	2024	2025	2024
	₺	₺	₺	₺
Write back of liabilities*	-	-	-	195,837
Gain on disposal of property, plant and equipment	-	-	<b>10,180</b>	-
Other miscellaneous income	<b>3,181</b>	7,562	<b>116,196</b>	69,533
	<b>3,181</b>	7,562	<b>126,376</b>	265,370

\* During 2024, management has written back liabilities of an in-active subsidiary of Raysut Cement Trading Madagascar.

### 12. Finance cost -net

	Parent Company		Consolidated	
	2025	2024	2025	2024
	₺	₺	₺	₺
Interest expense:				
Term loans	<b>1,905,856</b>	2,404,442	<b>3,688,005</b>	4,578,295
Amortisation deferred transaction cost	-	774,679	-	774,679
Loan from subsidiary [note 25 (d)]	<b>530,207</b>	623,719	-	-
Short term loans	<b>430,000</b>	291,000	<b>430,000</b>	291,000
Lease liabilities (note 16.9)	<b>154,300</b>	164,640	<b>443,460</b>	468,924
Foreign exchange gains - net [note 13]	<b>(13,670)</b>	(32,340)	<b>(11,209)</b>	(19,849)
	<b>3,006,693</b>	4,226,140	<b>4,550,256</b>	6,093,049

### 13. Foreign exchange gains - net

	Parent Company		Consolidated	
	2025	2024	2025	2024
	₺	₺	₺	₺
Foreign exchange gains	<b>25,558</b>	136,013	<b>65,760</b>	146,207
Foreign exchange loss	<b>(11,888)</b>	(103,673)	<b>(54,551)</b>	(126,358)
Foreign exchange gains - net	<b>13,670</b>	32,340	<b>11,209</b>	19,849

# RAYSUT CEMENT COMPANY SAOG AND ITS SUBSIDIARIES

## NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

### 14. Investment income

	Parent Company		Consolidated	
	2025	2024	2025	2024
	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
Dividend income from subsidiary	<b>1,157,200</b>	-	-	-
Dividend income on financial assets at FVTPL	<b>122,678</b>	143,321	<b>122,678</b>	143,321
Stock dividend	<b>35,670</b>	-	<b>35,670</b>	-
Dividend income from associate	-	58,985	-	58,985
	<b><u>1,315,548</u></b>	<u>202,306</u>	<b><u>158,348</u></b>	<u>202,306</u>

The Parent Company received dividend income from Pioneer Cement Industries, which was settled through a set-off against the corresponding related party payable due from the Parent Company to Pioneer Cement Industries.

### 15. Taxation

(a) The tax charge for the year is as follows:

	Parent Company		Consolidated	
	2025	2024	2025	2024
	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
Current tax				
- prior year	-	-	<b>40,675</b>	-
	-	-	-	(100,475)
	-	-	<b>40,675</b>	(100,475)
Deferred tax				
- current year	-	-	<b>(89,600)</b>	-
	-	-	<b><u>(48,925)</u></b>	<u>(100,475)</u>

As at 31 December 2025, the Parent Company and the Group has unrecognized tax losses of RO 53,442,545 and RO 58,339,073 respectively (2024: RO 38,552,129 and RO 43,249,807).

(b) The reconciliation of tax on the accounting loss at the applicable rate of 15% (2024 - 15%) and the tax charge in the financial statements is as follows:

# RAYSUT CEMENT COMPANY SAOG AND ITS SUBSIDIARIES

## NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

### 15. Taxation (continued)

	Parent Company		Consolidated	
	2025	2024	2025	2024
	₹	₹	₹	₹
Accounting loss	<b>(17,472,509)</b>	(7,589,831)	<b>(15,836,153)</b>	(12,882,857)
Tax on accounting loss	<b>(2,620,876)</b>	(1,138,475)	<b>(2,375,423)</b>	(1,932,429)
Add tax effect of:				
Expenses disallowed	<b>2,423,341</b>	112,662	<b>2,218,563</b>	112,662
Expenses allowed	<b>(551,334)</b>	-	<b>(551,334)</b>	-
Deferred tax assets not recognised on tax losses	<b>748,869</b>	1,025,813	<b>748,869</b>	1,719,292
Tax credit in the statement of comprehensive income	-	-	<b>40,675</b>	(100,475)

(c) The movement in the provision for current taxation during the year comprises:

	Parent Company		Consolidated	
	2025	2024	2025	2024
	₹	₹	₹	₹
At 1 January	-	-	<b>74,077</b>	134,572
Charge for the year	-	-	<b>(40,675)</b>	-
Paid during the year	-	-	<b>(39,461)</b>	(60,495)
At 31 December	-	-	<b>(6,059)</b>	74,077

(d) The status of the tax assessments is as follows;

The Parent Company's taxation has been agreed with the Oman Taxation Authorities for all years up to 31 December 2020; Pioneer Cement Industries (a subsidiary Company) is subject to the income tax in accordance with the Federal Decree-Law No. 47 of 2022 and amendments of the United Arab Emirates commencing from 2024;

Raysut Maldives Cement Private Limited (a subsidiary Company) is subject to the income tax Act No. 25/2019 of the Republic of Maldives. Taxation has been agreed with the Taxation Authorities for all years up to 10 November 2025;

Sohar Cement Factory SPC (a subsidiary Company) is registered in as a single person Company in Sohar Industrial Area and is subject to taxation in the Sultanate of Oman. However, the Company is exempted from tax for a period of five years from 1 January 2019. During the year exemption has been expired. Taxation has been agreed with the Taxation Authorities for all years up to 31 December 2021;

Duqm Cement Factory LLC (a subsidiary Company) is registered in Sultanate of Oman and the place of business is the Special Economic Zone in Duqm.

# RAYSUT CEMENT COMPANY SAOG AND ITS SUBSIDIARIES

## NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

### 15. Taxation (continued)

However, the commercial operations have not been commenced as the subsidiary company is still under construction and therefore not yet registered with the Oman Taxation Authority;

Raysut Barwaaqo Cement Company LLC (a subsidiary Company) is registered in Sultanate of Oman. However, the commercial operations have not been commenced. The subsidiary is registered for tax and Taxation has been agreed with the Taxation Authorities for all years up to 31 December 2021;

Pioneer Cement Industries Georgia Limited (a subsidiary Company) is registered in Georgia. However, the commercial operations have not been commenced and registered with the Taxation Authority;

Raysut Cement Company S.A.O.G (Branch) (a subsidiary Company) is registered in United Arab Emirates. However, the subsidiary is not yet registered for tax;

#### (e) Deferred taxation

Deferred income taxes are calculated on all temporary differences under the liability method using a principal tax rate of 15% (2024: 15%). Net deferred tax liability in statement of financial position and the net deferred tax charge in the statement of comprehensive income are attributable to the following items:

31 December 2025	1 January 2025	(Charge)/credit for the year - OCI	31 December 2025
	₹	₹	₹
<b>Parent Company</b>			
<b>Deferred tax liability</b>			
Tax effect of excess of tax allowances over book depreciation	(4,748,786)	(538,153)	(5,286,939)
Deferred tax impact on revaluation of property, plant and equipment	(2,357,401)	-	(2,357,401)
	(7,106,187)	(538,153)	(7,644,340)
<b>Deferred tax assets</b>			
Tax effects of allowance for inventories	405,858	103,898	509,756
Tax effect of allowance for expected credit losses	253,919	2,841,814	3,095,733
Tax loss carried forward	2,576,009	(2,576,009)	-
Others	-	168,450	168,450
	3,235,786	538,153	3,773,939
<b>Net deferred tax liability</b>	<b>(3,870,401)</b>	<b>-</b>	<b>(3,870,401)</b>

# RAYSUT CEMENT COMPANY SAOG AND ITS SUBSIDIARIES

## NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

### 15. Taxation (continued)

31 December 2025	1 January 2025	(Charge)/credit for the year - OCI	31 December 2025
	<u>₹</u>	<u>₹</u>	<u>₹</u>
<b>Consolidated</b>			
<b>Deferred tax liability</b>			
Tax effect of excess of tax allowances over book depreciation	(4,748,786)	(438,009)	(5,186,795)
Deferred tax impact on revaluation of property, plant and equipment	(3,140,903)	1,233	(3,139,670)
	<u>(7,889,689)</u>	<u>(436,776)</u>	<u>(8,326,465)</u>
<b>Deferred tax assets</b>			
Tax effects of allowance for inventories	405,858	103,898	509,756
Tax effect of allowance for expected credit losses	253,919	2,841,814	3,095,733
Tax loss carried forward	2,576,009	(2,576,009)	-
Others	-	168,450	177,790
	<u>3,235,786</u>	<u>538,153</u>	<u>3,783,279</u>
<b>Net deferred tax liability</b>	<u>(4,653,903)</u>	<u>101,377</u>	<u>(4,543,186)</u>

Management has not recognised deferred tax assets on tax losses as at 31 December 2025 after considering the uncertainty of future taxable income of the Group.

31 December 2024	1 January 2024	Charge/(credit) for the year - OCI	31 December 2024
	<u>₹</u>	<u>₹</u>	<u>₹</u>
Parent Company			
<b>Deferred tax liability</b>			
Tax effect of excess of tax allowances over book depreciation	(4,748,786)	-	(4,748,786)
Deferred tax impact on revaluation of property, plant and equipment	-	(2,357,401)	(2,357,401)
	(4,748,786)	(2,357,401)	(7,106,187)
<b>Deferred tax assets</b>			
Tax effects of allowance for inventories	405,858	-	405,858
Tax effect of allowance for expected credit losses	253,919	-	253,919
Tax loss carried forward	2,576,009	-	2,576,009
	<u>3,235,786</u>	<u>-</u>	<u>3,235,786</u>
<b>Net deferred tax liability</b>	<u>(1,513,000)</u>	<u>(2,357,401)</u>	<u>(3,870,401)</u>

# RAYSUT CEMENT COMPANY SAOG AND ITS SUBSIDIARIES

## NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

### 15. Taxation (continued)

31 December 2024	1 January 2024	Charge/(credit) for the year -OCI	31 December 2024
	<u>₹</u>	<u>₹</u>	<u>₹</u>
Consolidated			
Deferred tax liability			
Tax effect of excess of tax allowances over book depreciation	(4,748,786)	-	(4,748,786)
Deferred tax impact on revaluation of property, plant and equipment	<u>(3,140,903)</u>	-	<u>(3,140,903)</u>
	(7,889,689)	-	(7,889,689)
Deferred tax assets			
Tax effects of allowance for inventories	405,858	-	405,858
Tax effect of allowance for expected credit losses	253,919	-	253,919
Tax loss carried forward	<u>2,576,009</u>	-	<u>2,576,009</u>
	<u>3,235,786</u>	-	<u>3,235,786</u>
Net deferred tax liability	<u>(4,653,903)</u>	-	<u>(4,653,903)</u>

Management has not recognized deferred tax assets on tax losses as at 31 December 2024 after considering the uncertainty of future taxable income of the Group.

### 16. Financial assets and liabilities

This note provides information about the Parent Company and the Group's financial instruments, including:

- an overview of all financial instruments held by the Group
- specific information about each type of financial instrument
- information about determining the fair value of the instruments, including judgements and estimation uncertainty involved.

	Note	Parent Company		Consolidated	
		2025	2024	2025	2024
Financial assets		<u>₹</u>	<u>₹</u>	<u>₹</u>	<u>₹</u>
Financial assets at amortised cost					
Trade receivables	16.1	<b>3,317,767</b>	2,167,334	<b>6,591,578</b>	4,801,508
Cash and cash equivalents	16.2	<b>1,125,202</b>	400,807	<b>3,810,901</b>	1,697,338
		<b>4,442,969</b>	2,568,141	<b>10,402,479</b>	6,498,846
Financial assets at fair value (not designated)					
Financial assets at fair value through profit or loss	16.4	<b>3,008,221</b>	3,097,593	<b>3,008,221</b>	3,097,593
		<b>7,451,190</b>	5,665,734	<b>13,410,700</b>	9,596,439

# RAYSUT CEMENT COMPANY SAOG AND ITS SUBSIDIARIES

## NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

### 16. Financial assets and liabilities (continued)

	Note	Parent Company		Consolidated	
		2025	2024	2025	2024
Financial liabilities		<u>₹</u>	<u>₹</u>	<u>₹</u>	<u>₹</u>
Liabilities at amortised cost					
Trade and other payables (excluding customer advances and VAT)	16.5	<b>29,147,437</b>	28,912,601	<b>29,615,664</b>	28,942,439
Term loans	16.6	<b>24,910,821</b>	25,787,412	<b>38,690,748</b>	44,938,996
Short term borrowings	16.7	<b>6,991,691</b>	6,883,744	<b>8,536,298</b>	8,445,552
Trade payable - gas supplier	16.8	<b>55,069,727</b>	48,115,288	<b>55,069,727</b>	48,115,288
Lease liabilities	16.9	<b>2,254,244</b>	2,429,927	<b>6,281,973</b>	6,550,295
Loan from a subsidiary	25(d)	<b>6,334,442</b>	6,534,477	-	-
		<b>124,708,362</b>	118,663,449	<b>138,194,410</b>	136,992,570

#### 16.1 Trade receivables

	Parent Company		Consolidated	
	2025	2024	2025	2024
	<u>₹</u>	<u>₹</u>	<u>₹</u>	<u>₹</u>
Trade receivables	<b>12,080,689</b>	12,151,117	<b>19,425,449</b>	18,154,169
Less: allowance for impairment loss / receivables written down [note 4.1 (b)]	<b>(11,251,201)</b>	(11,412,526)	<b>(14,384,858)</b>	(14,438,025)
	<b>829,488</b>	738,591	<b>5,040,591</b>	3,716,144
Due from related parties [note 25 (a)]	<b>14,820,420</b>	13,750,704	<b>12,149,392</b>	11,678,278
Less: allowance for impairment loss / receivables written down [note 4.1 (b)]	<b>(12,332,141)</b>	(12,321,961)	<b>(10,598,405)</b>	(10,592,914)
	<b>2,488,279</b>	1,428,743	<b>1,550,987</b>	1,085,364
	<b>3,317,767</b>	2,167,334	<b>6,591,578</b>	4,801,508

The movement in allowance for impairment of trade receivables is as follows:

	Parent Company		Consolidated	
	2025	2024	2025	2024
	<u>₹</u>	<u>₹</u>	<u>₹</u>	<u>₹</u>
At 1 January	<b>23,734,487</b>	23,460,932	<b>25,030,939</b>	24,543,632
(Write off)/ Write back during the year	<b>(3,157)</b>	-	<b>70,993</b>	-
(Reversal)/ charge for the year [note 4.1 (b)]	<b>(147,988)</b>	273,555	<b>(118,669)</b>	487,307
At 31 December	<b>23,583,342</b>	23,734,487	<b>24,983,263</b>	25,030,939

# RAYSUT CEMENT COMPANY SAOG AND ITS SUBSIDIARIES

## NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

### 16. Financial assets and liabilities (continued)

#### 16.1 Trade receivables (continued)

The carrying amounts of the Group's trade receivables and due from related parties before allowance for expected credit losses are denominated in the following currencies:

	Parent Company		Consolidated	
	2025	2024	2025	2024
	₹	₹	₹	₹
Rial Omani	<b>14,733,818</b>	17,591,526	<b>15,989,559</b>	19,192,820
US Dollar	<b>12,167,291</b>	8,310,295	<b>13,641,351</b>	7,951,207
UAE Dirhams	-	-	<b>1,943,931</b>	2,688,420
	<b>26,901,109</b>	25,901,821	<b>31,574,841</b>	29,832,447

#### (i) Classification as trade receivables

Trade receivables are amounts due from customers for goods sold in the ordinary course of business. They are generally due for settlement within 60 days and therefore are all classified as current. These receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, in which case they are recognised at fair value after discounting the impact of financing component.

The Parent Company and the Group holds these receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Details about the Parent Company and the Group's impairment policies and the calculation of the loss allowance are provided in note 4.1(b).

#### (ii) Carrying and fair values of trade receivables

The carrying amounts of the Group's trade receivables are denominated in Rial Omani, US Dollar and UAE Dirhams. Due to the short-term nature of the current receivables, their carrying amount is considered the same as their fair value.

#### (iii) Impairment and risk exposure

Information about the impairment of trade receivables and Group's exposure to market risk, credit risk and liquidity risk can be found in note 4.

### 16.2 Cash and cash equivalents

	Parent Company		Consolidated	
	2025	2024	2025	2024
	₹	₹	₹	₹
Cash in hand	<b>8,883</b>	7,948	<b>18,165</b>	16,168
Cash at bank:				
Current accounts	<b>1,116,319</b>	391,396	<b>3,792,736</b>	1,679,707
Call deposits	-	1,463	-	1,463
	<b>1,125,202</b>	400,807	<b>3,810,901</b>	1,697,338

# RAYSUT CEMENT COMPANY SAOG AND ITS SUBSIDIARIES

## NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

### 16. Financial assets and liabilities (continued)

#### 16.2 Cash and cash equivalents (continued)

(a) Call deposits are placed with the commercial banks at interest rates ranging from 0.5% -1.5% (2024: 0.5% - 1.5%) per annum.

(b) Reconciliation to cashflow statement

The above figures reconcile to the amount of cash shown in the Parent Company's and consolidated statement of cashflows at the end of the financial year as follows.

	Parent Company		Consolidated	
	2025	2024	2025	2024
	₹	₹	₹	₹
Balances as above	<b>1,125,202</b>	400,807	<b>3,810,901</b>	1,697,338
Less: restricted cash [note 16.2 (c)]	-	-	<b>(79,686)</b>	(74,929)
	<b>1,125,202</b>	400,807	<b>3,731,215</b>	1,622,409
Bank overdrafts (note 16.7)	<b>(970,585)</b>	(1,107,409)	<b>(970,585)</b>	(1,107,409)
Balances as per statement of cash flows	<b>154,617</b>	(706,602)	<b>2,760,630</b>	515,000

#### (c) Restricted cash

The cash and cash equivalents disclosed above is RO 79,686, which is held on behalf of the Company's previous shareholders. This amount is subject to legal and regulatory commitments and is therefore restricted in use.

#### (d) Classification as cash equivalents

Cash and cash equivalents include cash on hand, all bank balances, including deposits with a maturity of three months or less from the date of placement. Bank overdrafts are shown in the statement of financial position under current liabilities.

#### (e) Net debt reconciliation

Refer to note 16.6 (c).

### 16.3 Financial assets at fair value through other comprehensive income

	Parent Company		Consolidated	
	2025	2024	2025	2024
	₹	₹	₹	₹
Unquoted local equity investment	<b>125,000</b>	125,000	<b>125,000</b>	125,000
Less: provision for impairment loss	<b>(125,000)</b>	(125,000)	<b>(125,000)</b>	(125,000)
	-	-	-	-

The fair value of the investment in the Dhofar Youth Fund was reduced to nil during the year 2022 as there were no economic benefit flows to the Parent Company and the Group and the financial information were not available.

# RAYSUT CEMENT COMPANY SAOG AND ITS SUBSIDIARIES

## NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

### 16. Financial assets and liabilities (continued)

#### 16.3 Financial assets at fair value through other comprehensive income (continued)

##### Significant accounting estimates

The fair value of the investment in the Dhofar Youth Fund was reduced to nil during the year 2022 based on the management judgement that no reliable valuation could be established and that there is no expectation of future economic benefits. This assessment involved significant judgement and reflects management's best estimate based on the available facts and circumstances.

#### 16.4 Financial assets at fair value through profit or loss

(a) As at the reporting date, the financial assets at fair value through profit or loss comprised the following:

	Parent Company and Consolidated	
	2025	2024
	<u>₹</u>	<u>₹</u>
<b>Fair value</b>		
Quoted investments		
Bank Dhofar SAOG, Oman	<b>2,582,922</b>	2,683,627
Dhofar Insurance Company SAOG, Oman	<b>157,999</b>	146,666
	<b>2,740,921</b>	2,830,293
Un-quoted investments		
Dhofar University SAOC, Oman	<b>267,300</b>	267,300
	<b>3,008,221</b>	3,097,593
Cost		
Quoted investments		
Bank Dhofar SAOG	<b>1,229,700</b>	1,229,700
Dhofar Insurance Company SAOG	<b>29,600</b>	29,600
	<b>1,259,300</b>	1,259,300
Un-quoted investments		
Dhofar University SAOC	<b>300,000</b>	300,000
	<b>1,559,300</b>	1,559,300

(b) Investments at fair value through profit or loss comprises of local marketable securities and are measured at fair value at the close of business on 31 December 2025 (2024 - 31 December 2024).

(c) Movement in fair value of financial assets at fair value through profit or loss is as follows:

# RAYSUT CEMENT COMPANY SAOG AND ITS SUBSIDIARIES

## NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

### 16. Financial assets and liabilities (continued)

#### 16.4 Financial assets at fair value through profit or loss (continued)

	Parent Company and Consolidated	
	2025	2024
	<u>₹</u>	<u>₹</u>
At 1 January	<b>3,097,593</b>	3,185,737
Stock dividend	<b>35,670</b>	-
Fair value loss	<b>(125,042)</b>	(88,144)
<b>At 31 December</b>	<b><u>3,008,221</u></b>	<u>3,097,593</u>

(d) The fair values of unlisted securities are based on net asset approach.

(e) Information about the methods and assumptions used in determining fair value is provided in note 3.

(f) Bank Dhofar SAOG and Dhofar Insurance Company SAOG shares are pledged against short term borrowings (Note 16.6).

### 16.5 Trade and other payables

	Parent Company		Consolidated	
	2025	2024	2025	2024
	<u>₹</u>	<u>₹</u>	<u>₹</u>	<u>₹</u>
Trade payables	<b>19,377,163</b>	18,796,297	<b>20,395,706</b>	22,321,848
Accrued expenses	<b>6,933,121</b>	6,036,394	<b>8,854,576</b>	5,894,158
Due to related parties [note 25 (e)]	<b>2,550,659</b>	3,810,771	<b>3,800</b>	19,500
Customer advances*	<b>1,901,462</b>	1,557,833	<b>2,535,477</b>	2,062,268
VAT	-	-	<b>197,162</b>	14,736
Other payables	<b>286,490</b>	269,139	<b>361,582</b>	706,934
	<b><u>31,048,895</u></b>	<u>30,470,434</u>	<b><u>32,348,303</u></b>	<u>31,019,444</u>

\* Customer advances are consideration received in advance for the sale of cement. The Group customers pay for their purchases of cement in advance, but the collection is done by the customer in a range of 1 to 10 days. The customer advances are therefore expected to be recognised as revenue within 10 days of the date of the advance.

# RAYSUT CEMENT COMPANY SAOG AND ITS SUBSIDIARIES

## NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

### 16. Financial assets and liabilities (continued)

#### 16.6 Term loans

	Parent Company		Consolidated	
	2025	2024	2025	2024
	₹	₹	₹	₹
<b>Non-current portion</b>				
Bank Dhofar SAOG (loan 1)	-	2,700,000	-	2,700,000
Sohar International Bank SAOG (loan 2)	<b>2,713,171</b>	3,647,354	<b>2,713,171</b>	3,647,354
Bank Nizwa SAOG (loan 3)	<b>7,865,725</b>	10,265,726	<b>7,865,725</b>	10,265,726
Al Masraf Bank (loan 7)	-	-	<b>5,748,151</b>	-
Ahli Bank SAOG (loan 4)	<b>5,970,782</b>	1,770,000	<b>5,970,782</b>	5,996,841
Alizz Islamic Bank SAOC (loan 9)	-	-	<b>4,773,611</b>	4,773,611
Taageer Finance Company SAOG (loan 5)	<b>394,384</b>	613,708	<b>1,077,974</b>	1,431,450
Dubai National Bank (loan 8)	-	-	<b>36,476</b>	-
SME Development Fund (loan 6)	-	731,453	-	731,453
	<b>16,944,062</b>	19,728,241	<b>28,185,890</b>	29,546,435

	Parent Company		Consolidated	
	2025	2024	2025	2024
	₹	₹	₹	₹
<b>Current portion</b>				
Bank Dhofar SAOG (loan 1)	<b>3,067,512</b>	1,800,000	<b>3,067,512</b>	1,800,000
Sohar International Bank SAOG (loan 2)	<b>934,183</b>	934,183	<b>934,183</b>	934,183
Bank Nizwa SAOG (loan 3)	<b>2,597,565</b>	900,000	<b>2,597,565</b>	900,000
Ahli Bank SAOG (loan 4)	<b>226,187</b>	750,000	<b>226,187</b>	939,920
Al Masraf Bank (loan 7)	-	-	<b>2,352,244</b>	8,718,145
Taageer Finance Company SAOG (loan 5)	<b>219,324</b>	135,541	<b>346,697</b>	241,237
Dubai National Bank (loan 8)	-	-	<b>20,844</b>	-
SME Development Fund (loan 6)	<b>731,453</b>	658,875	<b>731,453</b>	658,875
Transaction costs deferred	-	-	-	-
Accrued interest	<b>190,535</b>	880,572	<b>228,173</b>	1,200,201
	<b>7,966,759</b>	6,059,171	<b>10,504,858</b>	15,392,561
Total term loans	<b>24,910,821</b>	25,787,412	<b>38,690,748</b>	44,938,996

# RAYSUT CEMENT COMPANY SAOG AND ITS SUBSIDIARIES

## NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

### 16. Financial assets and liabilities (continued)

#### 16.6 Term loans (continued)

The interest rates on the above loans and the repayment schedule is as follows:

31 December 2025	Interest rate	Total	One year	2 to 3 years	4 to 10 years
	%	₹	₹	₹	₹
<b>Parent Company</b>					
Bank Nizwa SAOG (loan 3)	7.00%	10,463,290	2,597,565	7,865,725	-
Bank Dhofar SAOG (loan 1)	3 Month SOFR + 400	3,067,512	3,067,512	-	-
Sohar International Bank SAOG (loan 2)	7.00%	3,647,354	934,183	2,713,171	-
Ahli Bank SAOG (loan 4)	6.86%	6,196,969	226,187	1,714,771	4,256,011
Taageer Finance Company SAOG (loan 5)	12.50%	613,708	219,324	370,645	23,739
SME Development Fund (loan 6)	10.50%	731,453	731,453	-	-
		<u>24,720,286</u>	<u>7,776,224</u>	<u>12,664,312</u>	<u>4,279,750</u>

31 December 2025	Interest rate	Total	One year	2 to 3 years	4 to 10 years
	%	₹	₹	₹	₹
<b>Consolidated</b>					
Bank Nizwa SAOG (loan 3)	7.00%	10,463,290	2,597,565	7,865,725	-
Bank Dhofar SAOG (loan 1)	3 Month SOFR + 400	3,067,512	3,067,512	-	-
Sohar International Bank SAOG (loan 2)	7.00%	3,647,354	934,183	2,713,171	-
Al Masraf Bank (loan 7)	3 Month EIBOR + 4%	8,100,395	2,352,244	2,345,055	3,403,096
Ahli Bank SAOG (loan 4)	6.86%	6,196,969	226,187	1,714,771	4,256,011
Alizz Islamic Bank SOAC (loan 9)		4,773,611	-	1,719,689	3,053,922
Taageer Finance SAOG	8.06%	1,424,671	346,697	678,229	399,745
Dubai National Bank (loan 8)	12.50%	57,320	20,844	36,476	-
SME Development Fund	10.50%	731,453	731,453	-	-
		<u>38,462,575</u>	<u>10,276,685</u>	<u>17,073,116</u>	<u>11,112,774</u>

# RAYSUT CEMENT COMPANY SAOG AND ITS SUBSIDIARIES

## NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

### 16. Financial assets and liabilities (continued)

#### 16.6 Term loans (continued)

31 December 2024	Interest rate	Total	One year	2 to 3 years	4 to 10 years
	%	<u>ﷲ</u>	<u>ﷲ</u>	<u>ﷲ</u>	<u>ﷲ</u>
Parent Company					
Bank Nizwa SAOG (loan 3)	7.00%	11,165,726	900,000	3,300,000	6,965,726
Bank Dhofar SAOG (loan 1)	3 Month SOFR + 400	4,500,000	1,800,000	2,700,000	-
Sohar International Bank SAOG (loan 2)	7.00%	4,581,537	934,183	937,068	2,710,286
Ahli Bank SAOG (loan 4)	6.50%	2,520,000	750,000	840,000	930,000
Taageer Finance Company SAOG (loan 5)	12.50%	749,249	135,541	289,030	324,678
SME Development Fund (loan 6)	10.50%	<u>1,390,328</u>	<u>658,875</u>	<u>731,453</u>	<u>-</u>
		<u>24,906,840</u>	<u>5,178,599</u>	<u>8,797,551</u>	<u>10,930,690</u>

31 December 2024	Interest rate	Total	One year	2 to 3 years	4 to 10 years
	%	<u>ﷲ</u>	<u>ﷲ</u>	<u>ﷲ</u>	<u>ﷲ</u>
Consolidated					
Bank Nizwa SAOG (loan 3)	7.00%	11,165,726	900,000	3,300,000	6,965,726
Bank Dhofar SAOG (loan 1)	3 Month SOFR + 400	4,500,000	1,800,000	2,700,000	-
Sohar International Bank SAOG (loan 2)	7.00%	4,581,537	934,183	937,068	2,710,286
Al Masraf Bank (loan 7)	3 Month EIBOR + 4%	8,718,145	8,718,145	-	-
Ahli Bank SAOG (loan 4)	6.50%	6,936,761	939,920	840,000	5,156,841
Alizz Islamic Bank (loan 9)		4,773,611	2,000,673	1,875,770	2,897,841
Taageer Finance SAOG (loan 5)	12.50%	1,672,687	241,237	438,672	992,778
SME Development Fund (loan 6)	10.50%	<u>1,390,328</u>	<u>658,875</u>	<u>731,453</u>	<u>-</u>
		<u>43,738,795</u>	<u>16,193,033</u>	<u>10,882,963</u>	<u>16,722,799</u>

#### (a) Parent Company

(i) Loan 1 - The Parent Company obtained a loan of RO 32 million from Bank Dhofar SAOG, repayable in 20 semi-annual variable installments starting from December 2012. The loan is secured by a first pari passu charge over the Parent Company's fixed assets and the assignment of insurance policies, along with other banks. In 2016, the loan was converted into USD without altering the repayment term. In August 2021, the outstanding amount of RO 5.1 million was rescheduled into 11 unequal installments, with a one-year principal moratorium from June 2021 to June 2022. The loan was further rescheduled in August 2023, introducing another one-year principal moratorium from June 2023 to June 2024, without modifying the repayment term. Principal repayment commenced with an interest rate of 3-month LIBOR + 400 bps, which was later revised to SOFR + 400 bps, with a minimum all-in interest rate of 5% per annum. The principal amount is payable on a semi-annual basis, while interest payments are made quarterly.

(ii) Loan 2 - A loan of RO 13.125 million at a fixed interest rate of 2.40% for three years was obtained from Sohar International Bank SAOG to prepay loans with higher interest rates. Repayment was structured into 14 equal semi-

# RAYSUT CEMENT COMPANY SAOG AND ITS SUBSIDIARIES

## NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

### 16. Financial assets and liabilities (continued)

#### 16.6 Term loans (continued)

annual installments, beginning in December 2016. The loan is secured by a first pari passu charge over the Parent Company's fixed assets, along with the assignment of insurance policies shared with other banks. In December 2021, the outstanding balance of RO 5.049 million was rescheduled into nine unequal semi-annual installments, with a three-year principal moratorium starting in July 2021. The revised loan carries an interest rate of 7% per annum. The principal amount is payable on a semi-annual basis, while interest payments are made quarterly.

- (iii) Loan 3 - A Wakala Bel Istithmar financing facility of RO 12 million was obtained through Islamic finance from Bank Nizwa SAOG, carrying a profit rate of 6.35% per annum. The facility is secured by a first pari passu charge over the Parent Company's fixed assets. In December 2021, the outstanding facility was rescheduled into 23 unequal installments, commencing principal repayment in March 2023, with a revised profit rate of 7% per annum, payable quarterly. In 2023, the loan was further rescheduled, with principal repayment beginning in June 2025. The repayment structure now consists of 14 unequal quarterly installments, carrying a profit rate of 7.50% per annum without altering the repayment term.
  - (iv) Loan 4 - An overdraft facility of RO 3 million, originally obtained as working capital from Ahli Bank SAOG, was converted into a term loan during the facility restructuring in September 2022. The loan has a six-year tenure and is repayable in 22 unequal quarterly installments, with principal repayment commencing at the end of the moratorium period in June 2023. The loan is secured by a pari passu charge over the Parent Company's fixed assets, along with the assignment of insurance policies shared with other banks. The interest rate is 6.5% per annum, currently 7.00% per annum, and is subject to semi-annual review.
  - (v) Loan 5 - The Parent Company obtained a long-term lease facility of RO 1 million from Taageer Finance Company SAOG in December 2021, with a six-month grace period. The facility is repayable in 90 monthly equal installments at an interest rate of 12.50% per annum. The loan is secured against the mortgage of the Company's equipment.
  - (vi) Loan 6 - The Parent Company obtained a term loan of RO 3 million from the SME Development Fund. The loan is repayable in 60 equal monthly installments at an interest rate of 10.50% per annum. The facility is secured against the mortgage of the plant and machinery of the subsidiary, Sohar Cement Factory SPC.
- (b) Subsidiary Companies
- (i) Pioneer Cement Industries, UAE

Loan 7 - The Company obtained a commercial term loan facility from a local commercial bank, repayable over eight years, with the first quarterly installment due in June 2019. The facility is secured against the commercial mortgage of the plant and machinery, promissory notes, and a corporate guarantee from the Parent Company. The loan carries a mark-up of three-month EIBOR + 4% per annum, with a minimum rate of 6% per annum. In January 2023, the term loan was restructured, introducing unequal quarterly installments and extending the repayment period until September 2029.

Loan 8 - The Company entered into an agreement with Dubai National Bank through Al Futtiam motors for wheel Loader (Vehicle) loan with interest rate of 4.3% p.a with 12 equal (quarterly) instalments from December 2025 to September 2028.

- (ii) Sohar Cement Factory SPC, Oman

Loan 9 - Sohar Cement Factory SPC obtained a Diminishing Ijara'h facility of RO 10.786 million through Islamic finance from two Islamic banks as a syndication loan. The facility carries a profit rate of 6.25% per annum, presently 7.00% per annum, on a diminishing balance basis. The Ijara'h facility is repayable in 28 quarterly installments of RO 410,715 each, beginning in June 2019 and concluding in March 2027. The facility is secured by a sale undertaking of fixed assets by creditors, a mortgage or transfer of Usufruct or assignment of Usufruct of the assets, the assignment of all Takaful proceeds with the facility agent designated as a loss payee, and a corporate guarantee from the Parent Company. In December 2024, the facility was restructured, introducing a two-year moratorium commencing in June 2024, with the repayment term extended until December 2031.

# RAYSUT CEMENT COMPANY SAOG AND ITS SUBSIDIARIES

## NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

### 16. Financial assets and liabilities (continued)

#### 16.6 Term loans (continued)

##### (iii) Duqm Cement Factory LLC, Oman

Duqm Cement Factory LLC secured a RO 8.1 million loan from Ahli Bank SAOG for a 10-year term, repayable in 32 unequal quarterly installments following a 24-month moratorium starting in December 2020. In September 2022, the term loan was restructured for the utilized amount of RO 4.444 million, introducing a two-year capital moratorium until September 2024. On 29 September 2025, the outstanding loan balance amounting to RO 4,469,091 was transferred to Raysut Cement Company SAOG by the bank, with an effective interest rate of 7% per annum. Repayments commence from 31 December 2025 in 40 unequal quarterly installments, with no corporate guarantee required.

(c) The banking facilities of the Group have covenant requirements for certain financial ratios, including current ratio, leverage ratio, Debt Service Cover ratio and Tangible net worth ratio. As at the reporting date, the Parent Company and the Group were not in compliance with the required financial covenants. However, waiver letters have been obtained from the financial institutions prior to the year end for certain breached covenants. The borrowing facilities where waiver letters have not been obtained prior to the year end, have been reclassified as current liabilities. These covenants are tested annually on 31 December and there is a significant risk that they may be failed at the end of 2025 requiring further negotiations with the relevant banks that have granted waivers. The impact of this on going concern is disclosed in note 2.1(c).

##### (d) Net debt reconciliation

	Parent Company		Consolidated	
	2025	2024	2025	2024
<b>Net debt</b>	<u>₹</u>	<u>₹</u>	<u>₹</u>	<u>₹</u>
Cash and cash equivalents	<b>1,125,202</b>	400,807	<b>3,810,901</b>	1,697,338
Term loans	<b>(24,910,821)</b>	(25,787,412)	<b>(38,690,748)</b>	(44,938,996)
Short term borrowings	<b>(6,991,691)</b>	(6,883,744)	<b>(8,536,298)</b>	(8,445,552)
Lease liabilities	<b>(2,254,244)</b>	(2,429,927)	<b>(6,281,973)</b>	(6,550,295)
Loan from a subsidiary	<b>(6,334,442)</b>	(6,534,477)	-	-
	<b>(39,365,996)</b>	(41,234,753)	<b>(49,698,118)</b>	(58,237,505)
<b>Cash and cash equivalents</b>	<b>1,125,202</b>	400,807	<b>3,810,901</b>	1,697,338
<b>Gross debt - fixed interest rate</b>	<b>(33,499,507)</b>	(34,751,816)	<b>(50,441,507)</b>	(48,884,548)
<b>Gross debt - variable interest rate</b>	<b>(6,991,691)</b>	(6,883,744)	<b>(3,067,512)</b>	(4,500,000)
<b>Net debt</b>	<b>(39,365,996)</b>	(41,234,753)	<b>(49,698,118)</b>	(51,687,210)

# RAYSUT CEMENT COMPANY SAOG AND ITS SUBSIDIARIES

## NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

### 16. Financial assets and liabilities (continued)

16.6 Term loans (continued)

(d) Net debt reconciliation (continued)

Parent Company

31 December 2025	Other assets		Liabilities from financing activities			Total
	Cash and cash equivalents	Term loans	Short term borrowings	Loans from a subsidiary	Lease liabilities	
	₹	₹	₹	₹	₹	₹
<b>Net debt</b>						
<b>Net debt as 1 January 2025</b>	<b>400,807</b>	<b>(25,787,412)</b>	<b>(6,883,744)</b>	<b>(6,534,477)</b>	<b>(2,429,927)</b>	<b>(41,234,753)</b>
<b>Movement in cash proceeds</b>	<b>724,395</b>	-	<b>(9,634,995)</b>	-	-	<b>(8,910,600)</b>
<b>Repayment of loans</b>	-	<b>4,655,595</b>	<b>9,520,858</b>	<b>200,035</b>	-	<b>14,376,488</b>
<b>Lease repayments</b>	-	-	-	-	<b>175,683</b>	<b>175,683</b>
<b>Interest payments</b>	-	<b>2,595,893</b>	<b>430,000</b>	<b>530,207</b>	<b>154,300</b>	<b>3,710,400</b>
<b>Non-cash accrued interest</b>	-	<b>(1,905,856)</b>	<b>(423,810)</b>	<b>(530,207)</b>	<b>(154,300)</b>	<b>(3,014,173)</b>
<b>Loan to a subsidiary [note 25 (c)]</b>	-	<b>(4,469,041)</b>	-	-	-	<b>(4,469,041)</b>
<b>Net debt as at 31 December 2025</b>	<b>1,125,202</b>	<b>(24,910,821)</b>	<b>(6,991,691)</b>	<b>(6,334,442)</b>	<b>(2,254,244)</b>	<b>(39,365,996)</b>

31 December 2024	Other assets		Liabilities from financing activities			Total
	Cash and cash equivalents	Term loans	Short term borrowings	Loans from a subsidiary	Lease liabilities	
	₹	₹	₹	₹	₹	₹
<b>Net debt</b>						
<b>Net debt as at 1 January 2024</b>	<b>374,854</b>	<b>(27,804,004)</b>	<b>(7,494,833)</b>	<b>(6,997,616)</b>	<b>(2,592,654)</b>	<b>(44,514,253)</b>
<b>Movement in cash</b>	<b>25,953</b>	-	-	-	-	<b>25,953</b>
<b>Proceeds</b>	-	-	<b>(15,457,617)</b>	-	-	<b>(15,457,617)</b>
<b>Repayment of loans</b>	-	<b>2,016,592</b>	<b>16,305,485</b>	<b>463,139</b>	-	<b>18,785,216</b>
<b>Lease repayments</b>	-	-	-	-	<b>12,324</b>	<b>12,324</b>
<b>Interest payments</b>	-	<b>2,824,120</b>	<b>431,302</b>	<b>623,719</b>	<b>53,277</b>	<b>3,932,418</b>
<b>Accrued interest</b>	-	<b>(2,824,120)</b>	<b>(668,081)</b>	<b>(623,719)</b>	<b>(164,640)</b>	<b>(4,280,560)</b>
<b>Others</b>	-	-	-	-	<b>261,766</b>	<b>261,766</b>
<b>Net debt as at 31 December 2024</b>	<b>400,807</b>	<b>(25,787,412)</b>	<b>(6,883,744)</b>	<b>(6,534,477)</b>	<b>(2,429,927)</b>	<b>(41,234,753)</b>

# RAYSUT CEMENT COMPANY SAOG AND ITS SUBSIDIARIES

## NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

### 16. Financial assets and liabilities (continued)

16.6 Term loans (continued) (d) Net debt reconciliation (continued)  
Consolidated

31 December 2025	Other assets Cash and cash equivalents	Liabilities from financing activities			Total
		Term loans	Short term borrowings	Lease liabilities	
	<u>₹</u>	<u>₹</u>	<u>₹</u>	<u>₹</u>	<u>₹</u>
<b>Net debt</b>					
<b>Net debt as 1 January 2025</b>	<b>1,697,338</b>	<b>(44,938,996)</b>	<b>(8,445,552)</b>	<b>(6,550,295)</b>	<b>(58,237,505)</b>
<b>Movement in cash proceeds</b>	<b>2,113,563</b>	<b>(57,320)</b>	<b>(13,277,509)</b>	<b>(61,610)</b>	<b>(11,282,876)</b>
<b>Repayment of loans</b>	-	<b>5,333,540</b>	<b>13,180,573</b>	-	<b>18,514,113</b>
<b>Lease repayments</b>	-	-	-	<b>329,932</b>	<b>329,932</b>
<b>Interest payments</b>	-	<b>4,660,033</b>	<b>430,000</b>	<b>443,460</b>	<b>5,533,493</b>
<b>Non-cash accrued interest</b>	-	<b>(3,688,005)</b>	<b>(423,810)</b>	<b>(443,460)</b>	<b>(4,555,275)</b>
<b>Net debt as at 31 December 2025</b>	<b><u>3,810,901</u></b>	<b><u>(38,690,748)</u></b>	<b><u>(8,536,298)</u></b>	<b><u>(6,281,973)</u></b>	<b><u>(49,698,118)</u></b>

31 December 2024	Other assets Cash and cash equivalents	Liabilities from financing activities			Total
		Term loans	Short term borrowings	Lease liabilities	
	<u>₹</u>	<u>₹</u>	<u>₹</u>	<u>₹</u>	<u>₹</u>
<b>Net debt</b>					
<b>Net debt as at January 2024</b>	1,651,105	(48,574,515)	(9,188,784)	(6,837,503)	(62,949,697)
<b>Movement in cash proceeds</b>	46,233	-	(17,383,084)	-	(17,336,851)
<b>Repayment of loans</b>	-	3,635,519	18,165,467	-	21,800,986
<b>Lease repayments</b>	-	-	-	152,020	152,020
<b>Interest payments</b>	-	4,680,786	530,116	201,122	5,412,024
<b>Accrued interest</b>	-	(4,680,786)	(569,267)	(468,924)	(5,718,977)
<b>Others</b>	-	-	-	402,990	402,990
<b>Net debt as at 31 December 2024</b>	<b><u>1,697,338</u></b>	<b><u>(44,938,996)</u></b>	<b><u>(8,445,552)</u></b>	<b><u>(6,550,295)</u></b>	<b><u>(58,237,505)</u></b>

### 16.7 Short term borrowings

	Parent Company		Consolidated	
	2025	2024	2025	2024
	<u>₹</u>	<u>₹</u>	<u>₹</u>	<u>₹</u>
<b>Short term loans</b>	<b>6,021,106</b>	5,776,335	<b>7,565,713</b>	7,338,143
<b>Bank overdrafts</b>	<b>970,585</b>	1,107,409	<b>970,585</b>	1,107,409
	<b><u>6,991,691</u></b>	<u>6,883,744</u>	<b><u>8,536,298</u></b>	<u>8,445,552</u>

# RAYSUT CEMENT COMPANY SAOG AND ITS SUBSIDIARIES

## NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

### 16. Financial assets and liabilities (continued)

#### (a) Parent Company

Short term loans and overdrafts are obtained from commercial banks carrying an interest rate of 6.25% to 7.5% (2024: 6.25% to 7.5%) per annum for a period of 180 days. The loan is secured by the pledge of following securities:

- Shares of Bank Dhofar SAOG and Dhofar Insurance SAOG 15,391,143 and 555,555 respectively (note 16.6).
- Pari-Passu charge on commercial mortgage over the assets of the borrower.
- Assignment of all insurance of all fixed assets (pari-passu with other lenders).

#### (b) Subsidiary Company

Short term loan is obtained from commercial banks carrying an interest rate of 7% (2024: 7%) per annum for a period of 180 days.

### 16.8 Trade payable - gas supplier

	Parent Company		Consolidated	
	2025	2024	2025	2024
	<u>₹</u>	<u>₹</u>	<u>₹</u>	<u>₹</u>
Trade payable	<b>42,057,477</b>	38,412,868	<b>42,057,477</b>	38,412,868
Accrued expenses	<b>13,012,250</b>	9,702,420	<b>13,012,250</b>	9,702,420
Total	<b>55,069,727</b>	48,115,288	<b>55,069,727</b>	48,115,288

### 16.9 Lease liabilities

This note provides information for leases where the Company is a lessee.

#### (a) Amounts recognised in the statement of financial position

	Parent Company		Consolidated	
	2025	2024	2025	2024
	<u>₹</u>	<u>₹</u>	<u>₹</u>	<u>₹</u>
Current	<b>189,568</b>	329,984	<b>465,997</b>	581,174
Non-current	<b>2,064,676</b>	2,099,943	<b>5,815,976</b>	5,969,121
Total	<b>2,254,244</b>	2,429,927	<b>6,281,973</b>	6,550,295

# RAYSUT CEMENT COMPANY SAOG AND ITS SUBSIDIARIES

## NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

### 16. Financial assets and liabilities (continued)

16.9 Lease liabilities (continued)

(b) Movement of lease liabilities

	Parent Company		Consolidated	
	2025	2024	2025	2024
	₹	₹	₹	₹
At 1 January	<b>2,429,927</b>	2,592,654	<b>6,550,295</b>	6,837,503
Interest charge	<b>154,300</b>	164,640	<b>443,460</b>	468,924
Lease additions	-	-	<b>61,610</b>	-
Payments made during the year	<b>(329,983)</b>	(327,367)	<b>(773,392)</b>	(756,132)
31 December	<b>2,254,244</b>	2,429,927	<b>6,281,973</b>	6,550,295

(c) Obligations under lease arrangement

	Parent Company		Consolidated	
	2025	2024	2025	2024
	₹	₹	₹	₹
Within one year	<b>332,713</b>	484,284	<b>783,535</b>	827,933
Between two year and five year	<b>1,360,388</b>	1,844,843	<b>3,130,078</b>	3,178,590
Over five year	<b>1,437,011</b>	1,130,968	<b>6,210,287</b>	5,584,741
	<b>3,130,112</b>	3,460,095	<b>10,123,900</b>	9,591,264
Less: amount representing finance charges	<b>(875,868)</b>	(1,030,168)	<b>(3,841,927)</b>	(3,040,969)
Present value of minimum lease payments	<b>2,254,244</b>	2,429,927	<b>6,281,973</b>	6,550,295
Less: current portion of lease liability	<b>(189,568)</b>	(329,984)	<b>(465,997)</b>	(581,174)
Non-current portion of lease liability	<b>2,064,676</b>	2,099,943	<b>5,815,976</b>	5,969,121

### 17. Non-financial assets and liabilities

This note provides information about the Company's non-financial assets and liabilities, including:

Specific information about each type of non-financial asset and non-financial liability

- Property, plant and equipment (note 17.1)
- Exploration and evaluation assets (note 17.2)
- Goodwill (note 17.3)
- Right-of-use assets (note 17.4)
- Investments accounted for using the equity method (note 17.5)
- Investment in subsidiaries (note 17.6)
- Inventories (note 17.7)
- Prepayments, advances and other receivables (note 17.8)
- Provision for employees' end of service benefits (note 17.9)

Information about determining the fair value of the assets and liabilities, including judgements and estimation uncertainty involved.

# RAYSUT CEMENT COMPANY SAOG AND ITS SUBSIDIARIES

## NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

### 17. Non-financial assets and liabilities (continued)

#### 17.1 Property, plant and equipment

Parent Company	Land	Buildings civil works	Plant and machinery	Motor vehicles	Furniture and fixtures	Office equipment	Factory vehicles, equipment and tools	Capital work-in-Progress	Total
	₹	₹	₹	₹	₹	₹	₹	₹	₹
<b>Cost or fair value</b>									
At 1 January 2024	205,250	36,983,608	90,483,644	554,235	255,601	1,684,646	10,249,539	12,194,717	152,611,240
Additions	-	74,996	429,083	-	-	-	53,525	-	557,604
Reversal	-	-	-	-	-	-	-	(35,787)	(35,787)
Elimination of cost (net approach) *	-	(25,697,951)	(60,911,068)	-	-	-	(8,798,547)	-	(95,407,566)
Revaluation (note iii)	(130,250)	2,155,207	9,702,456	-	-	-	3,988,591	-	15,716,004
Transfers	-	46,093	239,143	-	-	-	-	(285,236)	-
At 31 December 2024	75,000	13,561,953	39,943,258	554,235	255,601	1,684,646	5,493,108	11,873,694	73,441,495
<b>At 1 January 2025</b>	<b>75,000</b>	<b>13,561,953</b>	<b>39,943,258</b>	<b>554,235</b>	<b>255,601</b>	<b>1,684,646</b>	<b>5,493,108</b>	<b>11,873,694</b>	<b>73,441,495</b>
Additions	-	153,457	238,778	-	-	-	38,242	1,788,710	2,219,187
Adjustment	-	-	(5,455)	-	-	-	-	-	(5,455)
Transfers	-	23,660	663,484	-	-	-	34,990	(722,134)	-
<b>At 31 December 2025</b>	<b>75,000</b>	<b>13,739,070</b>	<b>40,840,065</b>	<b>554,235</b>	<b>255,601</b>	<b>1,684,646</b>	<b>5,566,340</b>	<b>12,940,270</b>	<b>75,655,227</b>

# RAYSUT CEMENT COMPANY SAOG AND ITS SUBSIDIARIES

## NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

### 17. Non-financial assets and liabilities (continued)

#### 17.1 Property, plant and equipment (continued)

Parent Company	Land	Buildings civil works	Plant and machinery	Motor vehicles	Furniture and fixtures	Office equipment	Factory vehicles, equipment and tools	Capital work-in-Progress	Total
	₹	₹	₹	₹	₹	₹	₹	₹	₹
<b>Accumulated depreciation and impairment</b>									
At 1 January 2024	-	24,704,069	58,650,260	554,235	245,673	1,556,703	8,161,951	-	93,872,891
Charge for the year	-	993,882	2,260,808	-	5,897	99,164	636,596	-	3,996,347
Elimination of cost (net approach) *	-	(25,697,951)	(60,911,068)	-	-	-	(8,798,547)	-	(95,407,566)
Provision for impairment (note ii)	-	-	-	-	-	-	-	311,387	311,387
At 31 December 2024	-	-	-	554,235	251,570	1,655,867	-	311,387	2,773,059
<b>A 1 January 2025</b>	-	-	-	<b>554,235</b>	<b>251,570</b>	<b>1,655,867</b>	<b>-</b>	<b>311,387</b>	<b>2,773,059</b>
Charge for the year	-	<b>1,263,640</b>	<b>3,442,551</b>	-	<b>4,031</b>	<b>17,371</b>	<b>1,705,043</b>	-	<b>6,432,636</b>
Provision for impairment (note ii)	-	-	<b>1,481,467</b>	-	-	-	<b>47,737</b>	<b>1,179,079</b>	<b>2,708,283</b>
<b>At 31 December 2025</b>	<b>-</b>	<b>1,263,640</b>	<b>4,924,018</b>	<b>554,235</b>	<b>255,601</b>	<b>1,673,238</b>	<b>1,752,780</b>	<b>1,490,466</b>	<b>11,913,978</b>
<b>Net carrying value</b>									
<b>At 31 December 2025</b>	<b>75,000</b>	<b>12,475,430</b>	<b>35,916,047</b>	<b>-</b>	<b>-</b>	<b>11,408</b>	<b>3,813,560</b>	<b>11,449,804</b>	<b>63,741,249</b>
At 31 December 2024	75,000	13,561,953	39,943,258	-	4,031	28,779	5,493,108	11,562,307	70,668,436

The property, plant and equipment are mortgaged against borrowings obtained from banks (Note 20).

# RAYSUT CEMENT COMPANY SAOG AND ITS SUBSIDIARIES

## NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

### 17. Non-financial assets and liabilities (continued)

17.1 Property, plant and equipment (continued)

Consolidated	Land	Buildings civil works	Plant and machinery	Motor vehicles	Furniture and fixtures	Office equipment	Factory vehicles, equipment and tools	Capital work-in-Progress	Total
	₹	₹	₹	₹	₹	₹	₹	₹	₹
Cost or fair value									
At 1 January 2024	205,250	50,995,979	142,546,063	852,819	480,379	2,324,346	13,690,819	25,907,882	237,003,537
Additions	-	78,219	555,990	46,091	272	3,196	53,525	-	737,293
Reversal	-	-	-	-	-	-	-	(35,787)	(35,787)
Elimination of cost (net approach)*	-	(38,088,663)	(83,539,100)	-	-	-	(11,996,159)	-	(133,623,922)
Revaluation (note iii)	(130,250)	6,721,990	10,152,041	-	-	-	5,794,135	-	22,537,916
Transfers	-	46,093	239,143	-	-	-	-	(285,236)	-
At 31 December 2024	75,000	19,753,618	69,954,137	898,910	480,651	2,327,542	7,542,320	25,586,859	126,619,037
<b>At 1 January 2025</b>	<b>75,000</b>	<b>19,753,618</b>	<b>69,954,137</b>	<b>898,910</b>	<b>480,651</b>	<b>2,327,542</b>	<b>7,542,320</b>	<b>25,586,859</b>	<b>126,619,037</b>
<b>Additions</b>	<b>-</b>	<b>162,564</b>	<b>239,075</b>	<b>-</b>	<b>1,834</b>	<b>11,519</b>	<b>108,305</b>	<b>1,788,710</b>	<b>2,312,007</b>
<b>Revaluation (note iii)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(13,704)</b>	<b>-</b>	<b>(13,704)</b>
<b>Disposal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(531)</b>	<b>(38,810)</b>	<b>-</b>	<b>(39,341)</b>
<b>Adjustment</b>	<b>-</b>	<b>-</b>	<b>(5,455)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5,455)</b>
<b>Transfers</b>	<b>-</b>	<b>23,660</b>	<b>663,484</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>34,990</b>	<b>(722,134)</b>	<b>-</b>
<b>At 31 December 2025</b>	<b>75,000</b>	<b>19,939,842</b>	<b>70,851,241</b>	<b>898,910</b>	<b>482,485</b>	<b>2,338,530</b>	<b>7,633,101</b>	<b>26,653,435</b>	<b>128,872,544</b>

NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

17. Non-financial assets and liabilities (continued)

17.1 Property, plant and equipment (continued)

Consolidated (Continued)	Land	Buildings civil works	Plant and machinery	Motor vehicles	Furniture and fixtures	Office equipment	Factory vehicles, equipment and tools	Capital work-in- Progress	Total
	₹	₹	₹	₹	₹	₹	₹	₹	₹
<b>Accumulated depreciation and impairment</b>									
At 1 January 2024	-	36,583,297	79,951,716	798,928	445,284	2,010,892	11,174,339	7,638,858	138,603,314
Charge for the year	-	1,505,366	3,587,384	11,177	14,665	107,649	821,820	-	6,048,061
Elimination of cost (net approach)*	-	(38,088,663)	(83,539,100)	-	-	-	(11,996,159)	-	(133,623,922)
Impairment of Madagascar	-	-	-	19,382	-	3,748	-	-	23,130
Provision for impairment (note ii) Duqm	-	-	-	-	-	-	-	1,185,791	1,185,791
At 31 December 2024	-	-	-	829,487	459,949	2,122,289	-	8,824,649	12,236,374
<b>At 1 January 2025</b>	-	-	-	<b>829,487</b>	<b>459,949</b>	<b>2,122,289</b>	-	<b>8,824,649</b>	<b>12,236,374</b>
Charge for the year	-	<b>2,242,356</b>	<b>4,837,358</b>	<b>8,812</b>	<b>10,115</b>	<b>24,296</b>	<b>2,236,244</b>	-	<b>9,359,181</b>
Disposals/Write off	-	-	-	-	-	(44)	(32,380)	-	(32,424)
Provision for impairment (note ii) Duqm	-	-	<b>1,481,467</b>	-	-	-	<b>47,737</b>	<b>5,026,541</b>	<b>6,555,745</b>
<b>At 31 December 2025</b>	-	<b>2,242,356</b>	<b>6,318,825</b>	<b>838,299</b>	<b>470,064</b>	<b>2,146,541</b>	<b>2,251,601</b>	<b>13,851,190</b>	<b>28,118,876</b>

# RAYSUT CEMENT COMPANY SAOG AND ITS SUBSIDIARIES

## NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

### 17. Non-financial assets and liabilities (continued)

#### 17.1 Property, plant and equipment (continued)

Consolidated (Continued)	Land	Buildings civil works	Plant and machinery	Motor vehicles	Furniture and fixtures	Office equipment	Factory vehicles, equipment and tools	Capital work-in-Progress	Total
	₹	₹	₹	₹	₹	₹	₹	₹	₹
Net carrying value									
At 31 December 2025	<u>75,000</u>	<u>17,697,486</u>	<u>64,532,416</u>	<u>60,611</u>	<u>12,421</u>	<u>191,989</u>	<u>5,381,500</u>	<u>12,802,245</u>	<u>100,753,668</u>
At 31 December 2024	<u>75,000</u>	<u>19,753,618</u>	<u>69,954,137</u>	<u>69,423</u>	<u>20,702</u>	<u>205,253</u>	<u>7,542,320</u>	<u>16,762,210</u>	<u>114,382,663</u>

# RAYSUT CEMENT COMPANY SAOG AND ITS SUBSIDIARIES

## NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

### 17. Non-financial assets and liabilities (continued)

#### 17.1 Property, plant and equipment (continued)

##### (i) Non-current assets pledged as security

The non-current assets are pledged as security against borrowings obtained from commercial banks as at 31 December 2025 and 2024 (note 16.6).

##### (ii) Impairment loss

An impairment provision of RO 2,708,283 (2024- RO 311,387) has been recognized in Parent Company and RO 6,555,745(2024- RO 1,208,175) at Group as on 31 December 2025 mainly relating to property, plant and equipment at the Sohar terminal and other delayed projects under capital-work-in progress.

##### (iii) Revaluation

During the year ended 31 December 2024, the Group adopted the revaluation model for its classes of land, building civil works, plant and machinery and factory vehicles equipment and tools, previously measured using the cost model. The change in accounting policy was made to provide more relevant information regarding the fair value of the Group's assets and their financial position.

The revaluation was carried out by an independent, professionally qualified valuer on 31 December 2024 using the Depreciated Replacement Cost Method (cost approach) for the other classes of revalued property, plant and equipment and for land comparable sales (market approach).

The revaluation surplus (gross of tax) of RO 15,716,004 and RO 22,537,916 was recognised in other comprehensive income and revaluation reserve shareholders' equity for the Parent Company and the Group.

\*This is relating to the elimination of the cost and the accumulated depreciation prior to change in valuation approach from cost model to revaluation model.

##### (iv) Depreciation is allocated for the year as follows:

	Parent Company		Consolidated	
	2025	2024	2025	2024
	<u>RO</u>	<u>RO</u>	<u>RO</u>	<u>RO</u>
Cost of sales [note 7]	<b>6,390,328</b>	3,865,173	<b>8,940,006</b>	5,826,788
General and administrative expenses [note 8]	<b>42,308</b>	131,174	<b>419,174</b>	221,273
	<b>6,432,636</b>	3,996,347	<b>9,359,180</b>	6,048,061

# RAYSUT CEMENT COMPANY SAOG AND ITS SUBSIDIARIES

## NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

### 17. Non-financial assets and liabilities (continued)

#### 17.2 Exploration and evaluation assets

	Parent Company		Consolidated	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
	RO	RO	RO	RO
Limestone mining rights				
<b>Cost</b>				
At 1 January and 31 December	-	-	<b>2,307,292</b>	2,307,292
<b>Amortisation</b>				
At 1 January	-	-	<b>2,307,292</b>	2,307,292
Amortisation	-	-	-	-
Provision for impairment	-	-	-	-
31 December	-	-	<b>2,307,292</b>	2,307,292
Net book amount	-	-	-	-

The exploration and evaluation assets are being amortized using straight line method over the term of the license.

The limestone mining rights are for the subsidiary of Pioneer Cement Industries Georgia Limited in Georgia and Raysut Cement Company S.A.O.G (Branch) in United Arab Emirates. These queries were not operational and hence were impaired by the management restating the prior years.

#### 17.3 Goodwill

Goodwill was recognized as a result of acquisition of Pioneer Cement Industries (Pioneer Cement), Sohar Cement Factory SPC (formerly Sohar Cement Factory LLC) (Sohar Cement) and Raysut Maldives Cement Private Limited (Raysut Maldives). Goodwill represents the excess of the cost of acquiring shares in these subsidiary companies over the aggregate fair value of the net assets.

On 30 December 2010, the Group acquired 100% ordinary shares of Pioneer Cement Industries ('Pioneer') with total consideration of RO 66,532,035. The acquisition was accounted under IFRS 3 Business Combinations.

	2025
Purchase consideration paid on acquisition	<b>66,532,035</b>
Less: net identifiable assets acquired in a Business Combination	<b>(20,733,449)</b>
	<b>45,798,586</b>
Less: Provision for impairment loss recognized in 2022	<b>(45,798,586)</b>
Goodwill	-

On 12 August 2020, the Group acquired 75% ordinary shares of Raysut Maldives Cement Private Ltd ('Raysut Maldives') with total consideration of net RO 3.2 million. The acquisition is accounted under IFRS 3 Business Combinations. Accordingly, Raysut Cement is treated as the "acquirer" and Raysut Maldives is treated as the "acquiree".

# RAYSUT CEMENT COMPANY SAOG AND ITS SUBSIDIARIES

## NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

### 17. Non-financial assets and liabilities (continued)

#### 17.3 Goodwill (continued)



	2025
Purchase consideration paid on acquisition	<b>3,240,265</b>
Less: net identifiable assets acquired in a Business Combination	<b>(722,875)</b>
<b>Goodwill</b>	<b><u>2,517,390</u></b>

Further, on 19 May 2019, the Parent Company acquired 100% ordinary shares of Sohar Cement Factory SPC (formerly Sohar Cement Factory LLC) ('Sohar Cement') with total consideration of net RO 12.5 million. The acquisition is accounted under IFRS 3 Business Combinations. Accordingly, Raysut Cement is treated as the "acquirer" and Sohar Cement is treated as the "acquiree".

	2025
Purchase consideration paid on acquisition	<b>12,524,566</b>
Less: net identifiable assets acquired in a Business Combination	<b>(11,706,084)</b>
<b>Goodwill</b>	<b><u>818,482</u></b>

There were no acquisitions in the year ended 31 December 2025.

The carrying amount of goodwill at reporting date is allocated to each of the cash-generating units is as follows:

	2025	2024
		
Pioneer Cement Industries, UAE	<b>45,798,586</b>	45,798,586
Less: Provision for impairment loss	<b>(45,798,586)</b>	(45,798,586)
	-	-
Sohar Cement Factory SPC, Oman	<b>818,482</b>	818,482
Raysut Maldives Cement Pvt Ltd., Maldives	<b>2,370,330</b>	2,370,330
	<b><u>3,188,812</u></b>	<u>3,188,812</u>

During 2022, the management has tested the goodwill for impairment in accordance with IAS 36 "Impairment of Assets" and has accounted for impairment losses of RO 45,798,586 against Pioneer Cement Industries Limited UAE, at 31 December 2022 since the estimated recoverable amount of the related business to which the goodwill relates is less than its carrying value.

The recoverable amount of each cash-generating unit is determined based on a fair value less cost to sell calculation, using cash flow projections based on approved financial budgets. The Group has also analysed the impairment test based on market multiple to the historical earnings.

Key assumptions used in discounted cash flow projection calculations

Key assumptions used in the calculation of recoverable amounts are discount rates, terminal value calculations and budgeted EBITDA. These assumptions are as follows:

# RAYSUT CEMENT COMPANY SAOG AND ITS SUBSIDIARIES

## NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

### 17. Non-financial assets and liabilities (continued)

#### 17.3 Goodwill (continued)

2025	Sohar Cement Factory SPC	Raysut Maldives Cement Pvt Ltd
Discount rate (%)	12.9	22.93
Terminal value (%)	2	2
Growth rate (%)	2	2

2024	Sohar Cement Factory SPC	Raysut Maldives Cement Pvt Ltd
Discount rate (%)	12.5	26.8
Terminal value (%)	2	2
Growth rate (%)	2	2

Goodwill key assumptions are classified within level 3 as they have significant unobservable inputs.

The directors believe that any reasonably possible change in the key assumptions on which the recoverable amount of Sohar Cement Factory SPC and Raysut Maldives Cement Pvt Ltd is based would not cause the aggregate recoverable amount to fall below the aggregate carrying value of the related CGUs.

# RAYSUT CEMENT COMPANY SAOG AND ITS SUBSIDIARIES

## NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

### 17. Non-financial assets and liabilities (continued)

#### 17.4 Right-of-use assets

Parent Company	Leasehold lands
	<u>₺</u>
<b>Cost</b>	
At 31 December 2024	3,446,229
<b>At 31 December 2025</b>	<b><u>3,446,229</u></b>
<b>Accumulated depreciation</b>	
At 1 January 2024	1,122,016
Charge for the year	<u>224,403</u>
At 31 December 2024	1,346,419
Charge for the year	<b><u>224,403</u></b>
<b>At 31 December 2025</b>	<b><u>1,570,822</u></b>
<b>Net carrying value</b>	
<b>At 31 December 2025</b>	<b><u>1,875,407</u></b>
At 31 December 2024	<u>2,099,810</u>
<b>Consolidated</b>	<b>Leasehold land</b>
Cost	
At 1 January 2024	7,979,066
Additions	<u>5,902</u>
At 31 December 2024	7,984,968
Additions	<b><u>61,610</u></b>
<b>At 31 December 2025</b>	<b><u>8,046,578</u></b>
Accumulated depreciation	
At 1 January 2024	1,911,532
Charge for the year	<u>441,470</u>
At 31 December 2024	2,353,002
Charge for the year	<b><u>447,334</u></b>
<b>At 31 December 2025</b>	<b><u>2,800,336</u></b>
<b>Net carrying value</b>	
<b>At 31 December 2025</b>	<b><u>5,246,242</u></b>
At 31 December 2024	<u>5,631,966</u>

# RAYSUT CEMENT COMPANY SAOG AND ITS SUBSIDIARIES

## NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

### 17. Non-financial assets and liabilities (continued)

#### 17.4 Right-of-use assets (continued)

	Parent Company		Consolidated	
	2025	2024	2025	2024
	<u>₹</u>	<u>₹</u>	<u>₹</u>	<u>₹</u>
<b>Parent Company</b>				
Salalah factory land (refer (a) below]	<b>1,266,222</b>	1,447,111	<b>1,266,222</b>	1,447,111
Duqm terminal land (refer (b) below]	<b>609,190</b>	652,699	<b>609,190</b>	652,699
	<b>1,875,412</b>	2,099,810	<b>1,875,412</b>	2,099,810
<b>Subsidiaries</b>				
Sohar factory land (refer (d) below]	-	-	<b>1,143,947</b>	1,217,546
Duqm Cement factory land (refer (e) below]	-	-	<b>1,445,807</b>	1,506,049
Pioneer Cement factory land (refer (f) below]	-	-	<b>388,625</b>	429,482
Raysut Maldives factory land (refer (g) below]	-	-	<b>357,857</b>	359,936
Raysut Maldives office building (refer (g) below]	-	-	<b>34,594</b>	19,143
	-	-	<b>3,370,830</b>	3,532,156
	<b>1,875,412</b>	2,099,810	<b>5,246,242</b>	5,631,966

- (a) The Parent Company has been granted leasehold rights by late His Majesty Sultan Qaboos bin Said for the use of land, on which the factory has been constructed, for a period of thirty years. from 1 July 1984. The lease was renewed after expiry, the renewed lease terms is for 30 years.
- (b) The Parent Company has a lease agreement for a period of 30 years with Duqm Industrial Land Company LLC to operate the terminal at Duqm port area.
- (c) The Parent Company has a lease agreement with C.Steinweg Oman LLC for the terminal facility in Sohar port for a period of 18 years since 2008. However, right-of-use assets and lease liability had not been recognized due to the dispute relating to access rights with the lessor.
- (d) Buildings of the subsidiary, Sohar Cement factory SPC, is constructed and the site development is carried out on a plot of land leased from Ministry for a period of 25 years. Upon its expiry, the lease can be renewed for a further term and on the conditions to be decided by the parties at that time.
- (e) In 2021, subsidiary Company, Duqm Cement Factory LLC, recognised right-of-use assets and lease liabilities relating to the leasehold land with Duqm Industrial Land Company for a period of 30 years. Upon its expiry, the lease can be renewed for a further term and on same conditions.
- (f) Buildings of the subsidiary, Pioneer Cement Industries, are constructed and the site development is carried out on a plot of land leased from RAK Investment Authority for a period of 25 years. Upon its expiry, the lease can be renewed for a further term and on the conditions to be decided by the parties at that time.
- (g) The factory land of the subsidiary, Raysut Maldives Cement Private Limited, has a lease period of 15 years from 2020 with Housing Development Corporation PLC and the office building in the Male city office is for a lease period of 5 years from 2021 with Faamdheyryge Development Pvt Ltd.
- (h) Amounts recognised in the statement of comprehensive income.

# RAYSUT CEMENT COMPANY SAOG AND ITS SUBSIDIARIES

## NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

### 17. Non-financial assets and liabilities (continued)

#### 17.4 Right-of-use assets (continued)

	Parent Company		Consolidated	
	2025	2024	2025	2024
	RO	RO	RO	RO
Depreciation expense of right-of-use assets	<b>224,403</b>	224,403	<b>447,334</b>	441,470
Interest expense on lease liabilities (note 12)	<b>154,300</b>	164,640	<b>443,460</b>	468,924
Expense relating to short-term leases (note 8)	<b>76,800</b>	76,400	<b>89,640</b>	89,240
	<b>455,503</b>	465,443	<b>980,434</b>	999,634

Depreciation is allocated as follows:

	Parent Company		Consolidated	
	2025	2024	2025	2024
	RO	RO	RO	RO
Cost of sales [note 7]	<b>180,889</b>	180,889	<b>334,402</b>	328,196
General and administrative expenses [note 8]	-	-	<b>69,418</b>	69,760
Selling and distribution expenses [note 10]	<b>43,514</b>	43,514	<b>43,514</b>	43,514
	<b>224,403</b>	224,403	<b>447,334</b>	441,470

(i) During the year, the Parent Company and the Group had total cash outflow for leases of RO 329,984 (2024 - RO 65,601) and RO 773,392 (2024 - RO 353,142) respectively.

### 17.5 Investments accounted for using the equity method

(a) The Group applies equity method of accounting for the investment in associates.

	Parent Company		Consolidated	
	2025	2024	2025	2024
	RO	RO	RO	RO
Cost	<b>113,343</b>	113,343	<b>113,343</b>	113,343
Less: impairment allowance	<b>(113,343)</b>	(113,343)	<b>(113,343)</b>	(113,343)
	-	-	-	-

Investment in Mukalla Raysut Trading and Industrial Company ('MRTIC') represent 49% (2024: 49%) equity interest, a limited liability company, incorporated in Republic of Yemen. No profit or loss recognised during the year as latest financial statements of the associate are not available at the time of the issuance of these Parent Company's and consolidated financial statements. Accordingly, an impairment provision of RO 113,343 has been recognized in Parent Company and the Group as on 31 December 2025 and 2024.

# RAYSUT CEMENT COMPANY SAOG AND ITS SUBSIDIARIES

## NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

### 17. Non-financial assets and liabilities (continued)

#### 17.6 Investment in subsidiaries

	2025	2024
	₹	₹
Pioneer Cement Industries, UAE [refer (a) below]	<b>66,532,035</b>	66,532,035
Less: Provision for impairment loss	<b>(52,522,928)</b>	(52,522,928)
	<b>14,009,107</b>	14,009,107
Sohar Cement Factory SPC, Oman [refer (b) below]	<b>12,524,568</b>	12,524,568
Raysut Barwaaqo Cement Company LLC [refer (c) below]	<b>102,000</b>	102,000
Less: Provision for impairment loss	<b>(102,000)</b>	(102,000)
	-	-
Raysut Maldives Cement Private Limited [refer (d) below]	<b>3,093,205</b>	3,093,205
Raysut Cement Trading Madagascar [refer (e) below]	<b>99</b>	99
Less: Provision for impairment loss	<b>(99)</b>	(99)
	-	-
Duqm Cement Factory LLC, Oman [refer (f) below]	<b>150,000</b>	150,000
Less: Provision for impairment loss	<b>(150,000)</b>	-
	-	150,000
	<b>29,626,880</b>	29,776,880

- (a) On 30 December 2010, the Parent Company acquired 100% ordinary shares of Pioneer Cement Industries ('Pioneer'). Pioneer was incorporated on 24 September 2004 in Ras Al Khaimah, UAE. This investment was impaired by RO 52,522,928 in 2022.
- (b) On 19 May 2019, the Parent Company acquired 100% ordinary shares of Sohar Cement Factory SPC ('SCF'). SCF was incorporated on 14 September 2011 in Sohar, Sultanate of Oman as a limited liability company and converted to single person company in the year 2020.
- (c) Investment in Raysut Burwaaqo Cement Company ('RBCC') represents 51% (2024: 51%) equity interest. RBCC was incorporated in January 2017 in the Sultanate of Oman. RBCC has not commenced its commercial operations as of the reporting date.
- (d) 12 August 2020, the Parent Company acquired 75% ordinary shares of Raysut Maldives Cement Pvt Ltd ('Raysut Maldives') formerly Lafarge Maldives Cement Private Limited. Raysut Maldives was incorporated on 2 September 1998 in K' Male, Republic of Maldives.
- (e) Investment in Duqm Cement Factory LLC. ('DCF') represents 100% equity interest. DCF was incorporated in November 2019 in the Sultanate of Oman. DCF is a grinding unit in Duqm region which is under construction phase. During the year, management has made a full impairment provision on prudence basis.
- (f) On 1 July 2021, the Parent Company acquired 100% ordinary shares of Raysut Cement Trading Madagascar. The Company is engaged in trading activity of Cement and related products.

# RAYSUT CEMENT COMPANY SAOG AND ITS SUBSIDIARIES

## NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

### 17. Non-financial assets and liabilities (continued)

#### 17.6 Investment in subsidiaries (continued)

##### Movement of impairment provision

	Parent Company	
	2025	2024
	RO	RO
At 1 January	<b>52,625,027</b>	52,523,027
Provision for the year	<b>150,000</b>	102,000
At 31 December	<b>52,775,027</b>	52,625,027

At the reporting date, management has tested the investments in subsidiaries for impairment in accordance with IAS 36 "Impairment of Assets" and an impairment was identified and recorded an impairment of RO 150,000 (2024: RO 102,000) since the estimated recoverable amounts of these investments is lower than their carrying values.

The recoverable amount of the investments in subsidiaries assessed to have impairment indicators as at 31 December 2025 will increase/decrease and the resulting impairment loss during the year and equity as at 31 December 2025 will increase/decrease by the following amounts, assuming that the key input changes with all other inputs remaining unchanged:

Change in key input	Impact on recoverable amount and impairment loss
<b>Terminal growth rate</b>	
- absolute change of +0.5%	Increase in recoverable amount by RO 0.896 million. No further impairment
- absolute change of -0.5%	Decrease in recoverable amount by RO 1.26 million. No further impairment.
<b>Discount rate</b>	
- absolute change of +1%	Decrease in recoverable amount by RO 1.22 million. No further impairment.
- absolute change of -1%	Increase in recoverable amount by RO 1.33 million. No further impairment

# RAYSUT CEMENT COMPANY SAOG AND ITS SUBSIDIARIES

## NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

### 17. Non-financial assets and liabilities (continued)

Summarized financial information in respect of subsidiaries is set out below:

	Total assets		Total liabilities		Net assets	Revenue	Profit / (loss)
	Non-current	Current	Non-current	Current			
	₹	₹	₹	₹	₹	₹	₹
<b>31 December 2025</b>							
Pioneer Cement Industries	31,984,327	13,211,402	7,381,944	8,243,492	29,570,296	26,003,275	875,169
Sohar Cement Factory SPC	16,031,186	2,959,551	6,691,940	6,362,302	5,936,495	17,623,710	(685,736)
Raysut Burwaqo Cement Company	-	143,019	-	1,500	141,519	-	(1,534)
Raysut Maldives Cement Private Ltd.	758,913	2,537,998	595,394	1,119,484	1,582,037	3,310,799	364,556
Raysut Cement Trading Madagascar	-	-	-	-	-	-	-
Duqm Cement Factory LLC	1,805,619	2,392	1,552,152	8,731,450	(8,475,591)	-	(4,328,808)
	Total assets		Total liabilities		Net assets	Revenue	Profit / (loss)
	Non-current	Current	Non-current	Current			
	₹	₹	₹	₹	₹	₹	₹
31 December 2024							
Pioneer Cement Industries	29,996,531	16,794,477	942,484	15,480,149	30,368,379	17,661,281	(2,881,010)
Sohar Cement Factory SPC	16,745,464	3,017,131	6,867,830	6,118,704	6,776,061	13,563,315	(421,432)
Raysut Burwaqo Cement Company	-	147,053	-	4,000	143,053	-	(4,021)
Raysut Maldives Cement Private Ltd.	806,949	1,766,071	593,595	761,945	1,217,480	2,636,582	(91,703)
Raysut Cement Trading Madagascar	-	-	-	-	-	-	1,128,821
Duqm Cement Factory LLC	5,713,323	1,549	5,808,246	4,053,409	(4,146,783)	-	(1,512,692)

\* Pioneer Cement Industries Georgia (PCI Georgia) Limited is a subsidiary of Pioneer Cement Industries. PCI Georgia numbers are incorporated as part of Pioneer Cement Industries.

# RAYSUT CEMENT COMPANY SAOG AND ITS SUBSIDIARIES

## NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

### 17. Non-financial assets and liabilities (continued)

#### 17.7 Inventories

	Parent Company		Consolidated	
	2025	2024	2025	2024
	RO	RO	RO	RO
Raw materials	<b>1,672,456</b>	1,252,743	<b>3,085,777</b>	1,721,367
Work-in-progress	<b>4,247,840</b>	9,441,135	<b>5,276,443</b>	10,548,610
Finished goods	<b>1,107,807</b>	1,047,565	<b>1,527,044</b>	1,948,200
Provision for inventories [note 17.7(a)]	<b>(230,302)</b>	-	<b>(256,481)</b>	-
	<b>6,797,801</b>	11,741,443	<b>9,632,783</b>	14,218,177
Spares and consumables	<b>7,105,417</b>	7,220,078	<b>10,962,406</b>	10,871,489
Allowance for slow-moving spares [note 17.7 (b)]	<b>(3,168,072)</b>	(3,048,072)	<b>(4,636,432)</b>	(4,334,185)
	<b>10,735,146</b>	15,913,449	<b>15,958,757</b>	20,755,481

(a) Movement in provision for inventories is as follows:

	Parent Company		Consolidated	
	2025	2024	2025	2024
	RO	RO	RO	RO
At 1 January	-	3,413,267	-	3,413,267
Write off during the year [note 7]	<b>230,302</b>	(3,413,267)	<b>256,481</b>	(3,413,267)
At 31 December	<b>230,302</b>	-	<b>256,481</b>	-

(b) Movement in allowance for slow-moving spares is as follows:

	Parent Company		Consolidated	
	2025	2024	2025	2024
	RO	RO	RO	RO
At 1 January	<b>3,048,072</b>	2,928,072	<b>4,334,185</b>	3,888,867
Charge for the year [note 7]	<b>120,000</b>	120,000	<b>302,247</b>	445,318
At 31 December	<b>3,168,072</b>	3,048,072	<b>4,636,432</b>	4,334,185

(c) Inventories of RO 8,447,684 (2024: RO 6,256,138) and RO 26,924,596 (2024: RO 20,065,246) of Parent Company and the Group respectively were recognized as an expense during the year and included in cost of sales.

# RAYSUT CEMENT COMPANY SAOG AND ITS SUBSIDIARIES

## NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

### 17. Non-financial assets and liabilities (continued)

#### 17.8 Prepayments, advances and other receivables

	Parent Company		Consolidated	
	2025	2024	2025	2024
	<u>₺</u>	<u>₺</u>	<u>₺</u>	<u>₺</u>
Advances and deposits	<b>3,301,457</b>	3,253,535	<b>4,327,158</b>	4,208,970
Less: Write downs - refer to note 24(a)*	<b>(2,545,636)</b>	(2,545,636)	<b>(2,545,636)</b>	(2,545,636)
Less: Recovery provision	<b>(431,319)</b>	(370,519)	<b>(1,093,675)</b>	(1,311,400)
	<b>(2,976,955)</b>	(2,916,155)	<b>(3,639,311)</b>	(3,857,036)
	<b>324,502</b>	337,380	<b>687,847</b>	351,934
Other receivables from related parties [note 27(b)]	<b>23,654,749</b>	23,270,650	<b>15,804,632</b>	15,804,632
Less: Write downs - refer to note 24(a)*	<b>(10,586,735)</b>	(10,586,735)	<b>(10,586,735)</b>	(10,586,735)
Less: Recovery provision	<b>(12,067,221)</b>	(11,016,633)	<b>(5,217,897)</b>	(5,217,897)
	<b>(22,653,956)</b>	(21,603,368)	<b>(15,804,632)</b>	(15,804,632)
	<b>1,000,793</b>	1,667,282	-	-
Receivable from tax authorities	<b>559,139</b>	559,139	<b>559,139</b>	559,139
Less: Adjustments relating to prior years	<b>(559,139)</b>	(559,139)	<b>(559,139)</b>	(559,139)
	-	-	-	-
Prepayments	<b>50,000</b>	-	<b>335,000</b>	93,035
VAT receivable	<b>400,288</b>	304,992	<b>408,950</b>	304,992
Advances to staff	-	-	<b>42,379</b>	37,638
Other receivables	<b>1,932,921</b>	1,779,646	<b>2,470,116</b>	2,630,205
Less: Write downs - refer to note 24(a)*	<b>(1,779,646)</b>	(1,779,646)	<b>(1,779,646)</b>	(1,779,646)
Less: Recovery provision	<b>(1,787)</b>	-	<b>(532,923)</b>	(826,004)
	<b>(1,781,433)</b>	(1,779,646)	<b>(2,312,569)</b>	(2,605,650)
	<b>151,488</b>	-	<b>157,547</b>	24,555
	<b>1,927,071</b>	2,309,654	<b>1,631,723</b>	812,154

\* The balances shown above and written down relate to the issues with previous management described in note 24(b)(i). The classifications reported relate to the original assets but as a result of the circumstances more fully described in note 24(b)(i) are now being sought solely from previous management.

# RAYSUT CEMENT COMPANY SAOG AND ITS SUBSIDIARIES

## NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

### 17. Non-financial assets and liabilities (continued)

#### 17.8 Prepayments, advances and other receivables (continued)

The movement in allowance for impairment of advances and other receivables is as follows:

	Parent Company		Consolidated	
	2025	2024	2025	2024
	RO	RO	RO	RO
At 1 January	<b>26,858,308</b>	26,546,832	<b>22,826,457</b>	22,113,589
Charge for the year	<b>1,113,175</b>	311,476	<b>(510,806)</b>	712,868
At 31 December	<b>27,971,483</b>	26,858,308	<b>22,315,651</b>	22,826,457

#### 17.9 Provision for employees' end of service benefits

	Parent Company		Consolidated	
	2025	2024	2025	2024
	RO	RO	RO	RO
At 1 January	<b>676,423</b>	710,303	<b>1,201,207</b>	1,293,756
Charge for the year [note 9]	<b>40,000</b>	-	<b>92,118</b>	37,182
Paid during the year	<b>(33,049)</b>	(33,880)	<b>(70,665)</b>	(129,731)
At 31 December	<b>683,374</b>	676,423	<b>1,222,660</b>	1,201,207

In accordance with the provisions of IAS 19, management has carried out an exercise to assess the net present value of its obligations as at 31 December 2025 and 2024, using the projected unit credit method, in respect of employees' end of service benefits payable under the Oman Labour Law 2023 and the Social Security Law of 1991. The expected liability at the date of leaving the service has been discounted to net present value using a discount rate of 6% (2024 - 6%) per annum. Under this method, an assessment has been made of an employee's expected service life with the Parent Company and the Group and the expected basic salary at the date of leaving the service. Management has assumed average increment/promotion costs of 5% (2024 - 5%) per annum.

### 18 Share capital

	Parent Company	
	2025	2024
	RO	RO
Authorised share capital	<b>21,000,000</b>	21,000,000
Issued and paid up share capital	<b>20,000,000</b>	20,000,000

The authorised share capital of the Parent Company represents 210,000,000 (2024: 210,000,000) ordinary shares of RO 0.100 each and issued and paid-up share capital of the Parent Company represents 200,000,000 ordinary shares of RO 0.100 each.

# RAYSUT CEMENT COMPANY SAOG AND ITS SUBSIDIARIES

## NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

### 18 Share capital (continued)

The Shareholders who own 10% or more of the Parent Company's share capital are:

	% Share holding		Shares held	
	2025	2024	2025	2024
	RO	RO	RO	RO
Abu Dhabi Fund for Development, UAE	15.00	15.00	30,000,000	30,000,000
Social Protection Fund, Oman	14.97	14.97	29,946,009	29,946,009
Islamic Development Bank	11.71	11.71	23,415,000	23,415,000
Dolphin International LLC, Oman	10.33	10.33	20,657,710	20,657,710
Schwenk Cement Nederland B.V.,Netherland	10.00	10.00	20,001,001	20,001,001
	62.01	62.01	124,019,720	124,019,720
Others	37.99	37.99	75,980,280	75,980,280
	<b>100.00</b>	<b>100.00</b>	<b>200,000,000</b>	<b>200,000,000</b>

### 19 Share premium

In the years 1988, 1994, 2005 and 2006, the Parent Company made an offering of shares to the public at a premium. As a result of these offerings, a share premium account with an amount of RO 13,456,873 was established. Share premium account is not available for distribution.

### 20 Legal reserve

Commercial Companies Law of the Sultanate of Oman, 2019 requires that 10% of the Parent Company's net profit be transferred to a non-distributable legal reserve until the amount of the legal reserve becomes equal to one-third of the Parent Company's issued share capital.

### 21 Net assets per share

Net asset per share is calculated by dividing the net assets at the end of the reporting year by the number of shares outstanding at that date as follows:

	% Share holding		Shares held	
	2025	2024	2025	2024
	RO	RO	RO	RO
Net assets (RO)	(15,806,652)	1,665,857	(7,315,085)	8,672,851
Number of shares outstanding	200,000,000	200,000,000	200,000,000	200,000,000
Net asset per share (RO)	(0.079)	0.008	(0.037)	0.043

### 22 Basic and diluted loss per share

	Parent Company		Consolidated	
	2025	2024	2025	2024
	RO	RO	RO	RO
Net loss for the year (RO)	(17,472,509)	(7,589,831)	(15,975,465)	(12,958,436)
Weighted average number of shares	200,000,000	200,000,000	200,000,000	200,000,000
<b>Basic and diluted loss per share</b>	<b>(0.087)</b>	<b>(0.038)</b>	<b>(0.080)</b>	<b>(0.065)</b>

# RAYSUT CEMENT COMPANY SAOG AND ITS SUBSIDIARIES

## NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

### 23 Commitments

	Parent Company		Consolidated	
	2025	2024	2025	2024
	<u>₹</u>	<u>₹</u>	<u>₹</u>	<u>₹</u>
<b>Capital commitments</b>				
Civil and structural	<b>329,251</b>	21,760	<b>329,251</b>	21,760
Plant and machinery	-	22,100	<b>307,248</b>	22,100
Others	<b>140,000</b>	5,500	<b>187,314</b>	5,500
	<b>469,251</b>	49,360	<b>823,813</b>	49,360
Purchase commitments	<b>1,612,351</b>	1,477,149	<b>4,335,004</b>	4,093,605

Purchase commitments relates to the purchase orders of raw material, stores and spares and packing materials.

### 24 Contingencies

#### (a) Guarantees, letters of credit and commitments

	Parent Company		Consolidated	
	2025	2024	2025	2024
	<u>₹</u>	<u>₹</u>	<u>₹</u>	<u>₹</u>
Letters of credit	<b>330,517</b>	491,416	<b>7,958,226</b>	4,608,649
Guarantee and performance bond	<b>490,000</b>	490,000	<b>533,658</b>	533,658
	<b>820,517</b>	981,416	<b>8,491,884</b>	5,142,307

\* Certain supplier-related contingent liabilities were reassessed and removed following further investigation into historical transactions refer to note 26 for further information.

The Parent Company had given guarantees in respect of banking facilities provided to subsidiaries in Oman and United Arab Emirates as follows:

	2025	2024
	<u>₹</u>	<u>₹</u>
Guarantee amount	<b>23,409,601</b>	31,509,601
Utilisation at reporting date	<b>13,557,597</b>	17,908,517

#### (b) Legal cases and arbitrations

##### i. Criminal case against the former Board of Directors and the management

The Parent Company and the Public Prosecution filed a criminal case against then Board of Directors and the management in October 2023 in connection with fraudulently misappropriating funds. The Public Prosecution commenced the criminal investigation against the defendants following an investigation by the Financial Services Authority ("FSA"). The FSA initiated an investigation on 07 August 2022 on the sudden financial deterioration of the Parent Company. On 24 November 2022, FSA submitted its report and identified critical issues within the Parent Company's operations.

# RAYSUT CEMENT COMPANY SAOG AND ITS SUBSIDIARIES

## NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

### 24 Contingencies (continued)

#### i. Criminal case against the former Board of Directors and the management (Continued)

On 2 October 2023, the Public Prosecution referred the case to the Muscat Appeal Court (Criminal Division) and charged the defendants with various criminal offences.

The legal consultant of the Parent Company submitted a request to the Court to be joined with the Public Prosecution of their request for the trial of the defendants and submitted a civil claim against the defendants to the Court and requested to oblige the defendants, jointly or severally to pay the Parent Company its civil rights amounting to RO 50,691,874 for their joint illegal acts that have caused substantial losses to the Parent Company.

On 26 June 2024, the Court issued its judgement and convicted the defendants of varying crimes. Penalties and imprisonment sentences were imposed on the defendants, and the defendants were ordered, jointly and severally, to pay the Parent Company a total amount of RO 50,140,416 in relation to the civil claim.

Following the Appellate Court judgement issued on 26 June 2024, the defendants filed appeals to the Supreme Court. On 17 December 2024, the Supreme Court issued its ruling and accepted certain appeals filed against the Parent Company and the Public Prosecution, and the Supreme Court referred the case to Muscat Appeal Court by a different panel. The Appellate Court held its first hearing on 26 January 2025, after which the matter underwent numerous adjournments.

On 22 of February 2026, the Public Prosecution has been instructed to prepare a specialized report for each of the accused individual. These reports will detail any personal use or company losses resulting from the exploitation of their respective positions, based on the documentation and reports provided by the Financial Services Authority. The Court decided to reopen the pleadings and return the case for further hearing in the session scheduled for 5 April 2026.

However, the probable outcome of the case is early to conclude as at the reporting date. The Group has not recognized any receivable from expected recoveries from the above case.

#### ii Arbitration of Sohar terminal case

The Parent Company and the lessor of the cement facility at Sohar (Sohar terminal) commenced International Chamber of Commerce (ICC) Arbitration against the lessor's claim that the Parent Company has not paid the fees for the services rendered by the lessor as per the service agreement and damages for not removing the facility from the lessor's land and the restoration cost of the land. The lessor has partially quantified its claim as RO 2,549,957 which the Parent Company has already accrued for. However, the Parent Company is in the process of quantifying its counterclaim. Therefore, the outcome of the arbitration is not probable to assess as at the reporting date. However, management has made a full impairment for the assets of the Sohar terminal in the current year (refer to note 17.1).

### 25 Related party transactions and balances

The Group's related parties include the shareholders, related entities, key management personnel, close family members of key management personnel and entities which are controlled, jointly controlled or significantly influenced by key management personnel or their close family members. Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the group and includes members of the boards of directors of the Group.

The Group has entered into transactions with its executive officers, directors, subsidiaries, associates and entities in which certain directors of the Group have an interest.

In the ordinary course of business, the Group sells goods to related parties and purchases goods from, occupies the premises of and receives services from related parties. These transactions are entered into at mutually agreed terms and conditions.

Amounts due from related parties at the end of the reporting year are as follows:

# RAYSUT CEMENT COMPANY SAOG AND ITS SUBSIDIARIES

## NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

### 25 Related party transactions and balances (continued)

#### (a) Due from related parties (trading receivables):

	Parent Company		Consolidated	
	2025	2024	2025	2024
	<u>₹</u>	<u>₹</u>	<u>₹</u>	<u>₹</u>
<b>Subsidiary companies:</b>				
Raysut Maldives Cement Private Limited	749,696	347,428	-	-
Less: write downs*	(8,738)	(4,049)	-	-
	<u>740,958</u>	<u>343,379</u>	<u>-</u>	<u>-</u>
Sohar Cement Factory SPC	196,334	-	-	-
Less: write downs*	(2,288)	-	-	-
	<u>194,046</u>	<u>-</u>	<u>-</u>	<u>-</u>
Raysut Cement Trading Madagascar	1,724,998	1,724,998	-	-
Less: write downs*	(1,724,998)	(1,724,998)	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total</b>	<b>935,004</b>	<b>343,379</b>	<b>-</b>	<b>-</b>
<b>Associate company:</b>				
Mukalla Raysut for Manufacturing and Trading Company Limited	1,569,277	1,098,163	1,569,277	1,098,163
Less: write downs*	(18,290)	(12,799)	(18,290)	(12,799)
<b>Total</b>	<b>1,550,987</b>	<b>1,085,364</b>	<b>1,550,987</b>	<b>1,085,364</b>
<b>Other related parties:</b>				
RCC Trading DMCC	10,580,115	10,580,115	10,580,115	10,580,115
Less: write downs*	(10,580,115)	(10,580,115)	(10,580,115)	(10,580,115)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total</b>	<b>2,485,991</b>	<b>1,428,743</b>	<b>1,550,987</b>	<b>1,085,364</b>

# RAYSUT CEMENT COMPANY SAOG AND ITS SUBSIDIARIES

## NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

### 25 Related party transactions and balances (continued)

(b) Due from related parties (other receivables):

	Parent Company		Consolidated	
	2025	2024	2025	2024
	₪	₪	₪	₪
<b>Subsidiary companies:</b>				
Sohar Cement Factory SPC	648,540	590,007	-	-
Less: write down*	(7,559)	(6,877)	-	-
	640,981	583,130	-	-
Duqm Cement Factory LLC	7,201,577	6,876,011	-	-
Less: write down*	(6,841,765)	(5,791,859)	-	-
	359,812	1,084,152	-	-
<b>Total</b>	<b>1,000,793</b>	<b>1,667,282</b>	<b>-</b>	<b>-</b>
<b>Associate Company:</b>				
Mukalla Raysut for Manufacturing and Trading Company Limited	2,895,178	2,895,178	2,895,178	2,895,178
Less: write down*	(2,895,178)	(2,895,178)	(2,895,178)	(2,895,178)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other related parties:</b>				
Raysea Navigation S.A	2,322,719	2,322,719	2,322,719	2,322,719
Less: write down*	(2,322,719)	(2,322,719)	(2,322,719)	(2,322,719)
	-	-	-	-
RCC Trading DMCC	10,475,564	10,475,564	10,475,564	10,475,564
Less: write down*	(10,475,564)	(10,475,564)	(10,475,564)	(10,475,564)
	-	-	-	-
RCC Holding Company	78,208	78,208	78,208	78,208
Less: write down*	(78,208)	(78,208)	(78,208)	(78,208)
	-	-	-	-
RCC MSG Somaliland	32,963	32,963	32,963	32,963
Less: write down*	(32,963)	(32,963)	(32,963)	(32,963)
Total	-	-	-	-
<b>Total</b>	<b>1,000,793</b>	<b>1,667,282</b>	<b>-</b>	<b>-</b>

The balances shown above and written down relate to the issues with previous management described in note 24(b)(i). The classifications reported relate to the original assets but as a result of the circumstances more fully described in note 24(b)(i) are now being sought solely from previous management.

# RAYSUT CEMENT COMPANY SAOG AND ITS SUBSIDIARIES

## NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

### 25 Related party transactions and balances (continued)

Amounts due to related parties at the end of the reporting year are as follows:

(c) Loan from a subsidiary:

	Parent Company		Consolidated	
	2025	2024	2025	2024
	<u>₹</u>	<u>₹</u>	<u>₹</u>	<u>₹</u>
At 1 January	-	-	-	-
Transfer during the year	<b>4,469,041</b>	-	-	-
Less: provision for impairment in loan from a subsidiary	<b>(4,469,041)</b>	-	-	-
<b>At 31 December</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

During the year, the Parent Company recognized a loan receivable from Duqm Cement Factory LLC as a result of the transfer of the Ahli Bank long-term loan from Duqm Cement Factory LLC to Raysut Cement Company SAOG. In accordance with the agreement dated 29 September 2025, the loan is interest-free and is repayable on demand. As per the management assessment, the receivable is fully impaired as at the reporting date.

(d) Loan from a subsidiary:

	Parent Company		Consolidated	
	2025	2024	2025	2024
	<u>₹</u>	<u>₹</u>	<u>₹</u>	<u>₹</u>
At 1 January	<b>6,534,477</b>	6,997,616	-	-
Repaid during the year	<b>(200,035)</b>	(463,139)	-	-
At 31 December	<b>6,334,442</b>	6,534,477	-	-

	Parent Company		Consolidated	
	2025	2024	2025	2024
	<u>₹</u>	<u>₹</u>	<u>₹</u>	<u>₹</u>
Current	<b>2,049,915</b>	6,534,477	-	-
Non-current	<b>4,284,527</b>	-	-	-
	<b>6,334,442</b>	6,534,477	-	-

The Parent Company obtained a loan from one of the subsidiaries, Pioneer Cement Industries, which is repayable over 8 years with the first quarterly instalment payable in June 2019. The facility carries mark-up at 3 month EIBOR + 4% p.a. (minimum 5% p.a.).

# RAYSUT CEMENT COMPANY SAOG AND ITS SUBSIDIARIES

## NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

### 25 Related party transactions and balances (continued)

(e) Due to related parties:

	Parent Company		Consolidated	
	2025	2024	2025	2024
	<u>₹</u>	<u>₹</u>	<u>₹</u>	<u>₹</u>
Subsidiary Companies:				
Pioneer Cement Industries	<b>2,408,668</b>	3,649,080	-	-
Raysut Burwaqo Cement Co. LLC	<b>138,191</b>	142,191	-	-
	<b>2,546,859</b>	3,791,271	-	-
Other related parties:				
Board of Directors	<b>3,800</b>	19,500	<b>3,800</b>	19,500
	<b>2,550,659</b>	3,810,771	<b>3,800</b>	19,500

Amounts due from/due to related parties are unsecured, interest free and have mutually agreed terms.

(f) The following transactions were carried out with related parties:

	Parent Company		Consolidated	
	2025	2024	2025	2024
	<u>₹</u>	<u>₹</u>	<u>₹</u>	<u>₹</u>
Sale of goods and services:				
Associate company:				
Mukalla Raysut for Manufacturing and Trading Company Limited	-	58,985	-	58,985
Dividend income received from subsidiary				
Pioneer Cement Industries	<b>1,157,200</b>	-	-	-
	<b>1,157,200</b>	58,985	-	58,985

# RAYSUT CEMENT COMPANY SAOG AND ITS SUBSIDIARIES

## NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

### 25 Related party transactions and balances (continued)

	Parent Company		Consolidated	
	2025	2024	2025	2024
	<u>₹</u>	<u>₹</u>	<u>₹</u>	<u>₹</u>
<b>Sale of goods and services:</b>				
<b>Subsidiary Companies:</b>				
Raysut Maldives Cement Private Limited	<b>1,039,077</b>	1,032,962	-	-
Sohar Cement Factory SPC	<b>505,879</b>	-	-	-
	<b>1,544,956</b>	1,032,962	-	-
<b>Associate Company:</b>				
Mukalla Raysut for Manufacturing and Trading Company Limited	<b>5,508,130</b>	4,392,962	<b>5,508,130</b>	4,392,962
	<b>7,053,086</b>	5,425,924	<b>5,508,130</b>	4,392,962

	Parent Company		Consolidated	
	2025	2024	2025	2024
	<u>₹</u>	<u>₹</u>	<u>₹</u>	<u>₹</u>
<b>Entities related to directors:</b>				
Galfar Engineering and Contracting SAOG	-	4,008	-	4,008
Galfar Aspire Readymix LLC	-	12,431	-	12,431
	-	16,439	-	16,439
Purchase of goods and services:				
Subsidiary companies:				
Pioneer Cement Industries	-	21,296	-	-
Entities related to directors:				
Dhofar Insurance Company SAOG	-	-	-	755,135
	-	21,296	-	755,135
Expenses paid:				
Subsidiary Companies:				
Duqm Cement Factory LLC	<b>325,566</b>	117,623	-	-
Pioneer Cement Industries	<b>37,369</b>	-	-	-
Sohar Cement Factory SPC	<b>220,506</b>	2,350	-	-
Raysut Barwaaqo Cement Company LLC	<b>4,000</b>	2,000	-	-
	<b>587,441</b>	121,973	-	-
Transfer of loan:				
Duqm Cement Factory LLC	<b>4,469,041</b>	-	-	-

# RAYSUT CEMENT COMPANY SAOG AND ITS SUBSIDIARIES

## NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

### 25 Related party transactions and balances (continued)

#### (g) Key management compensation:

	Parent Company		Consolidated	
	2025	2024	2025	2024
	<u>₹</u>	<u>₹</u>	<u>₹</u>	<u>₹</u>
Board sitting fees [note 8]	<b>110,500</b>	63,000	<b>103,964</b>	63,000
Directors' travelling allowance [note 8]	<b>2,100</b>	1,243	<b>2,100</b>	1,243
Directors' remuneration [note 8]	-	150,000	<b>9,443</b>	162,590
	<b>112,600</b>	<u>214,243</u>	<b>115,507</b>	<u>226,833</u>
Short-term employment benefits:				
Salaries and allowances	<b>310,905</b>	215,946	<b>310,905</b>	215,946
	<b>310,905</b>	215,946	<b>310,905</b>	215,946
Post-employment benefit	<b>44,830</b>	-	<b>44,830</b>	-
	<b>355,735</b>	<u>215,946</u>	<b>355,735</b>	<u>215,946</u>

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director (whether executive or otherwise).

### 26 Segment information

The Group has adopted 'IFRS 8 Operating Segments'. IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance.

The Group has only one business segment which is the sale of cement. The Group Board of Directors use Net profit as a profit measure of the Group.

The Group sells its products primarily in Sultanate of Oman (local) and Yemen and other Gulf Co-operation Council ("GCC"), Africa (exports) breaking down by country/region.

#### (a) Revenue from major products

The following is an analysis of the Group's revenue from its major products.

	Parent Company		Consolidated	
	2025	2024	2025	2024
	<u>₹</u>	<u>₹</u>	<u>₹</u>	<u>₹</u>
Ordinary Portland Cement (OPC)	<b>31,291,081</b>	27,380,309	<b>61,476,376</b>	45,899,379
Portland Limestone Cement (PLC)	<b>8,698,258</b>	5,636,752	<b>18,476,757</b>	15,366,134
Others (OWC, SRC, CE/NF & Pozmix)	<b>2,773,041</b>	3,359,947	<b>2,522,451</b>	6,834,940
Clinker	<b>4,706,603</b>	2,052,436	<b>8,192,524</b>	2,168,606
	<b>47,468,983</b>	<u>38,429,444</u>	<b>90,668,108</b>	<u>70,269,059</u>

Revenue reported above represents revenue generated from external customers. No assets and liabilities, other than trade receivables, are allocated to the reportable segments for the purpose of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker.

# RAYSUT CEMENT COMPANY SAOG AND ITS SUBSIDIARIES

## NOTES TO THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

### 26 Segment information (continued)

#### (b) Information about major customers

The Group's revenue includes sales to top 10 customers amounting to RO 51.6 million (2024: RO 42.7 million). The Parent Company's revenue includes sales to top 10 customers amounting to RO 35.4 million (2024: RO 26.7 million). Revenue from one customer amounted to RO 17,272,735 (2024: RO 12,555,446) of the Group and RO 17,272,735 (2024: RO 12,555,446) of the Parent Company.

#### (c) Country wise sales are as follows;

	Parent Company		Consolidated	
	2025	2024	2025	2024
	RO	RO	RO	RO
Sultanate of Oman	<b>18,506,558</b>	16,408,438	<b>37,686,649</b>	33,729,362
Somalia	<b>17,272,735</b>	14,684,723	<b>17,272,735</b>	14,684,723
United Arab Emirates	-	-	<b>21,747,312</b>	12,552,332
Yemen	<b>6,367,214</b>	5,153,146	<b>6,367,214</b>	5,153,146
Tanzania	<b>1,720,192</b>	1,138,945	<b>1,720,192</b>	1,138,945
Kuwait	<b>1,146,923</b>	-	<b>1,146,923</b>	-
Ghana	<b>686,404</b>	-	<b>686,404</b>	-
Mozambique	<b>522,711</b>	-	<b>522,711</b>	-
Maldives	<b>1,039,077</b>	1,032,962	<b>3,310,799</b>	2,998,078
Seychelles	<b>37,631</b>	-	<b>37,631</b>	-
Sudan	<b>169,538</b>	-	<b>169,538</b>	1,243
India	-	11,230	-	11,230
	<b>47,468,983</b>	38,429,444	<b>90,668,108</b>	70,269,059

Independent auditor's report- pages 36 - 43..