

# Trading Update for Quarter ended 31 December 2025

## Trading Environment

Macroeconomic conditions remained relatively stable, with inflation and exchange rates showing minimal volatility. However, liquidity constraints continued to limit access to working capital and funding for capital expenditure. Production remained below capacity despite strong demand, while increasing numbers of brick manufacturers intensified competition.

## Volume Performance

Limited working capital negatively affected production, with extrusion volumes down 28% and fired production down 52% compared to the prior year. Consequently, sales volumes declined by 49% due to low stock availability. The sale of stands in the Haydon Industrial Park has begun to ease working capital pressures, and stock levels are expected to improve significantly in Q2.

## Financial Performance

Revenue declined by 36% year on year, primarily due to reduced stock availability. Average selling prices increased by 28%, reflecting the targeted sales mix. Both revenue and profitability are expected to improve in the second quarter as production recovers and stand sales continue.

## Business Continuity

Servicing of Phase 1 of the Haydon Industrial Park is progressing well, with strong market interest. Stand sales initiated in December have supported critical plant maintenance and working capital needs. The company expects to raise sufficient funds through these sales to acquire a modern all weather brick making plant before year end, in line with the growth strategy.

Development permits for Phase 2 of Haydon and for Tenerife are pending approval. The Smartsuburb project, in which the company is invested, is expected to commence before March 2026. These projects are expected to deliver strong returns and provide resources to stabilize and grow the business in the short to medium term.

## Outlook

The construction sector outlook remains positive. Successful capital-raising efforts will restore production capacity and support the acquisition of a modern brick plant. Combined with our quality focused production systems, this will enhance competitiveness. The strategic location of our land projects within the new city will support demand and generate strong returns throughout the year.

We commend government initiatives aimed at promoting local manufacturers and remain committed to expanding our capacity to sustainably support infrastructure development under NDS2.



**By Order of the Board**  
**M Munginga**  
**Company Secretary**  
**11 February 2026**

