

Board Of Directors Report

Dear Shareholders,

On behalf of the Board of Directors of Oman Refreshment Company SAOG, I am pleased to present to you the annual report and audited financial statements for the year ended 31st December 2025.

Business Environment

The year 2025 saw continued progress in Oman’s economic transformation under Vision 2040, with ongoing reforms strengthening the foundations for sustainable, long-term growth. The Government’s commitment to diversification, private-sector development, and financial discipline continued to move the national economy in a positive direction.

In this evolving landscape, the fast-moving consumer goods sector remained active and dynamic, supported by expanding consumer choice and a more competitive marketplace. Our Company remained focused on capturing opportunities, enhancing our commercial execution, strengthening customer partnerships, and investing in brand visibility.

Despite a demanding & highly competitive operating environment, we continued to build resilience, optimize efficiencies, and reinforce the capabilities that position us for future growth.

As we look ahead, we remain confident in the strength of our strategy, the commitment of our people, and the opportunities created by the Sultanate’s ongoing reform agenda. Together, these pillars ensure that the Company is well placed to deliver sustainable value to all stakeholders in the years to come.

Financial Highlights

The ORC Parent Company achieved a net profit after tax of A 2.27m on a turnover of A 46.29m during the year 2025 against a net loss after tax of A (3.99m) on a

turnover of A 40.87m in 2024, registering an increase in the net profit after tax by 157% and turnover by 13.3% respectively. The improved performance during the year reflects the Company's effective operational strategies, cost optimisation initiatives, and enhanced market positioning, despite continued regional geopolitical challenges and intense competitive pressures.

At the ORC Group consolidated, the group achieved a net profit after tax of A 3.87m on a turnover of A 68.63m during the year 2025 against a net loss after tax of A (2.78)m on a turnover of A 63.37m in 2024, registering an increase in the net profit after tax by 239% and 8.3% increase in the turnover vs Year 2024.

Further, company has been engaged in various corporate social responsibility activities during the year hereby creating an impact to the Omani society and has invested A 13.3K towards such activities.

Internal Control System

The Board has regularly reviewed the adequacy and effectiveness of the existing internal control system in the Company and found it to be satisfactory.

Dividend

The Company's dividend policy aims to reward shareholders by distributing an appropriate portion of annual profits, while ensuring sufficient retention to support future projects, investment opportunities, and working capital needs. The Board of Directors seeks to maintain a balanced approach by providing a consistent & sustainable payout ratio.

After reviewing the Company's performance in 2025, which reflected recovery, and considering the regional business environment, liquidity considerations,

projected earnings, and the long-term interests of the Company & our shareholders, the Board is pleased to recommend a cash dividend of 14 Baizas per share

for the year 2025.

Looking Ahead

The Company's continued focus on operational efficiencies, enhanced productivity, strengthened systems, innovation, and disciplined expansion plans will serve as key drivers of growth as we advance into 2026. With regional geopolitical conditions showing signs of improvement, the Company remains fully aware of the

evolving competitive landscape in a highly price-sensitive market and is committed to sustaining and profitably strengthening its market position. At the same time,

we recognize the potential impact of global geopolitical developments, commodity price volatility, labor market challenges, and upcoming regulatory changes. Nevertheless, the Company looks ahead with confidence, drawing on its lean and efficient structure, continued productivity enhancements, innovative initiatives,

and consumer-centric strategies to deliver an improved financial performance in the coming year.

Nurturing Omani talent & Omanisation of workforce

As a responsible Omani corporate citizen, the Company is totally aligned with Sultanate of Oman strategic vision to nurture Omani talent in the private sector. The company's HR strategy focusses on recruitment of right staff & their continuous development, through on the job training and by providing focused learning opportunities commensurate with the responsibilities to enable them to assume higher responsibilities in the organization.

Appreciation

On behalf of the Board of Directors, I wish to extend our sincere appreciation to the management and employees for their dedication and strong contributions throughout the year. I also take this opportunity to convey our gratitude to our consumers, customers, PepsiCo, our valued business partners, the banking community, and the various Government authorities for their continued trust and support.

Further, on behalf of the Board of Directors & the management, I take this opportunity to extend our sincere appreciation to His Majesty Sultan Haitham Bin Tariq and his Government for their wise leadership, guidance and direction which continue to motivate and inspire us towards greater participation in the development and service of Oman. We pray to the Almighty Allah to bestow His Majesty with the best of health and bless him with long life to lead the Sultanate of Oman on the path of prosperity.

Buti Obaid Al Mulla

Chairman