

Auditors Report	English 01/01/2024-31/12/2024
DISCLOSURE AUDITOR'S REPORT	
DISCLOSURE OF AUDITOR'S REPORT	
AUDITOR'S OPINION	
Unmodified Opinion	Yes
Qualified Opinion	No
Adverse Opinion	No
Disclaimer of Opinion	No
AUDITOR'S OPINION BASIS	
Opinion and basis of Opinion	Ref #1
Key Audit Matters	Ref #2
Other Matter	Ref #3
Other information	Ref #4
Responsibilities of Management and Those Charged with Governance for the Financial Statements	Ref #5
Auditor's Responsibilities for the Audit of the Financial Statements	Ref #6
Report on Other Legal and Regulatory Requirements	Ref #7

1

We have audited the separate and consolidated financial statements of Oman Refreshment Company SAOG ('the Parent Company') and its subsidiaries (collectively referred as "the Group"), which comprise the separate and consolidated statement of financial position as at 31 December 2024, the separate and consolidated statements of profit or loss and other comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the separate and consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying separate and consolidated financial statements present fairly, in all material respects, the separate and consolidated financial position of the Parent Company and the Group as at 31 December 2024, and their separate and consolidated financial performance and their separate and consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

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 the Separate and Consolidated Financial Statements section of our report. We are independent of the Parent Company and 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 the separate and consolidated financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the separate and consolidated financial statements of public interest entities in the Sultanate of Oman. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

2

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate and consolidated financial statements for the year ended 31 December 2024. These matters were addressed in the context of our audit of the separate and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment assessment of investment in subsidiaries of the Parent Company
Investment in subsidiaries amounting to RO 24.5 million as at 31 December 2024 are significant to the separate financial statements of the Parent Company as these represents approximately 26.80% of the total assets. If these were to be impaired, it would have a significant impact on the reported net profit and the financial position of the Parent Company. Impairment assessment requires judgments and estimates towards future results of business including key assumptions like discount rate, growth rate, etc. The carrying value of assets is considered to be a key audit matter as the amount involved is significant and the judgments inherent in an impairment review.

Our response
Our audit procedures amongst others, included:

- obtaining understanding of management's sensitivity analysis and key assumptions;
- inquiring and verifying management’s financial information analysis and key assumptions approved by the Board of Directors and checking these assumptions with the involvement of our internal valuation specialist and assessing the key inputs and assumptions applied by the management to determine the recoverable amount;
- performing our own independent sensitivity calculations to quantify the downside changes to management's models required to result in impairment;
- assessing the appropriateness of the assumptions of the cash flow forecasts with reference to historic and expected growth rates prepared by the management and vetted by the consultant;
- discussing potential changes in key drivers with management to evaluate whether the inputs and assumptions used in the cash flow forecasts were suitable; and
- assessing the appropriateness of the disclosures made in the separate financial statements.

Impairment loss on trade receivables

Trade receivables (net) amounted to RO 6.86 million as at 31 December 2024 and are significant to the Group as these represent approximately 6.4% of the total assets. The measurement of Expected Credit Loss (ECL) by the management involves significant estimates and judgments.

Our response
Our audit procedures amongst others, included:

- testing the design and operating effectiveness of selected controls over the establishment of impairment allowance against the ECL;
- testing the accuracy of the aging analysis of trade receivables on a sample basis;
- testing the accuracy of ECL calculations by recalculating provisions based on client assumptions and models;
- inquiring with the management about disputes, if any, with customers during the year and potential impact on any uncollected amounts to assess recoverability;
- evaluating the reasonableness of key assumptions, including probability of default (PD) and loss given default (LGD);

Key Audit Matters (continued)
Impairment loss on trade receivables (Continued)
Our response (continued)

- assessing the completeness and accuracy of data inputs used in the ECL model;
- assessing the historical accuracy of impairment loss recognised by examining the utilisation or release of previously recorded impairment allowance; and
- assessing the adequacy of the credit risk disclosures.

Assessment of impairment of property, plant and equipment

Property, plant and equipment amounted to RO 57.1 million as at 31 December 2024 are significant to the Group as these represent 52.9% of total assets. If these were to be impaired, they would have a significant impact on the reported consolidated net loss and the consolidated financial position of the Group. Impairment assessment requires judgments and estimates towards future results of business, including key assumptions like discount rate, growth rate, etc. The carrying value of property, plant and equipment is considered to be a key audit matter as the amount involved is significant and the judgment inherent in an impairment review.

Our response
Our audit procedures amongst others, included:

- assessing the appropriateness of the methodology used in the impairment model, the input data and underlying assumptions used such as future levels of operations, discount rates, etc. considering historical performance vis-a-vis budgets;
- checking the mathematical accuracy of the impairment model;
- performing sensitivity analysis and evaluating whether any reasonably possible changes in assumptions could lead to impairment of property, plant and equipment; and
- evaluating the adequacy of the disclosures made in the consolidated financial statements.

3

Other Matter

The separate and consolidated financial statements of the Parent Company and the Group for the year ended 31 December 2023 were audited by another auditor, who expressed an unmodified opinion on those statements on 25 February 2024.

4

Other Information

Management is responsible for the other information. The other information included in the Annual Report comprises the Chairman's Report, Management Discussion and Analysis Report and Code of Corporate Governance Report but does not include the separate and consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the separate and consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate and consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, 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.

5

Responsibilities of the Management and Those Charged with Governance for the Separate and Consolidated Financial Statements

ANNUAL FINANCIAL STATEMENTS WERE APPROVED BY THE BOARD OF DIRECTORS ON 26 Feb 2025

Management is responsible for the preparation and fair presentation of these separate and consolidated financial statements in accordance with IFRS Accounting Standards as issued by the IASB and their preparation in compliance with the applicable disclosures requirements of the Financial Services Authority (FSA), the Commercial Companies Law and Regulations of the Sultanate of Oman and for such internal control as management determines is necessary to enable the preparation of separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate and consolidated financial statements, management is responsible for assessing the Parent Company's and the 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 management either intends to liquidate the Parent Company or the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Parent Company's and the Group's financial reporting process.

6

Auditor’s Responsibilities for the Audit of the Separate and Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate and consolidated 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 separate and consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the separate and consolidated 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 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 the separate and consolidated 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 or the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate and consolidated financial statements, including the disclosures, and whether the separate and consolidated 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 group as a basis for forming an opinion on the group 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 those charged with governance 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.

Auditor’s Responsibilities for the Audit of the Separate and Consolidated Financial Statements (Continued)

We also provide those charged with governance 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, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate and consolidated 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.

7

Report on Other Legal and Regulatory Requirements

We report that, the financial statements of the Parent Company as at, and for the year ended, 31 December 2024, in all material respects, comply with the applicable provisions of the Commercial Companies Law and Regulations of the Sultanate of Oman and relevant disclosure requirements of the FSA.

Auditors Report	English
01/01/2024-31/12/2024	
DISCLOSURE OF AUDITOR'S DETAILS	
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Name of partner signing off auditor's report	Bipin Kapur

ANNUAL FINANCIAL STATEMENTS WERE APPROVED BY THE BOARD OF DIRECTORS ON 26 Feb 2025

Registration number of partner signing off auditor's report	043615
Name of audit firm	BDO LLC
Registration number of Audit firm	1222681
Date of certification from auditor	26/02/2025