



Board of Directors Report

Dear Shareholders

On behalf of the Board of Directors, I am pleased to present the twenty seventh annual report of Gulf Mushroom Products Co. (SAOG) for the financial year ended 31 December 2024

The Board of directors, executive management and staff of Gulf Mushroom thank His Majesty Sultan Haitham bin Tarik for leading the country on the path of sustainable long-term economic development through its Vision 2040 and robust fiscal and economic policies and support for the private sector.

Regional focus

Tourism is a major driver of demand for mushrooms. In 2024, tourism in the GCC saw strong growth, fueled by investments in infrastructure, mega-events, and the continued diversification of economies away from oil dependence.

Preview of Results

Improved operational efficiencies, savings in material costs and economies of scale helped the company to stay ahead of increasing competition.

The revenues of the company for the year ended 31 December 2024 were RO 11.346 million compared to RO 10.275 million in 2023, an increase of 10%. Earnings before depreciation and finance costs in 2024 was RO 3.222 million compared to RO 2.500 million in 2023, an increase of 29%

Net profit after tax for the year ended 31 December 2024 was RO 1.947 million compared to RO 1.385 million in 2023, an increase of about 41%.

The net assets of the company (including land revaluation reserve) as of 31 December 2024 were RO 11.402 million compared to RO 10.141 million as of 31 December 2023

During the year your Company achieved a total production of 6,727 metric tons of different varieties of fresh mushrooms compared to 6,291 metric tons in the previous year, an increase of 7%.

Exports during the year 2024 were RO 10.136 million (89% of total sales) compared to RO 9.135 million (89% of total sales) during 2023.

Economic diversification and export revenues

With about 90% exports and by employing large amount of Omani youth, Company is proud of its contribution to Oman's economic diversification and social development policies.



Capacity Expansion

Company has a policy of enhancing its production capacity consistently in line with growth in market demand. During the year 2023 Company completed second expansion of its growing capacity and has recently announced the third expansion to be executed during 2025. As the market leader in the regional markets, Company is committed to fully service the market demand and maintain its market leadership.

Technical Expertise

Production of compost and cultivation of mushrooms is carried out in a controlled environment involving hi-tech climate control systems and micro-biological processes. Your Company has a dedicated and highly experienced technical team and continuously engages with international consultants to stay up to date with technical developments in the mushroom industry.

Quality and safety certifications

Company is strictly following a standard food safety management program and is holding HACCP and Global GAP certifications issued by reputed bodies. Company's operations are regularly subjected to external surveillance and audits by quality auditors.

Dividends Policy

Company uses its cash reserves to re-invest in growth and to provide regular returns to its shareholders. For the year ended 31 December 2024 the board of directors is pleased to propose cash dividend at Twenty Omani Baiza per share subject to approval from appropriate authorities and shareholders. Share price and dividend history for the last ten years is shown in the table below—

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Share price at year end (RO)	0.386	0.336	0.306	0.306	0.306	0.306	0.263	0.238	0.226	0.220
Cash Dividend (Omani Baiza per share)	-	-	-	5	5	-	7	10	15	20*
Bonus shares	15%	10%	-	-	-	10%	-	10%	-	-

* subject to approval from appropriate authorities and shareholders.

Corporate Governance

Company strictly adheres to the corporate governance regulations issued by the Capital Market Authority and exercises strong governance through its board of directors, well-documented policies and procedures and sound internal control systems. During the year there were 17 meetings of the board of directors, audit committee and nomination & remuneration committee. Reference may be made to the Management Discussion and Analysis Report and Report on Corporate Governance which are enclosed.



ESG

Company is committed to adopting the best environmental, social, and governance practices, corresponding to Oman Vision 2040 for achieving a diverse and sustainable economy. Company has voluntarily reported its social and governance data for the financial year 2023 and it is in the process of uploading the ESG data for 2024 along with its Sustainability report in line with MSX regulations.

Human resources

Company is proud of its skilled and motivated employees which includes 164 (2023:146) Omani citizens representing 33.95% of total employees. Company has employed Omani citizens across admin, commercial & technical functions and in levels of the organization. Company follows best industry practices for improving employee motivation, performance and growth through periodic performance appraisals, incentives and rewards and training programs.

Corporate Social Responsibility

Company has a CSR policy and contributes to social causes within the CSR budget approved by the shareholders every year.

Outlook

Looking ahead to 2025, tourism in the GCC is expected to continue growing with the UAE and Saudi Arabia at the forefront of attracting international visitors bolstered by mega projects and events and further diversification into luxury, cultural, and eco-tourism. The region's connectivity and infrastructure will play a key role in supporting this growth.

Your company is the leading producer of fresh mushrooms in the entire Middle East region and is committed to maintaining its leadership position and sustain its growth in revenues and profits in the future.

Thanks and Gratitude

We express our gratitude and loyalty to His Majesty Sultan Haitham bin Tarik May God protect him and guide him for the benefit of Oman and its people.

We express our gratitude and thanks to the Ministry of Commerce and Industry and Investment Promotion, the Ministry of Agriculture, Fisheries and Water Resources and all officials for their guidance and support extended to the company.

We thank the shareholders for their constant support to the company. We also thank the management team and staff of the company for their dedication and sincere efforts towards achieving the goals of the company.

Chairman of the Board of Directors

