



Board of Directors Report

Dear Shareholders

On behalf of the Board of Directors, I am pleased to present the twenty eighth annual report of Gulf Mushroom Products Co. (SAOG) for the financial year ended 31 December 2025

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

During 2025 fueled by a combination of structural and cyclical drivers, the GCC tourism sector outperformed 2024 as larger hotel capacity and higher international visitor figures helped boost tourism revenues and solidify growth against the strong baseline of 2024. Tourism is a major driver of demand for mushrooms.

Preview of Results

Optimal capacity utilization, improved operational efficiency, and economies of scale enabled the Company to maintain a competitive edge in an increasingly competitive environment.

The revenues of the company for the year ended 31 December 2025 were ~~₹~~ 12.009 million compared to ~~₹~~ 11.346 million in 2024, an increase of 6%. Earnings before depreciation and finance costs in 2025 were ~~₹~~ 3.611 million compared to ~~₹~~ 3.222 million in 2024, an increase of 12%

Net profit after tax for the year ended 31 December 2025 was ~~₹~~ 2.342 million compared to ~~₹~~ 1.947 million in 2024, an increase of about 20%.

The net assets of the company (including land revaluation reserve) as of 31 December 2025 were ~~₹~~ 12.829 million compared to ~~₹~~ 11.402 million as of 31 December 2024

During the year your Company achieved a total production of 7,072 metric tons of different varieties of fresh mushrooms compared to 6,727 metric tons in the previous year, an increase of 5%.

Exports during the year 2025 were ~~₹~~ 10.644 million (89% of total sales) compared to ~~₹~~ 10.136 million (89% of total sales) during 2024.

Economic diversification and export revenues

The Company, with approximately 90% of its production exported and substantial employment of Omani nationals, supports the Sultanate of Oman's economic diversification objectives and social development framework.

Capacity Expansion

During the year 2025 Company executed the third expansion of its mushroom growing capacity commissioning in early 2026. Company is committed to fully serve the regional markets and maintain its market leadership.





Technical Expertise

The Company produces compost and cultivates mushrooms in a controlled environment utilizing advanced climate-control systems and microbiological processes. A dedicated, experienced technical team, in collaboration with international consultants, ensures continuous alignment with global best practices and technological 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 2025 the board of directors has proposed cash dividend of Twenty Five ~~₹~~ Baiza per share and one bonus share for ten shares held 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	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Share price at year end (₹)	0.336	0.306	0.306	0.306	0.306	0.263	0.238	0.226	0.220	0.325
Cash Dividend (₹ Baiza per share)	-	-	5	5	-	7	10	15	20	25*
Bonus shares	10%	-	-	-	10%	-	10%	-	-	10%*

* subject to approval from appropriate authorities and shareholders.

Corporate Governance

The Company complies with FSA corporate governance regulations and upholds strong governance through its Board, documented policies, and internal controls. During the year, 19 meetings were held across the Board, Audit Committee, and Nomination & Remuneration Committee. Further details are in the enclosed Management Discussion & Analysis and Corporate Governance reports.

Environmental, Social, and Governance (ESG)

The Company is dedicated to implementing leading ESG practices in alignment with Oman Vision 2040 to support a diversified and sustainable economy. It has voluntarily disclosed social and governance data for the financial years 2023 and 2024 and it will upload in due course the 2025 ESG data along with its Sustainability Report in accordance with MSX regulations.





Human resources

The Company values its skilled and motivated workforce, which at the end of 2025 included 172 Omani nationals (2024: 164), representing 35% of total employees. Omani staff are employed across administrative, commercial, and technical roles at various organizational levels. The Company applies best industry practices to enhance motivation, performance, and development through regular appraisals, incentives, 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 2026, the tourism sector in the GCC countries is expected to continue achieving strong growth, particularly in the Sultanate of Oman, as GCC countries maintain their policies of attracting international tourists and visitors, supported by major events, expansion of infrastructure, and increasing diversification toward luxury, cultural, and eco-tourism.

In addition, changes in dietary patterns, the culture of healthy eating, and the shift toward pesticide-free and chemical-free foods have contributed to increased demand for the Company's fresh mushroom products across the hospitality, restaurant, and retail sectors, thereby supporting the sustainability of revenue growth and enhancing profitability.

The Company, as the leading producer of fresh mushrooms in the Middle East, reaffirms its commitment to maintaining its leading position and capitalizing on the growing regional market opportunities.

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