

UNAUDITED NOTES TO THE FINANCIAL STATEMENTS

At 31 March 2026

1 Legal status and principal activities

The National Detergent Company SAOG, an Omani Joint Stock Company ('the Company'), was constituted in accordance with the Commercial Companies Law of Oman 1974, and Ministerial Decree number 78/1980 dated 3 November 1980. The principal activity of the company is manufacture and sale of detergents, liquid soaps and home care products.

2 Segment information

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions.

The Board considers the business from a divisional perspective. Divisionally, management considers the performance of Consumer division and other division.

The reportable operating segments derive their revenue primarily from the manufacture and sale of detergents, liquid soap and homecare products. The directors review monthly analysis of production and sales by volume, sales, collections, cost of sales and factory cost by value, variance with budgets, financial position, and working capital facilities with utilisation status; raw materials and debtors on an overall Company basis.

The following divisional analysis has been compiled based on the major division of the Company:

Mar 2026	Consumer division RO	AquaPetro Chemical RO	Total RO
Revenue	5,944,437	229,649	6,174,086
Cost of sales	(3,947,000)	(245,567)	(4,192,567)
Total overheads	(1,772,995)	(43,364)	(1,816,359)
Other Income	<u>2,751</u>	-	<u>2,751</u>
Profit from operations	227,193	(59,282)	167,911
Finance costs- net	<u>(97,348)</u>	<u>(8,778)</u>	<u>(106,126)</u>
(Loss)/Profit before tax	<u>129,845</u>	<u>(68,060)</u>	<u>61,785</u>
Taxation	-	-	<u>(9,268)</u>
Profit for the year	-	-	<u>52,517</u>
Other financial information			
Trade receivables	<u>7,694,982</u>	<u>322,326</u>	<u>8,017,308</u>
Plant, property and equipment addition	<u>101,958</u>	<u>4,150</u>	<u>106,108</u>

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2 Segment information (continued)

March 2025	Consumer division RO	AquaPetro Chemical RO	Total RO
Revenue	6,940,325	112,864	7,053,189
Cost of sales	(4,383,303)	(158,252)	(4,541,555)
Total overheads	(1,971,986)	(29,720)	(2,001,706)
Other Income	<u>7,668</u>	<u>-</u>	<u>7,668</u>
Profit from operations	592,704	(75,108)	517,596
Finance costs- net	<u>(88,827)</u>	<u>(5,775)</u>	<u>(94,602)</u>
(Loss)/Profit before tax	<u>503,877</u>	<u>(80,883)</u>	<u>422,994</u>
Taxation	-	-	<u>(63,449)</u>
Profit for the year	-	-	<u>359,545</u>
Other financial information			
Trade receivables	<u>8,209,356</u>	<u>209,390</u>	<u>8,418,746</u>
Plant, property and equipment addition	<u>234,366</u>	<u>-</u>	<u>234,366</u>

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3 Cost of sales

	Three months period ended 31 March 2026	Three months period ended 31 March 2025
	RO	RO
Materials consumed	2,864,071	3,127,689
Direct labour (note 6)	598,904	642,018
Freight and handling charges	316,863	342,095
Utilities	90,044	92,417
Other direct costs	81,166	98,065
Repairs and maintenance	55,706	64,886
Depreciation (note 10)	165,206	154,073
Depreciation on right of use asset	<u>20,607</u>	<u>20,312</u>
	<u>4,192,567</u>	<u>4,541,555</u>

4 Selling and distribution expenses

	Three months period ended 31 March 2026	Three months period ended 31 March 2025
	RO	RO
Sales promotion and advertisement	1,009,991	1,179,475
Employee related expenses (note 6)	287,317	309,224
Distribution Expenses	60,229	58,807
Depreciation on right of use asset	32,043	31,404
Selling expenses	<u>10,700</u>	<u>12,022</u>
	<u>1,400,280</u>	<u>1,590,932</u>

5 Administrative and general expenses

	Three months period ended 31 March 2026	Three months period ended 31 March 2025
	RO	RO
Employee related costs (note 6)	280,707	290,445
Depreciation (note 10)	24,855	18,971
Repairs expenses	33,261	23,235
Printing stationery and telephone expenses	15,764	10,936
Other expenses	19,537	17,414
Professional charges	22,906	25,566
Travelling conveyance	1,559	6,717
Directors' sitting fees (note 25)	<u>17,490</u>	<u>17,490</u>
	<u>416,079</u>	<u>410,774</u>

6 Employee related costs

Employee related costs included under cost of sales, selling and distribution expenses and administrative expenses:

	Three months period ended 31 March 2026	Three months period ended 31 March 2025
	RO	RO
Wages and salaries	930,898	904,384
Other benefits	171,111	220,890
End of service benefits (note 20)	26,721	90,519
Training, recruitment and visa expenses	<u>38,198</u>	<u>25,894</u>
	<u>1,166,928</u>	<u>1,241,687</u>

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7 Financial cost

	Three months period ended 31 March 2026	Three months period ended 31 March 2025
	RO	RO
Finance cost		
Interest on short term borrowings	70,269	61,712
Interest on right of use asset (IFRS 16)	35,857	34,217
Foreign exchange difference (gain)/loss	-	(1,327)
	<u>106,126</u>	<u>94,602</u>

8 Taxation

(a) Statement of income:

	Three months period ended 31 March 2026	Three months period ended 31 March 2025
	RO	RO
Current tax	24,661	74,618
Deferred Tax Current year	<u>(15,393)</u>	<u>(11,169)</u>
	<u>9,268</u>	<u>63,449</u>

(b) Current liabilities

	Three months period ended 31 March 2026	Three months period ended 31 March 2025
Current year	<u>9,268</u>	<u>63,449</u>
	<u>9,268</u>	<u>63,449</u>

(c) Tax is provided at 15% (2025 – 15%) on the profit for the year adjusted for taxation purposes.

(d) Taxation has been agreed with the Oman Taxation Authorities for all years up to 2020.

9 Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	Three months period ended 31 March 2026	Three months period ended 31 March 2025
	RO	RO
Net profit/(loss) attributable to shareholders (RO)	52,517	359,545
Number of shares outstanding (note 14)	<u>20,000,000</u>	<u>20,000,000</u>
Earnings per share (Bz)	<u>3</u>	<u>18</u>

The diluted earnings per share is identical to the basic earnings per share.

The National Detergent Co. SAOG

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10 Property, plant and equipment

	Land RO	Buildings RO	Plant & machinery RO	Furniture, fixtures & office equipment RO	Motor vehicles RO	Capital work in progress RO	Total RO
Cost/valuation							
At 1 January 2026	13,500,000	5,170,940	9,267,243	891,077	98,309	128,880	29,056,449
Additions	-	37,029	56,943	8,010		4,126	106,108
Disposal	-	-	-	-	(9,350)	-	(9,350)
At 31 Mar 2026	<u>13,500,000</u>	<u>5,207,969</u>	<u>9,324,186</u>	<u>899,087</u>	<u>88,959</u>	<u>133,006</u>	<u>29,153,207</u>
Depreciation							
At 1 January 2026	-	3,526,493	6,908,280	794,477	74,036	-	11,303,286
Charge for the year :	-	55,853	119,784	11,895	2,529	-	190,061
Disposal	-	-	-	-	(9,350)	-	(9,350)
At 31 Mar 2026	<u>-</u>	<u>3,582,346</u>	<u>7,028,064</u>	<u>806,372</u>	<u>67,215</u>	<u>-</u>	<u>11,483,997</u>
Net Book Value							
At 31 Mar 2026	<u>13,500,000</u>	<u>1,625,623</u>	<u>2,296,122</u>	<u>92,715</u>	<u>21,744</u>	<u>133,006</u>	<u>17,669,210</u>

	Land RO	Buildings RO	Plant & machinery RO	Furniture, fixtures & office equipment RO	Motor vehicles RO	Capital work in progress RO	Total RO
Cost/valuation							
At 1 January 2025	13,500,000	4,465,431	8,825,923	835,862	88,759	425,117	28,141,092
Transfer CWIP/Assets	-	425,117	-	-	-	(425,117)	-
Additions	-	146,701	50,650	9,913	-	27,102	234,366
Disposal	-	-	-	-	-	-	-
At 31 March 2025	<u>13,500,000</u>	<u>4,419,933</u>	<u>8,523,026</u>	<u>828,084</u>	<u>124,058</u>	<u>40,742</u>	<u>27,435,843</u>
Depreciation							
At 1 January 2025	-	3,326,816	6,498,750	749,944	73,300	-	10,648,810
Charge for the year :	-	48,315	112,608	10,573	1,548	-	173,044
Disposal	-	-	-	-	-	-	-
At 31 March 2025	<u>-</u>	<u>3,375,131</u>	<u>6,611,358</u>	<u>760,517</u>	<u>74,848</u>	<u>-</u>	<u>10,821,854</u>
Net Book Value							
At 31 March 2025	<u>13,500,000</u>	<u>1,662,118</u>	<u>2,265,215</u>	<u>85,258</u>	<u>13,911</u>	<u>27,102</u>	<u>17,553,604</u>

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10 Property, plant and equipment (continued)

	Land	Buildings	Plant & machinery	Furniture, fixtures & office equipment	Motor vehicles	Capital work in progress	Total
	RO	RO	RO	RO	RO	RO	RO
Cost/valuation							
At 1 January 2025	13,500,000	4,465,431	8,825,923	835,862	88,759	425,117	28,141,092
Transfer	-	571,818	-	-	-	(571,818)	-
Additions	-	144,480	495,653	55,420	15,700	275,581	986,834
Disposal	-	(10,789)	(54,333)	(205)	(6,150)	--	(71,477)
At 31 December 2025	<u>13,500,000</u>	<u>5,170,940</u>	<u>9,267,243</u>	<u>891,077</u>	<u>98,309</u>	<u>128,880</u>	<u>29,056,449</u>
Depreciation							
At 1 January 2025	-	3,326,816	6,498,750	749,944	73,300	--	10,648,810
Charge for the year :							
Charge for the year	-	210,466	463,863	44,738	6,886		725,953
Disposal	-	(10,789)	(54,333)	(205)	(6,150)	-	(71,477)
At 31 December 2025	-	<u>3,526,493</u>	<u>6,908,280</u>	<u>794,477</u>	<u>74,036</u>	-	<u>11,303,286</u>
Net Book Value							
At 31 December 2025	<u>13,500,000</u>	<u>1,644,447</u>	<u>2,358,963</u>	<u>96,600</u>	<u>24,273</u>	<u>128,880</u>	<u>17,753,163</u>

10.1 Leases

The balance sheet shows the following amounts relating to leases.

	31 March 2026 RO	31 March 2025 RO	Audited 31 December 2025 RO
Right of use of assets			
Land	1,885,309	1,968,033	1,905,916
Vehicles	<u>300,540</u>	<u>190,202</u>	<u>332,583</u>
	<u>2,185,849</u>	<u>2,158,235</u>	<u>2,238,499</u>
Lease liabilities			
Current	141,215	112,074	141,215
Non-current	<u>2,304,112</u>	<u>2,227,284</u>	<u>2,338,407</u>
	<u>2,445,327</u>	<u>2,339,358</u>	<u>2,479,622</u>

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11 Inventories

	31 March 2026 RO	31 March 2025 RO	Audited 31 December 2025 RO
Raw and packaging materials	2,689,670	3,673,834	3,003,229
Finished goods	1,847,002	1,428,058	1,873,292
Consumables and spares	233,812	230,194	237,949
Work in progress	40,649	50,573	29,221
Goods in transit	<u>124,112</u>	<u>464,908</u>	<u>471,636</u>
	4,935,245	5,847,567	5,615,327
Less: Provision for slow moving inventories	<u>(163,143)</u>	<u>(182,960)</u>	<u>(163,143)</u>
	<u>4,772,102</u>	<u>5,664,607</u>	<u>5,452,184</u>

(a) The movement in provision for slow moving and obsolete stock is given below:

	31 March 2026 RO	31 March 2025 RO	Audited 31 December 2025 RO
Opening balance	163,143	191,878	191,878
(Reversed) / provided during the year (note 16)	-	(8,918)	(17,546)
Written off during the period	<u>-</u>	<u>-</u>	<u>(11,189)</u>
Closing balance	<u>163,143</u>	<u>182,960</u>	<u>163,143</u>

12 Trade and other receivables

	31 March 2026 RO	31 March 2025 RO	Audited 31 December 2025 RO
Trade receivable	8,017,308	8,418,746	7,270,348
Less: provision for impairment losses on receivables	<u>(968,116)</u>	<u>(968,116)</u>	<u>(968,116)</u>
	7,049,192	7,450,630	6,302,232
Other receivables	306,192	637,365	266,819
Prepayments	398,581	228,600	180,972
Due from related parties (note 25)	<u>282</u>	<u>186</u>	<u>366</u>
	<u>7,754,247</u>	<u>8,316,781</u>	<u>6,750,389</u>

(a) Movement in the provision for impairment is as follows:

	31 March 2026 RO	31 March 2025 RO	Audited 31 December 2025 RO
Opening balance	968,116	968,116	968,116
Provision for the year	<u>-</u>	<u>-</u>	<u>-</u>
Closing balance	<u>968,116</u>	<u>968,116</u>	<u>968,116</u>

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13 Cash and bank balances

	31 March 2026 RO	31 March 2025 RO	Audited 31 December 2025 RO
Cash at bank	235,944	524,152	220,097
Cash in hand	<u>2,256</u>	<u>6,267</u>	<u>1,690</u>
	<u>238,200</u>	<u>530,419</u>	<u>221,787</u>

14 Share capital

(a) The Company's authorised, issued, and subscribed share capital comprises 20,000,000 (30 September 2024: 20,000,000) ordinary shares of baisa 100 each. At 30 September, the following shareholders held 10% or more of the shares of the Company:

	31 Mar 2026		31 Mar 2025	
	(%)	RO	(%)	RO
Al Anwar Investments SAOG	24.88	497,570	24.88	497,570
Bhacker Suleiman Jaffer Company	13.74	274,882	13.74	274,882
Waleed Omar Abdul Munim Al Zawawi	10.06	201,273	10.06	201,273
Mohammed Abdul Hussain Bhacker Al Lawati	10.04	200,890	10.04	200,890

(b) Share premium of RO 364,263 (2024 - RO 364,263) represents amounts that arose through a business combination model when former Bausher Chemicals SAOG was merged with the company in 2005.

15 Dividend

The proposed dividend for 2025 of Baisa 25 per share amounting to RO 500,000 was approved by the shareholders in the annual general meeting held on 26 March 2026.

16 Legal reserve

In accordance with Article 132 of the Commercial Companies Law of Oman, annual appropriation of 10% of the net profit for the year has been made to the legal reserve until the reserve equals one third of the Company's share capital. The reserve is not available for distribution but can be utilized to set off against any accumulated losses and increasing the Company's share capital by issuing shares.

17 Revaluation reserve

The revaluation reserve represents the surplus on revaluation of freehold land. This reserve is not available for distribution.

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18 Borrowings

	31 March 2026 RO	31 March 2025 RO	Audited 31 December 2025 RO
Current			
Bank overdrafts	236,337	431,258	87,558
Short term borrowings	<u>3,912,776</u>	<u>4,500,000</u>	<u>4,112,776</u>
Total current borrowings	<u>4,149,113</u>	<u>4,931,258</u>	<u>4,200,334</u>

(a) The Company had obtained credit facilities comprising overdrafts, loans against trust receipts, letters of credit, short term loan and bill discounting facilities from commercial banks during the period. Interest is charged at rates ranging between 5.5 % and 7.0% (2024 – 5.5 % and 6.9 %) per annum.

19 Deferred tax

Deferred income taxes are calculated on all temporary differences under the liability method using a principal tax rate of 15% (2024 - 15%). The deferred tax liability and the deferred tax (charge)/credit in the statement of comprehensive income and statement of equity, are attributable to the following items:

	1 January 2026 RO	(Charged)/credited to statement of comprehensive income	31 Mar 2026 RO
Deferred tax liability on depreciation and revaluation of property, plant and equipment	(2,110,605)	12,639	(2,097,966)
Right-of-use assets and lease liabilities	36,169	2,754	38,923
Provisions	169,691	-	169,691
Net deferred tax liabilities	<u>(1,904,745)</u>	<u>15,393</u>	<u>(1,889,352)</u>

	1 January 2025 RO	(Charged)/credited to statement of comprehensive income	31 March 2024 RO
Deferred tax liabilities			
Deferred tax liability on depreciation and revaluation of property, plant and equipment	(2,148,570)	12,507	(2,136,063)
Deferred tax asset			
Right-of-use assets and lease liabilities	23,531	-	23,531
Provisions	173,999	(1,338)	172,661
Net deferred tax liabilities	<u>(1,951,040)</u>	<u>11,169</u>	<u>(1,939,871)</u>

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20 End of service benefits

	31 March 2026 RO	31 March 2025 RO	Audited 31 December 2025 RO
Opening balance	861,078	770,518	770,518
Charge for the year (note 6)	26,721	90,519	171,669
Payments during the year	<u>(12,545)</u>	<u>(26,398)</u>	<u>(81,109)</u>
Closing balance	<u>875,254</u>	<u>834,639</u>	<u>861,078</u>

21 Trade and other payables

	31 March 2026 RO	31 March 2025 RO	Audited 31 December 2025 RO
Trade payables	3,077,928	3,604,512	2,758,260
Accrued expenses	2,405,165	2,693,302	2,389,576
Other payables	1,003,335	565,599	606,121
Due to related parties (see note 25)	<u>42,583</u>	<u>62,874</u>	<u>61,913</u>
	<u>6,529,011</u>	<u>6,926,287</u>	<u>5,815,870</u>

Other payable is including dividend payable for year 2025

22 Net assets per share

Net assets per share is calculated by dividing the net assets at the year end by the number of shares outstanding at 30 September as follows:

	31 March 2026 RO	31 March 2025 RO	Audited 31 December 2025 RO
Net assets (RO)	<u>16,583,059</u>	<u>16,966,962</u>	<u>17,030,542</u>
Number of shares in issue at the end of the year	<u>20,000,000</u>	<u>20,000,000</u>	<u>20,000,000</u>
Net assets per share (Bzs)	<u>829</u>	<u>848</u>	<u>852</u>

23 Contingencies

At 31 March 2026, the Company had guarantees in the normal course of business amounting to RO 214,584 (31 March 2025 RO 164,000) from which it is anticipated that no material liabilities will arise.

24 Commitments

4

Purchase commitments

At 31 March 2026, the Company had purchase commitments amounting to RO 2,545,993 (31 March 2025 RO 2,299,514).

Capital commitments

At 31 March 2026, the company had capital commitments amounting to RO 85,187 (31 March 2025 RO 209,603).

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25 Related party transactions

The Company has entered into transactions with entities related to the significant shareholders or directors ("related parties"). In the ordinary course of business, such related parties provide goods and render services to the Company. The Company also sells goods to such related parties. During the year, the following transactions were carried out with related parties:

(i) Sales of goods

	31 March 2026 RO	31 March 2025 RO
Sales of goods:		
- related parties	<u>168</u>	<u>186</u>

(ii) Purchase of goods

	31 March 2026 RO	31 March 2025 RO
Purchase of goods:		
- related parties	<u>126,367</u>	<u>45,383</u>

(iii) Key management compensation

	31 March 2026 RO	31 March 2025 RO
Salaries and other related costs	96,409	108,089
Employees' end of service benefits	<u>4,950</u>	<u>4,890</u>
	<u>101,359</u>	<u>112,979</u>

(iv) Remuneration to directors

	31 March 2026 RO	31 March 2025 RO
Directors' sitting fees (note 5)	<u>17,490</u>	<u>17,490</u>

(v) Year end balances arising from sales/purchases of goods/services

	31 March 2026 RO	31 March 2025 RO
Receivable from related parties		
- other related parties (note 12)	<u>282</u>	<u>186</u>
Payable to related parties (note 21)		
- other related parties	<u>25,093</u>	<u>45,384</u>
- Directors	<u>17,490</u>	<u>17,490</u>

No provision has been required in 2024 and 2025 in respect of amounts due from related entities.

26 Certain Comparative figures of the Company have been reclassified in order to conform the presentation for the current period. The reclassification has no impact on the profit for the period.