

COMPANY REPORT

Dear Shareholders,

On behalf of the Board of Directors and the Executive Management, I am pleased to welcome you and present the key highlights of Oman National Engineering & Investment Company SAOG's (ONEIC) performance for the financial year 2025, along with the audited financial statements.

COMPANY PERFORMANCE & FUTURE VISION

The company's expansion into the financial technology (FinTech) sector has strengthened its leading position within the Sultanate's digital payments industry through the launch of its electronic wallet, which has achieved notable growth, surpassing 50,000 active users during the initial phase following its launch. The Executive Management is implementing several initiatives in this field aimed at significantly facilitating and enhancing customers' digital transactions. The company is also seeking to maximize the value derived from its broad customer base of over 1.5 million users across multiple channels, capitalizing on the rapid growth of this sector by reinforcing its brand through the introduction of new products and exploring expansion opportunities in selected regional markets, thereby supporting the achievement of its strategic objectives.

Electronic payment solutions have become the backbone of the company's billing operations, with monthly transactions conducted through the mobile application (Bill&Pay) exceeding 900,000 transactions per month, reflecting the company's leadership in the digital payments field in the Sultanate of Oman.

On another front, the company has continued to expand in the self-service kiosk segment, which it assembles and programs to deliver an integrated suite of services, including printing vehicle registrations and driving licenses, payment of traffic fines, insurance services, telecommunications services, as well as services of the Supreme Judicial Council and the Ministry of Housing and Urban Planning, which were recently launched. In this context, the company has also strengthened its presence in the insurance and ATM/CDM management sectors through strategic partnerships with leading companies in these fields, contributing to business diversification, revenue growth, and the expansion of income streams.

The company has further expanded its role in the smart electricity and water meters sector through a significant contract awarded by Nama Dhofar Services for the supply of smart energy meters. This contract falls within the company's core specialization in smart metering and aligns with its strategic direction to become a local and regional hub in this field. The initiative is expected to enhance energy efficiency and grid control, in line with the Sultanate's digital transformation strategy.

Additionally, the company secured a major contract from the GCC Interconnection Authority for the implementation of a 400 kV power substation project in the Wilayat of Ibri, with a total contract value of OMR 21 million. This project is expected to enhance the reliability of electricity distribution, improve grid efficiency and flexibility, strengthen the energy sector's infrastructure, and contribute to long-term operational sustainability.

As part of the company's strategy to diversify its project portfolio, it was awarded a contract by Afaq Advanced Technologies to undertake the design, supply, and installation of 132 kV switchgear panels at the main station in Salalah Free Zone. The company also secured a contract to execute the sewerage line works for the Sultan Haitham City project. These projects are expected to contribute to the development of sustainable infrastructure and support environmental preservation efforts.

It is noteworthy that the total value of projects under execution by the company at the end of last year amounted to approximately 180 million Omani Riyals, reflecting the size of the company's project portfolio and the operational expansion achieved during the past period. In terms of challenges related to liquidity management and delays by certain clients in settling dues, the company has adopted a strategic approach based on the careful selection of projects, prioritizing those with higher financial viability and more stable cash flows. This approach aims to enhance working capital management efficiency, mitigate financial risks, and ensure the sustainability of the company's operational and financial performance over the long term.

FINANCIAL PERFORMANCE

The company achieved solid results in 2025, reporting a net profit attributable to the parent company of OMR 3.2 million and consolidated net profit of OMR 2.7 million.

However, delays by certain entities in settling outstanding receivables due to the company continue to pose a key challenge, leading the company to rely on borrowings to finance part of its operating activities. In this regard, the company continues to pursue the necessary measures to collect its receivables, with the aim of mitigating the impact on cash flow and strengthening its financial stability.

CSR INITIATIVES & DONATIONS

At the beginning of each year, the company establishes a plan for the disbursement of the amount approved by the Annual General Meeting. In this context, due consideration is given to the diversity of activities undertaken by accredited charitable associations as well as their geographical distribution.

An amount of OMR 20,000 was disbursed in accordance with the approved plan, taking into consideration the diversity of charitable fields of work and ensuring coverage across the various governorates of the Sultanate.

DIVIDEND DISTRIBUTION

The Board of Directors is pleased to recommend a cash dividend of 10 % of capital (10 Baisa per share) for shareholder approval at the AGM.

Dividend Distribution Over the Past Five Years:

Year	2020	2021	2022	2023	2024
Dividend %	8.33	12.6932	12.1429	10	10
Cash %	-	5	5	10	10
Bonus Shares %	8.33	7.6923	7.1429	-	-

INTERNAL CONTROL & CORPORATE GOVERNANCE

The Board of Directors (BOD) is continuously reviewing and developing the internal control systems and procedures to ensure the orderly and efficient conduct of the business. The BOD’s effort in this area is supported by the direct supervision of the Audit Committee over the Internal and External Auditors. Currently, the company has a full-fledged Internal Audit Unit with qualified staff to assist the Audit Committee and Executive Management in strengthening the internal controls and mitigating potential risks. The Audit process covers the entire controlling systems of the company including IT, administrative and financial systems.

TRAINING & OMANIZATION

The company views Omanisation as a national responsibility. During 2025, it achieved an Omanisation rate of 36.4%, in line with the Omanisation plan approved at the beginning of the year. The Omanisation rate in supervisory positions reached 90%, while expatriate workforce presence is primarily concentrated in service and skilled trade roles.

It is noteworthy that Omani youth currently occupy supervisory positions across the company’s project sites throughout the Sultanate with competence and distinction. This has earned the appreciation and commendation of clients, reflecting the high level of qualification and professionalism demonstrated by the national workforce.

ACKNOWLEDGMENTS

On behalf of the Board of Directors, I extend our deepest gratitude and unwavering loyalty to His Majesty Sultan Haitham bin Tariq, reaffirming our commitment to His Majesty's vision for a prosperous Oman.

We also express our sincere appreciation to our clients, suppliers, and partners for their continued trust and collaboration. A special acknowledgment goes to our dedicated employees across Oman, whose hard work and dedication have been instrumental in ONEIC's success.

Lastly, I would like to thank our shareholders for their active participation and continued support. The Board of Directors remains steadfast in its commitment to delivering value and ensuring sustainable growth for ONEIC.

Aimen Ahmed Sultan Al Hosni
Chairman