

### Management Discussion and Analysis report for the year 2021

Covid-19 continued to impact the business in multiple ways. The increased pace of vaccination and subsequent economic rebound given anticipation of faster re-opening in some of its key western markets led to increased demand but logistics issues in terms of availability and costs played a dampener in the offtake. As per market estimates, Logistics issues had a major impact for the full year 2021 and is expected to continue further during 2022. The company is pushing for more Ex-works/FOB sales to mitigate the cost impact

The company also had to take a hit in expenses in the second half of the year due to increased prices for raw materials and packaging materials as a result of demand supply imbalance, high energy cost and logistics issues and also reduce production for approximately two weeks due to manning shortages arising of Covid issues

Despite above challenges the company managed to come closer to last year sales revenue with improvement in the country mix in line with the company strategy to develop higher sales to developed markets

The Management conservatively estimates the bottom-line impact due to Covid-19 to be in the range of 270 K OMR and that the financial results do not fully reflect the improvement in company performance in terms of positive improvement in product and customer mix with more increasing sales to higher priced developed markets and sales growth in the food category

Furthermore, I would like to express gratitude to our Board of Directors' for their seamless and valuable strategic input at various stages.

Drawing on their expertise and varied background and their effective process and corporate governance management, every member of the Board safeguards a solid strategic counsel and direction alignment, creating a whole that is greater than the sum of its parts.

I remain confident that all Majan Glass team members will further facilitate the efficiency and effectiveness of our business model and secure execution excellence in implementing our strategy for the future

### Detailed discussion on Financial and operational performance:

The following is the summary of financial and operational results up to the end of year 2021:

Particulars	Year2021	Year2020	Variance %
Sales Revenue Amount in RO	11,624,453	12,138,887	-4%
Production in million bottles	355.358	392.828	-10%
Profit / (Loss) Before Tax Amount in RO	(843,287)	(1,180,444)	29%
Provision for Taxation Amount in RO	(225,274)	133,316	
Profit / (Loss) After Tax Amount in RO	(1,068,561)	(1,047,128)	-2%

### Quarter wise Performance Highlights 2021

Particulars	QI 03-21	QII 06-21	QIII 09-21	QIV 12-21	TOTAL YE 2021	TOTAL YE 2020
Sales Million Bottles	76.868	88.588	92.698	98.554	356.708	382.892
Production Million Bottles	94.821	84.43	83.01	93.097	355.358	392.828
<b>OPERATIONAL HIGHLIGHTS - (All Amounts in RO Millions)</b>						
Sales	2.576	2.744	2.789	3.515	11.624	12.139
Cost of Goods Sold	2.12	2.552	2.614	2.813	10.099	10.652
Gross Profit	0.456	0.192	0.176	0.702	1.526	1.486
Net Profit /(Loss) Before Tax	(0.042)	(0.373)	(0.445)	0.017	(0.843)	(1.180)
Income tax				(0.225)	(0.225)	.0133
Net Profit /(Loss) after Tax	(0.042)	(0.373)	(0.445)	(0.208)	(1.069)	(1.047)
EBIDTA	0.349	0.051	(0.033)	0.412	0.779	0.564



### Employment status

Employees	2021	2020	2019	2018	2017	2016	2015	2014	2013
Omani	102	94	92	86	83	83	62	67	79
Expatriates	140	156	163	155	169	165	163	164	161
<b>Total</b>	<b>242</b>	<b>250</b>	<b>255</b>	<b>241</b>	<b>252</b>	<b>248</b>	<b>225</b>	<b>231</b>	<b>240</b>

The Company is committed to recruiting and providing training to Omani employees so as to enable them to undertake responsibilities in various areas of Operations and Administration. The Omanisation percentage, as at the end of 31 December 2021, was 42%.

### Litigations

There are two employee cases registered against the company for change of Basic Salary wherein for the first case, the primary court has awarded the Judgement in favour of the employee, however the company has filed an appeal against the judgement.

One of the above employee has also filed another case against the company demanding backlog salary for all the time lost

Below is the table of the Cases

Name of the employee	Matter of the case	Primary judgement	Court	Appeal Date	Final Status
Ali Rashid Khalfan Saeed Al Kaabi	Change of basic from RO 250 to RO 325	In favor of the employee on 31 DEC 2021	on 31	07/02/2022	Awaiting hearing on 21 March 2022
Ali Rashid Khalfan Saeed Al Kaabi	Back log salary of RO 872 plus court fees RO 300	Hearing on 14 Feb 2022			Court decided for judgment on 21 Feb 2022
Ahmed ali Salim Al Ansari	Change of basic from RO 250 to RO 325	In favor of the employee on 31 DEC 2021	on 31	07/02/2022	Awaiting hearing on 21 Feb 2022

