



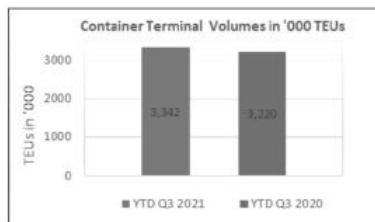
DIRECTOR'S REPORT FOR THE NINE MONTHS ENDED 30TH SEPTEMBER, 2021

Dear Shareholders,

On behalf of the Board of Directors, I have the pleasure in presenting the unaudited consolidated financial results of your company for the period ended 30th Sep, 2021 (YTD Sep21).

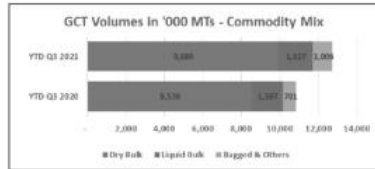
Operational Overview

The CT has handled 3,342 million TEUs (Twenty-foot Equivalent Units) during YTD Sep21, as against 3,220 million TEUs against the same period last year an increase of 4%. This has been possible due to strong support from one of our major customers despite very challenging business environment.



On productivity, the CT has registered consistent improvements in Port Stay performance during YTD Sep21. This showcases the organization's success in focusing on continuous improvements.

The GCT has handled 12.721 million tons of general cargo during YTD Sep21, as compared to 10.837 million tons same period last year an increase of 17%. The major commodities handled are limestone, gypsum, methanol and cement, which are exported from Salalah to nearby markets, and continue to drive the general cargo business.



Financial Overview

Consolidated net profit for YTD Sep21 was recorded at RO 3,998 million, as compared to the corresponding period last year at profit of RO 12,750 Million. Consolidated EBITDA was recorded at RO 12,470 million YTD Sep21, as compared to RO 22,978 million during same period last year. This includes an insurance claim amount of OMR 11,250 million. The insurance compensation received in the previous year related to the settlement agreement reached relating to the damage caused by Cyclone Mekunu in May 2018.

Total Revenue from Operations increased with 4% compared to same period last year mainly due to the strong volume development of the General Cargo business.

Compared to the same period last year the operational expenses for the first 9 months of 2021 decreased by 1%. This was mostly the result of higher maintenance and repair costs on the one hand, and lower concession fee payments (impacted by the insurance compensation received in 2020) on the other hand.

Year 2020	Particulars	RO, 000	
		1 Jan 2021 to 30th Sep 2021	1 Jan 2020 to 30th Sep 2020
4,344	Volume	3,342	3,220
15,296	Container Terminal (TEUs'000)	12,721	10,837
65,606	General Cargo Terminal (Tons'000)	49,468	47,294
	Profitability (RO 000)		
17,286	Net Profit before tax	4,710	15,000
14,807	Net Profit/ (Loss) after tax	3,998	12,750
	Ratios		
22.56	Net profit / (Loss) (%)	8%	27%
0.08	Earnings per share (RO)	0.02	0.07
0.40	Book value per share (RO)	0.40	0.39

Employee Development

Port of Salalah is steadfast in developing and enhancing employees' productivity as people are the primary asset of the company. Various safety, technical, management and administration trainings are imparted to the staff.

Safety continues to be maintained as a top priority to ensure that employees continue to perform and deliver their tasks safely.

Corporate Social Responsibility (CSR)

Port of Salalah strongly believes in a CSR program that is aligned with the pillars of sustainability and volunteerism and it is fundamental to our business. During YTD Sep21, 2021 the company is constantly committed to local initiatives with a significant focus on education, Community development, environment, safety and health.

Future Outlook

IMF maintained its projection of the economic growth at 6% in 2021 and 4.3% in 2022. Economies recovering from the restrictions imposed due to COVID-19 has seen increased demand for goods which was met with low supply, especially those that depends on suppliers that are located in Asian markets and its expected that those constrains will remain, impacting the manufacturing output to early next year.

The shipping rates are expected to remain high in the near term despite major shipping lines declaring a cap on spot rates. However, the shipping lines have been under pressure by regulators of certain governments to reduce the rates to improve the economic outlook as supply chain disruption is being identified as a significant bottleneck to the economic recovery.

On the container side of business, Importers and exporters based in Salalah are also facing the pressure of higher freight rates and non-availability of equipment as in other parts of the world which is expected to impact the gate volume in Q4.

As for the general cargo business, the rise in higher tonnage and demand for gearless vessels continues to put pressure on exporters of dry bulk. While the forecast of dry bulk volumes and other cargo remains positive indicating a strong volume pipeline during the last quarter, the excessive increase in vessel charter and thereby freight rates, by 200-250%, has a potential to negatively impact the dry bulk volume performance in Q4.

Conclusion

On behalf of the Board of Directors and the Shareholders of the company, we record the sincere appreciation and gratitude to His Majesty Sultan Haitham bin Tariq, for his strategic vision, leadership, and his continued support, without which it would not have been possible to establish and maintain this world-class port.

We also thank our customers, investors, and partners at the Salalah Hub and Ministry of Transport, Communications and Information Technology and members of the Government bodies we work together with.

We place on record our appreciation for the contributions of all our employees, who continue to perform with high distinction.

On behalf of the Board of Directors,

Brak Musallam Al Amri
Chairman, Board of Directors,
Salalah Port Services Co. SAOG
November 4, 2021

UNAUDITED CONSOLIDATED AND PARENT STATEMENT OF FINANCIAL POSITION AS OF 30TH SEPTEMBER, 2021

Parent Company	Consolidated		Parent Company	Consolidated	
	Sep-2020	Sep-2021		Sep-2020	Sep-2021
US \$ '000	US \$ '000	US \$ '000	RO '000	RO '000	
ASSETS					
Non Current Assets					
Property and equipment	144,867	136,801	145,124	137,024	
Right of use of Assets	29,775	25,828	29,864	25,905	
Intangible assets	302	265	302	265	
Investments in Subsidiary	512	548	-	-	
	175,256	163,438	175,290	163,194	
Current Assets					
Inventories	5,888	7,118	5,868	7,118	
Other current assets	5,634	4,605	5,634	4,605	
Trade receivables	8,666	6,013	8,666	6,013	
Other financial assets at amortised cost	3,219	4,329	3,219	4,329	
Short term deposits	28,000	32,500	28,000	32,500	
Cash and cash equivalents	108,973	97,338	108,973	97,338	
Total current assets	158,360	151,903	158,360	151,903	
Non Current Asset held for Sale	-	-	-	-	
	158,360	151,903	158,360	151,903	
	333,616	315,341	333,650	315,097	
TOTAL ASSETS	46,758	46,758	46,758	46,758	
EQUITY					
Share capital	7,666	7,666	7,666	7,666	
Legal reserve	15,584	15,584	15,584	15,584	
Retained earnings	113,284	117,379	113,892	117,898	
Equity attributable to equity holders of the parent company	183,292	187,387	183,900	187,904	
Non controlling interests	-	-	202	-	
	183,292	187,387	184,102	187,904	
LIABILITIES					
Non Current Liabilities					
Lease Liabilities	27,496	24,525	27,589	24,610	
Employees' end of service benefits	9,718	9,537	9,718	9,537	
Deferred tax	14,190	12,013	14,180	12,002	
	51,404	46,075	51,487	46,149	
Current Liabilities					
Lease Liabilities	4,716	4,716	4,716	4,716	
Trade and other payables	79,264	67,679	78,386	66,845	
Contract liabilities	8,820	7,491	8,820	7,491	
Current tax liabilities	6,120	1,993	6,139	1,992	
	98,920	81,879	90,061	81,044	
	150,324	127,954	149,548	127,193	
	333,616	315,341	333,650	315,097	
	1.02	1.04	1.02	1.04	

UNAUDITED CONSOLIDATED AND PARENT STATEMENT OF COMPREHENSIVE INCOME FOR 9 MONTHS ENDED 30TH SEPTEMBER 2021

Parent Company	Consolidated		Parent Company	Consolidated	
	Sep-2020	Sep-2021		Sep-2020	Sep-2021
US \$ '000	US \$ '000	US \$ '000	RO '000	RO '000	
Revenue	122,778	126,578	122,964	126,615	
Direct operating costs	(80,162)	(85,161)	(80,162)	(85,161)	
Other operating expenses	(16,212)	(13,070)	(16,251)	(13,095)	
Administration and general expenses	(18,368)	(19,094)	(18,378)	(19,105)	
Impairment Loss of Financial Assets	(39)	190	(39)	190	
Gain/(Loss) on sale/scrap property and equipment	(647)	-	(647)	-	
Other Income	1,245	1,88	1,245	1,88	
Profit / (Loss) from operations	8,596	11,631	8,732	11,632	
Cyclone related expenses	(49)	-	(49)	-	
Insurance Compensation	29,633	-	29,633	-	
Finance costs	2,292	2,025	2,292	2,025	
Profit / (Loss) for the period before tax	(1,590)	(1,410)	(1,603)	(1,414)	
Income tax	38,873	12,246	39,005	12,243	
Income tax	(5,831)	(1,876)	(5,850)	(1,876)	
Profit / (Loss) for the period	33,042	10,370	33,155	10,367	
Other comprehensive income for the period, net of tax	-	-	-	-	
Total comprehensive income for the period, net of tax	33,042	10,370	33,155	10,367	
Profit attributable to :					
Equity holders of the parent	33,042	10,370	33,133	10,367	
Non-controlling interests	-	-	22	-	
Total comprehensive income attributable to :					
Equity holders of the parent	33,042	10,370	33,133	10,367	
Non-controlling interests	-	-	22	-	
	33,042	10,370	33,155	10,367	
	0.18	0.06	0.18	0.06	

The complete accounts of the company will be delivered or sent by mail to any shareholder who requests them, in either Arabic or English as requested, within seven days of receipt of the request.