

DIRECTOR'S REPORT

Dear Shareholders,

On behalf of the Board of Directors, I have the pleasure in presenting the annual report of your company along with the audited financial statements for the year ended 31st December 2024.

Operational Overview

During the year 2024 the container terminal handled a volume of 3.3 million TEUs (2023: 3.8 million TEUs). The company has retained all major customers and Maersk's contribution to the total business has remained consistent during the year.

The Port of Salalah General Cargo segment has handled 22.6 million tons during 2024 as compared to 20.6 million during 2023 a growth of 10%. The overall general cargo volume increase is due to Dry bulk volumes (viz limestone & gypsum). The general cargo volumes handled at Berth 31 have been included in the container terminal financials, as in the previous year, due to the conversion of the berth into a multipurpose terminal facility.

The Company's top priority is ensuring the safety of its employees, contractors, and customers, and to this end, the company continues to invest in technology and infrastructure to minimize the risk. The Company continues to focus on improvements through various initiatives to maintain operations of a world-class terminal and has maintained consistent productivity levels.

Financial Overview

The consolidated revenue from operations for 2024 is recorded at RO 70 million increase of 2%. Consolidated EBITDA is recorded at RO 15.6 million which corresponds to an EBITDA margin of 22%. This compares to RO 13.3 million a margin of 19% during the corresponding period last year. Consolidated Net Profit for the year 2024 is recorded at RO 2.3 million, as compared to RO 2.8 million during the corresponding period last year.

During 2024, your company distributed 10 baiza per share annual dividend pertaining to the year 2023. Considering various capital expenditure plans to meet the equipment life cycle, port improvement needs, growth ambition, the fixed lease for the CT upgrade equipment, as well as the volatile market conditions for international trade the Board of Directors are pleased to recommend the distribution of a dividend of 10 baiza per share on the paid-up equity share capital of the company, resulting in a total cash disbursement of RO 1.798 million for the year 2024.

Dividend history for the last 5 years

	2018	2019	2020	2021	2022	2023
Dividend %	15%	20%	25%	10%	10%	10%
Cash Outlay (RO'000)	2,698	3,597	4,496	1,798	1,798	1,798

Employee Development

Our people contribute to the success of the company. In order for the company to stay competitive it needs to remain at the forefront of the industry with continued education on procedures, technologies, and best practices. The company continues to invest in training and development of its workers, with a focus on enhancing the Omanization and skills development of local talent.

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. The company has invested RO 0.10 million in CSR initiatives during 2024 contributing to the local Dhofar region in which we operate as well as segments of communities requiring support. Impacting the local Dhofar region and benefiting the larger segments of communities requiring support are the guiding posts of the company's CSR program.

Outlook :

The Port of Salalah is positioned for continued growth despite regional geopolitical challenges. While trade disruptions near Yemen and the Red Sea may impact shipping routes, the Container Terminal remains highly efficient and congestion-free.

Global container volume growth for 2025 is projected to be around 4%, with our key customers expected to grow in line with the market. However, the situation in the Red Sea remains uncertain and will affect Salalah's container handling volumes. While the geopolitical situation in the Middle East has shown signs of improvement and the likelihood of the Red Sea reopening has increased, there is no immediate indication of this happening. By Q1 2025, the container upgrade will be completed, and the terminal will be fully prepared to accommodate the Gemini Network, a global vessel-sharing agreement between Maersk and Hapag-Lloyd, enhancing Salalah's role as a strategic transshipment hub.

General cargo volumes are projected to remain steady, with dry bulk commodities —particularly limestone and gypsum — continuing to be key drivers. Demand from India and Southeast Asia's construction and manufacturing sectors is expected to sustain strong exports. Despite global economic fluctuations and freight rate volatility, these sectors are relatively resilient to short-term demand shocks.

Additional growth is anticipated in breakbulk cargo, alongside continued expansion in the liquid bulk segment. As a result, total cargo volumes are expected to surpass 2024 levels by the end of the year.

Overall, the Port of Salalah is well-positioned for growth, leveraging its efficiency, expanded capacity, and strategic shipping partnerships to enhance its role as a key regional hub.

Conclusion

On behalf of the Board of Directors and the shareholders of the company, I record the sincere appreciation and gratitude to His Majesty Sultan Haitham bin Tariq, for his strategic vision, leadership, and his continued support. I also thank our customers, investors and the members of the government we collaborate with.

Lastly, but certainly not least, I place on record our appreciation for the contributions made by our employees in achieving the level of performance in 2024. Our consistent growth was possible by their hard work, solidarity, cooperation, and support.

On behalf of the Board of Directors,

Braik Musallam Al Amri
Chairman of Board of Directors,
Salalah Port Services Co. SAOG
18th February 2025

AUDITED CONSOLIDATED AND PARENT STATEMENT OF FINANCIAL POSITION AS OF 31 ST DECEMBER 2024

Parent Company		Consolidated		Parent Company		Consolidated	
2023	2024	2023	2024	2024	2023	2024	2023
US \$ '000	US \$ '000	US \$ '000	US \$ '000	RO '000	RO '000	RO '000	RO '000
1,55,168	1,68,493	1,55,332	1,68,631	64,807	59,680	64,860	59,744
19,129	58,583	19,181	58,627	22,531	7,357	22,548	7,377
1,246	2,596	1,246	2,596	998	479	998	479
546	546	-	-	210	210	-	-
49,400	49,400	49,400	49,400	19,000	19,000	19,000	19,000
2,25,489	2,79,618	2,25,159	2,79,254	1,07,546	86,726	1,07,406	86,600
6,944	6,251	6,944	6,251	2,404	2,671	2,404	2,671
7,673	13,596	7,673	13,596	5,229	2,951	5,229	2,951
30,399	16,048	30,399	16,048	6,172	11,692	6,172	11,692
4,970	14,612	4,970	14,612	5,619	1,911	5,619	1,911
30,601	25,601	30,601	25,601	9,846	11,769	9,846	11,769
14,245	5,552	14,245	5,552	2,136	5,479	2,136	5,479
94,832	81,660	94,832	81,660	31,406	36,473	31,406	36,473
3,20,321	3,61,278	3,19,991	3,60,914	1,38,952	1,23,199	1,38,812	1,23,073
46,758	46,758	46,758	46,758	17,984	17,984	17,984	17,984
7,666	7,666	7,666	7,666	2,949	2,949	2,949	2,949
15,584	15,584	15,665	15,681	5,994	5,994	6,031	6,025
1,25,501	1,26,607	1,25,815	1,27,006	48,698	48,272	48,849	48,390
1,95,509	1,96,615	1,95,904	1,97,111	75,625	75,199	75,813	75,348
18,159	57,662	18,217	57,697	22,177	6,984	22,192	7,007
13,039	13,634	13,039	13,634	5,244	5,015	5,244	5,015
9,445	6,830	9,432	6,818	2,627	3,633	2,622	3,628
40,643	78,126	40,688	78,149	30,048	15,632	30,058	15,650
5,473	11,837	5,475	11,849	4,553	2,104	4,557	2,106
60,239	71,050	59,470	70,139	27,323	23,165	26,975	22,870
16,241	-	16,241	-	-	6,247	-	6,247
2,216	3,650	2,213	3,666	1,403	852	1,409	852
84,169	86,537	83,399	85,654	33,279	32,368	32,941	32,075
1,24,812	1,64,663	1,24,087	1,63,803	63,327	48,000	62,999	47,725
3,20,321	3,61,278	3,19,991	3,60,914	1,38,952	1,23,199	1,38,812	1,23,073
1.09	1.09	1.09	1.10	0.42	0.42	0.42	0.42

AUDITED CONSOLIDATED AND PARENT STATEMENT OF INCOME FOR THE PERIOD 31 ST DECEMBER 2024

Parent Company		Consolidated		Parent Company		Consolidated	
2023	2024	2023	2024	2024	2023	2024	2023
US \$ '000	US \$ '000	US \$ '000	US \$ '000	RO '000	RO '000	RO '000	RO '000
1,78,302	1,81,790	1,78,302	1,81,958	69,919	68,578	69,984	68,578
(1,31,998)	(1,33,067)	(1,32,008)	(1,33,075)	(51,179)	(50,768)	(51,182)	(50,772)
(17,182)	(22,067)	(17,211)	(22,113)	(8,486)	(6,608)	(8,504)	(6,619)
(23,874)	(22,281)	(23,887)	(22,291)	(8,571)	(9,182)	(8,575)	(9,187)
23	(175)	23	(175)	(68)	9	(68)	9
1,257	1,131	1,257	1,131	435	483	435	483
6,528	5,331	6,476	5,435	2,050	2,512	2,090	2,492
3,693	4,617	3,693	4,617	1,776	1,420	1,776	1,420
(1,564)	(3,052)	(1,568)	(3,055)	(1,174)	(601)	(1,175)	(603)
8,657	6,896	8,601	6,997	2,652	3,331	2,691	3,309
(1,313)	(1,114)	(1,313)	(1,130)	(428)	(505)	(434)	(505)
7,344	5,782	7,288	5,867	2,224	2,826	2,257	2,804
-	-	-	-	-	-	-	-
7,344	5,782	7,288	5,867	2,224	2,826	2,257	2,804
7,344	5,782	7,288	5,867	2,224	2,826	2,257	2,804
7,344	5,782	7,288	5,867	2,224	2,826	2,257	2,804
0.04	0.03	0.04	0.03	0.01	0.02	0.01	0.02

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.