

DIRECTOR'S REPORT FOR 3 MONTHS ENDED 31ST MARCH 2024

Dear Shareholders,

On behalf of the Board of Directors, I have the pleasure in presenting the annual report of your company along with the Unaudited consolidated financial results for the first quarter March 31, 2024 (Q1 2024).

Operational Overview

During Q1 2024 the container terminal handled a volume of 878 K TEUs compared to 1056 K TEUs in corresponding period last year, a decrease of -17%. Container terminal throughput decreased in Q1-2024 vs Q1-2023 driven by the Red Sea issue and capacity constraint related to the ongoing upgrade.

The Port of Salalah General Cargo segment has handled 5.763 million tons during Q1 2024 as compared to 5.039 million during Q1 2023, a growth of 14%. The overall general cargo volume increase is due to higher demand in export markets for dry bulk (gypsum and limestone).

In Q1 2024, The Company received its first 4 STS (Ship-To-Shore) cranes for the Container Terminal as part of the ongoing upgrade. The Company's top priority remains to ensure 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.

Financial Overview

The consolidated revenue from operations for 2024 is recorded at RO 17.929 million compared to RO 17.939 million. Consolidated EBITDA is recorded at RO 3.605 million compared to RO 4.118 million. Consolidated Net Profit for Q1 2024 is recorded at RO 846K, as compared to RO 1.169 million during the corresponding period last year.

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 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. 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 ongoing disruptions in the Red Sea are having a significant impact on global container transport, and consequently, our operations in Salalah are also being affected. Major customers have adjusted their networks, rerouting eastbound services to Cape of Good Hope or implementing suspension of some services.

Forecasts for the remainder of 2024 indicate a sustained decrease in overall container volume, estimated at -20-25% driven by transshipment volume, as the resolution of the ongoing crisis remains uncertain. However, gate volume is not expected to be impacted except for longer transit times faced by customers and limited space availability. Having said that, mitigation initiatives are underway to minimize the gap created by the decline in transshipment volume which will remain the key focus for the remainder of the year.

The general cargo volume, driven by the dry bulk and liquid bulk sectors, displayed notable resilience in Q1, showcasing a robust year-on-year growth despite rising costs stemming from increased insurance costs. This resilience can be attributed to strong demand in Asia. Forecasts indicate that this strong performance is to be sustained throughout the remainder of the year, defying prevailing challenges.

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, without which it would not have been possible to establish and maintain this world-class port. I also thank our customers, investors, and the members of the government we work together.

We place on record our appreciation for the contributions of all our employees, who continue to perform with high distinction. 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
7th May 2024

UNAUDITED CONSOLIDATED AND PARENT STATEMENT OF FINANCIAL POSITION AS OF 31ST MARCH 2024

Parent Company		Consolidated		Parent Company		Consolidated	
Mar-2024	Mar-2023	Mar-2024	Mar-2023	Mar-2024	Mar-2023	Mar-2024	Mar-2023
US \$ '000	US \$ '000	US \$ '000	US \$ '000	RO'000	RO'000	RO'000	RO'000
1,41,255	1,53,526	1,41,439	1,53,685	59,047	54,328	59,108	54,399
20,011	18,148	20,072	18,199	6,980	7,697	7,000	7,720
1,644	1,082	1,644	1,082	416	631	416	631
546	546	-	-	210	210	-	-
26,000	49,401	26,000	49,401	19,000	10,000	19,000	10,000
1,89,456	2,22,703	1,89,155	2,22,367	85,653	72,866	85,524	72,750
8,427	6,294	8,427	6,294	2,420	3,241	2,420	3,241
5,738	7,667	5,738	7,667	2,949	2,207	2,949	2,207
6,980	15,054	6,980	15,054	5,789	2,685	5,789	2,685
4,010	7,522	4,010	7,522	2,893	1,542	2,893	1,542
20,601	30,600	20,601	30,600	11,769	7,923	11,769	7,923
71,824	13,238	71,824	13,239	5,092	27,625	5,093	27,625
1,17,580	80,375	1,17,580	80,376	30,912	45,223	30,913	45,223
3,07,036	3,03,078	3,06,735	3,02,743	1,16,565	1,18,089	1,16,437	1,17,973
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	15,665	5,994	5,994	6,025	6,025
1,21,217	1,23,033	1,21,578	1,23,337	47,325	46,621	47,438	46,756
1,91,225	1,93,041	1,91,667	1,93,426	74,252	73,548	74,396	73,714
1,91,225	1,93,041	1,91,667	1,93,426	74,252	73,548	74,396	73,714
19,174	17,056	19,241	17,105	6,560	7,374	6,578	7,400
11,007	13,377	11,007	13,377	5,145	4,233	5,145	4,233
9,848	8,923	9,836	8,910	3,432	3,788	3,427	3,783
40,029	39,356	40,084	39,392	15,137	15,395	15,150	15,416
5,096	5,540	5,100	5,551	2,131	1,960	2,135	1,962
54,671	52,401	53,869	51,634	20,144	21,027	19,855	20,722
13,580	9,598	13,580	9,598	3,692	5,223	3,692	5,223
2,435	3,142	2,435	3,142	1,209	936	1,209	936
75,782	70,681	74,984	69,925	27,176	29,146	26,891	28,843
1,15,811	1,10,037	1,15,068	1,09,317	42,313	44,541	42,041	44,259
3,07,036	3,03,078	3,06,735	3,02,743	1,16,565	1,18,089	1,16,437	1,17,973
1.06	1.07	1.07	1.08	0.41	0.41	0.41	0.41

UNAUDITED CONSOLIDATED AND PARENT STATEMENT OF INCOME FOR THE PERIOD 31ST MARCH 2024

Parent Company		Consolidated		Parent Company		Consolidated	
Mar-2024	Mar-2023	Mar-2024	Mar-2023	Mar-2024	Mar-2023	Mar-2024	Mar-2023
US \$ '000	US \$ '000	US \$ '000	US \$ '000	RO'000	RO'000	RO'000	RO'000
46,641	46,616	46,641	46,616	17,929	17,939	17,929	17,939
(32,798)	(34,224)	(32,798)	(34,224)	(13,162)	(12,615)	(13,162)	(12,615)
(4,372)	(5,028)	(4,379)	(5,035)	(1,933)	(1,680)	(1,936)	(1,683)
(6,112)	(5,620)	(6,117)	(5,622)	(2,163)	(2,353)	(2,164)	(2,354)
(142)	(118)	(142)	(118)	(45)	(54)	(45)	(54)
137	202	137	202	78	53	78	53
3,354	1,828	3,342	1,819	704	1,290	700	1,286
617	1,142	617	1,142	439	237	439	237
(373)	(358)	(374)	(359)	(137)	(159)	(138)	(144)
3,598	2,612	3,585	2,602	1,006	1,384	1,001	1,379
(542)	(404)	(542)	(404)	(155)	(209)	(155)	(209)
3,056	2,208	3,043	2,198	851	1,175	846	1,170
-	-	-	-	-	-	-	-
3,056	2,208	3,043	2,198	851	1,175	846	1,170
-	-	-	-	-	-	-	-
3,056	2,208	3,043	2,198	851	1,175	846	1,170
-	-	-	-	-	-	-	-
3,056	2,208	3,043	2,198	851	1,175	846	1,170
0.02	0.01	0.02	0.01	0.01	0.01	0.01	0.01