

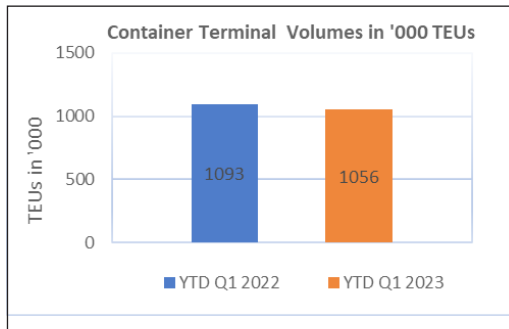
DIRECTOR'S REPORT FOR THE FIRST QUARTER ENDED 31ST MARCH 2023

Dear Shareholders,

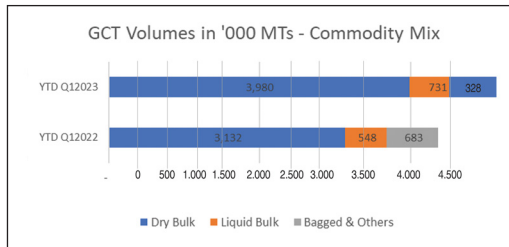
On behalf of the Board of Directors, I have the pleasure in presenting the unaudited consolidated financial results of your company for the first quarter ended March 31, 2023 (Q1 2023).

Company Performance

During Q1, 2023 the Container Terminal (CT) handled 1056 K TEUs compared to 1093 K TEUs in corresponding period last year. The company has retained all major customers and Maersk Lines our major business partner has maintained consistent volumes.



The GCT has handled 5039 K tons of general cargo during Q1 2023, as compared to 4,363 K tons in Q1 2022. The positive volume development of general cargo is seen in the last quarter of 2022 continued in the first quarter of 2023 with volume increase of 15% as compared to corresponding period last year. 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 Q1, 2023 was recorded at RO 1,170 K, as compared to the corresponding period last year profit of RO 908K. Consolidated EBITDA was recorded at RO 4.118 million during Q1, 2023, as compared to RO3.155 million during same period last year. The EBITDA margin has been impacted due to lower maintenance & repair cost, marine and staff cost.

Revenues of GCT have increased by 6.1% compared to the same period last year mainly due to higher dry bulk volumes supported by productivity of new MHC's in general cargo. The general cargo revenue for volumes handled at Berth 31 has been included in the container terminal financials, as in the previous year, due to the conversion of the berth into a container terminal facility.

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.

Year 2022	Particulars	1 Jan 2023 to 31st Mar 2023	1 Jan 2022 to 31st Mar 2022
	Volume		
4,344	Container Terminal (TEUs'000)	1,056	1,093
15,296	General Cargo Terminal (Tons'000)	5,039	4,363
70,909	Revenue (RO'000)	17,939	17,258
	Profitability (RO'000)		
3,924	Net Profit before tax	1,379	1,161
3,222	Net Profit/ (Loss) after tax	1,170	908
	Ratios		
4.54	Net profit / (Loss) (%)	6.52	5.26
0.03	Earnings per share (RO)	0.01	0.01
0.40	Book value per share (RO)	0.41	0.40

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.

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 post of the company CSR program.

Future Outlook

While global container volume declined in Q1 2023 due to weakening of the underlying supply/demand balance, Container freight rates have stabilized to 2019 (Pre-pandemic) levels and with more capacity and equipment available which is expected to ease the burden on the trade caused by the high freight rates.

In the containerized segment, while the transshipment volume, which holds the lions share, continues to be performing in line with same period last year and Import gate volumes were at 14% YoY growth despite the negative development at a global level. The positive trend with the gate volume growth is expected to continue in 2023 lead by various initiatives including re-distribution, container conversion of bulk as well as Yemen gateway.

With an ambitious target of 20MMT by end 2023 (a growth of 10% YoY), The General Cargo business is off to a good start in Q1 '23 with volume performing on target and delivering a 10% YoY growth. The key commodity segments i.e dry bulk (Limestone and Gypsum) as well as Liquid bulk are showing growth and forecast also remains strong for the rest of the year despite the increase in vessel charter for dry bulk. The major dry bulk importing markets India and Vietnam are also forecasting positive growth.

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,

Braik Musallam Al Amri
Chairman
Salalah Port Services Co. SAOG
May 3rd, 2023

UNAUDITED CONSOLIDATED AND PARENT STATEMENT OF FINANCIAL POSITION AS OF 31ST MARCH 2023

Parent Company		Consolidated		Parent Company		Consolidated	
Mar-2022	Mar-2023	Mar-2022	Mar-2023	Mar-2022	Mar-2023	Mar-2022	Mar-2023
US \$ '000	US \$ '000	US \$ '000	US \$ '000	RO'000	RO'000	RO'000	RO'000
152,221	142,682	152,432	142,866	54,878	58,546	54,949	58,629
23,963	20,011	24,033	20,072	7,697	9,217	7,720	9,244
249	211	249	211	81	95	81	95
546	546	-	-	210	210	-	-
-	26,000	-	26,000	10,000	-	10,000	-
176,979	189,450	176,714	189,149	72,866	68,068	72,750	67,968
7,257	8,427	7,257	8,427	3,241	2,791	3,241	2,791
2,981	3,973	2,981	3,973	1,529	1,146	1,529	1,146
30,074	6,980	30,074	6,980	2,685	11,567	2,685	11,567
8,986	5,776	8,986	5,776	2,220	3,456	2,220	3,456
32,500	20,601	32,500	20,601	7,923	12,500	7,923	12,500
69,150	71,824	69,150	71,824	27,625	26,596	27,625	26,596
150,948	117,581	150,948	117,581	45,223	58,056	45,223	58,056
327,927	307,031	327,662	306,730	118,089	126,124	117,973	126,024
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
116,780	121,217	117,214	121,578	46,621	44,911	46,756	45,077
186,788	191,225	187,303	191,667	73,548	71,838	73,714	72,035
22,783	19,174	22,863	19,241	7,374	8,762	7,400	8,793
10,001	11,007	10,001	11,007	4,233	3,847	4,233	3,847
9,998	9,848	9,989	9,836	3,788	3,846	3,783	3,842
42,782	40,029	42,853	40,084	15,395	16,455	15,416	16,482
4,950	5,096	4,950	5,100	1,960	1,904	1,962	1,904
56,844	54,666	55,990	53,864	21,027	21,864	20,722	21,539
35,968	13,580	35,968	13,580	5,223	13,834	5,223	13,834
595	2,435	598	2,435	936	229	936	230
98,357	75,777	97,506	74,979	29,146	37,831	28,843	37,507
141,139	115,806	140,359	115,063	44,541	54,286	44,259	53,989
327,927	307,031	327,662	306,730	118,089	126,124	117,973	126,024
1.04	1.06	1.04	1.07	0.41	0.40	0.41	0.40

UNAUDITED CONSOLIDATED AND PARENT STATEMENT OF COMPREHENSIVE INCOME FOR 31ST MARCH 2023

Parent Company		Consolidated		Parent Company		Consolidated	
Mar-2022	Mar-2023	Mar-2022	Mar-2023	Mar-2022	Mar-2023	Mar-2022	Mar-2023
US \$ '000	US \$ '000	US \$ '000	US \$ '000	RO'000	RO'000	RO'000	RO'000
44,861	46,641	44,870	46,641	17,939	17,254	17,939	17,258
(30,988)	(29,524)	(30,988)	(29,522)	(11,356)	(11,919)	(11,356)	(11,919)
(5,342)	(6,748)	(5,350)	(6,755)	(2,595)	(2,055)	(2,598)	(2,058)
(7,319)	(7,006)	(7,323)	(7,009)	(2,697)	(2,816)	(2,698)	(2,817)
(113)	(142)	(113)	(142)	(54)	(44)	(54)	(44)
1,674	137	1,674	137	53	644	53	644
2,773	3,358	2,770	3,350	1,290	1,064	1,286	1,064
674	617	674	617	237	259	237	259
(419)	(373)	(420)	(374)	(143)	(161)	(144)	(162)
3,028	3,602	3,024	3,593	1,384	1,162	1,379	1,161
(654)	(542)	(657)	(542)	(209)	(252)	(209)	(253)
2,374	3,060	2,367	3,051	1,175	910	1,170	908
-	-	-	-	-	-	-	-
2,374	3,060	2,367	3,051	1,175	910	1,170	908
2,374	3,060	2,367	3,051	1,175	910	1,170	908
-	-	-	-	-	-	-	-
2,374	3,060	2,367	3,051	1,175	910	1,170	908
-	-	-	-	-	-	-	-
2,374	3,060	2,367	3,051	1,175	910	1,170	908
0.01	0.02	0.01	0.02	0.01	0.01	0.01	0.01