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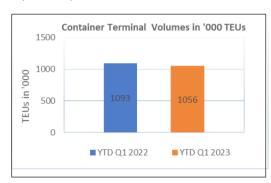
DIRECTOR'S REPORT FOR THE FIRST QUARTER ENDED 31ST MARCH 2023

Dear Shareholders.

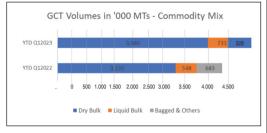
On behalf of the Board of Directors, I have the pleasure in presenting the unaudited consolidated financial results of your company for the first guarter ended March 31, 2023 (Q1 2023).

Company Performance

During 01, 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 R0 1,170 K, as compared to the corresponding period last year profit of R0 908K. Consolidated EBITDA was recorded at R0 4.118 million during Q1, 2023, as compared to R03.155 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	
4,344 15,296	Volume Container Terminal (TEUs'000) General Cargo Terminal (Tons'000)	1,056 5,039	1,093 4,363	
70.909	Revenue (RO'000)	17,939	17,258	
3,924 3,222	Profitability (RO'000) Net Profit before tax Net Profit/ (Loss) after tax	1,379 1,170	1,161 908	
4.54 0.03 0.40	Ratios Net profit / (Loss) (%) Earnings per share (RO) Book value per share (RO)	6.52 0.01 0.41	5.26 0.01 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 benefitting 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	Cons	olidated		Pare	ent Company	, Consc	olidated
Mar-2022		Mar-2022	Mar-2023		Mar-2023	Mar-2022	Mar-2023	Mar-2022
US \$ '000	US \$ '000	US \$ '000	US \$ '000		RO'000	RO'000	RO'000	RO'000
	· · · · · · · · · · · · · · · · · · ·			ASSETS	-			
				Non Current Assets				
152,221	142,682	152,432	142,866	Property and equipment	54,878	58,546	54,949	58,629
23,963	20,011	24,033	20,072	Right of use of Assets	7,697	9,217	7,720	9,244
249	211	249	211	Intangible assets	81	95	81	95
546	546	-	-	Investments in Subsidiary	210	210	-	-
-	26,000	-	26,000	Long term deposits	10,000	-	10,000	-
176,979	189,450	176,714	189,149	Total Non-current assets	72,866	68,068	72,750	67,968
				Current Assets				
7,257	8,427	7,257	8,427	Inventories	3,241	2,791	3,241	2,791
2,981	3,973	2,981	3,973	Other current assets	1,529	1,146	1,529	1,146
30,074	6,980	30,074	6,980	Trade receivables	2,685	11,567	2,685	11,567
8,986	5,776	8,986	5,776	Other financial assets at amortised cost	2,220	3,456	2,220	3,456
32,500	20,601	32,500	20,601	Short term deposits	7,923	12,500	7,923	12,500
69,150	71,824	69,150	71,824	Cash and cash equivalents	27,625	26,596	27,625	26,596
150,948	117,581	150,948	117,581	Total current assets	45,223	58,056	45,223	58,056
327,927	307,031	327,662	306,730	TOTAL ASSETS	118,089	126,124	117,973	126,024
40 ==0		40 ==0		EQUITY		.=		
46,758	46,758	46,758	46,758	Share capital	17,984	17,984	17,984	17,984
7,666	7,666	7,666	7,666	Share premium	2,949	2,949	2,949	2,949
15,584	15,584	15,665	15,665	Legal reserve	5,994	5,994	6,025	6,025
116,780	121,217	117,214	121,578	Retained earnings	46,621	44,911	46,756	45,077
186,788	191,225	187,303	191,667	TOTAL EQUITY	73,548	71,838	73,714	72,035
				LIABILITIES				
00.700	10 174	00.000	10 041	Non Current Liabilities	7 274	0.760	7 400	0.700
22,783	19,174 11,007	22,863	19,241 11,007	Lease Liabilities	7,374 4,233	8,762 3,847	7,400 4,233	8,793
10,001 9,998	9,848	10,001 9,989	9,836	Employees' end of service benefits Deferred tax	4,233 3,788	3,847	3,783	3,847 3,842
42,782	40,029		40,084	Total Non Current Liabilities	15,395	16,455	15,416	16,482
42,702	40,029	42,853	40,004	Current Liabilities	10,390	10,433	15,410	10,402
4,950	5,096	4,950	5,100	Lease Liabilities	1,960	1,904	1,962	1,904
56,844	54,666	55,990	53.864	Trade and other payables	21,027	21,864	20.722	21,539
35,968	13,580	35,968	13.580	Contract liabilities	5,223	13,834	5,223	13,834
595	2,435	598	2,435	Current tax liabilities	936	229	936	230
98,357	75,777	97,506	74,979	Total Current Liabilities	29,146	37,831	28,843	37.507
141,139	115,806	140,359	115,063	TOTAL LIABILITIES	44,541	54,286	44,259	53,989
327,927	307,031	327,662	306,730	TOTAL EQUITY AND LIABILITIES	118,089	126,124	117,973	126,024
1.04	1.06	1.04	1.07	Net assets per share (US \$ / RO)	0.41	0.40	0.41	0.40
1.04	1.00	1.04	1.07	not assets per snare (oo \$ / 110)	0.41	0.40	0.41	0.40

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

US \$ '000 RO'000	ar-2022 R0'000 17,258 11,919) (2,058) (2,817) (44) 644 1,064
44,861 46,641 44,870 46,641 Revenue 17,939 17,254 17,939 (30,988) (29,524) (30,988) (29,522) Direct operating costs (11,356) (11,919) (11,356) (1 (5,342) (6,748) (5,350) (6,755) Other operating expenses (2,595) (2,055) (2,598) (2,598) (2,697) (2,816) (2,698) (2,698) (2,697) (2,816) (2,698) (2,697) (2,816) (2,698) (2,697) (2,816) (2,698) (2,697) (2,816) (2,698) (2,697) (2,816) (2,698) (2,697) (2,816) (2,698) (2,698) (2,697) (2,816) (2,698) (2,698) (3,600) (3,600) (3,600) (3,600) (3,600) (3,600) (3,600) (3,600) (3,600) (4,600) (3,600) (4,600) (3,600) (3,600) (3,600) (3,600) (3,600) (3,600) (3,600) (3,600) (3,600) (3,600) (3,600) (3,600) (3,600) (3,600)<	17,258 11,919) (2,058) (2,817) (44) 644 1,064
(30,988) (29,524) (30,988) (29,522) Direct operating costs (11,356) (11,919) (11,356) (1 (5,342) (6,748) (5,350) (6,755) Other operating expenses (2,595) (2,055) (2,598) (2 (7,319) (7,006) (7,323) (7,009) Administration and general expenses (2,697) (2,816) (2,698) (2,698) (113) (142) (113) (142) Impairment Loss of Financial Assets (54) (44) (54) 1,674 137 1,674 137 Other Income 53 644 53	11,919) (2,058) (2,817) (44) 644 1,064
(5,342) (6,748) (5,350) (6,755) Other operating expenses (2,595) (2,055) (2,598) (7,319) (7,006) (7,323) (7,009) Administration and general expenses (2,697) (2,816) (2,698) (113) (142) (113) (142) Impairment Loss of Financial Assets (54) (44) (54) 1,674 137 1,674 137 Other Income 53 644 53	(2,058) (2,817) (44) <u>644</u> 1,064
(7,319) (7,006) (7,323) (7,009) Administration and general expenses (2,697) (2,816) (2,698) (113) (142) (113) (142) Impairment Loss of Financial Assets (54) (44) (54) 1,674 137 1,674 137 Other Income 53 644 53	(2,817) (44) 644 1,064
(113) (142) (113) (142) Impairment Loss of Financial Assets (54) (44) (54) 1,674 137 1,674 137 Other Income 53 644 53	(44) 644 1,064
1,674 137 1,674 137 Other Income 53 644 53	1,064
	1,064
2 773 3 358 2 770 3 350 Profit / (Loss) from operations 1 290 1 064 1 286	
2,770 0,000 1,004 1,200 110m/ (2000) 110m/ (
674 617 674 617 Finance income 237 259 237	259
(419) (373) (420) (374) Finance costs (143) (161) (144)	(162)
3,028 3,602 3,024 3,593 Profit / (Loss) for the year before tax 1,384 1,162 1,379	1,161
(654) (542) (657) (542) Income tax (209) (252) (209)	(253)
2,374 3,060 2,367 3,051 Profit / (Loss) for the year after tax 1,175 910 1,170	908
Other comprehensive income for the year, net of tax	-
2,374 3,060 2,367 3,051 Total comprehensive income for the year, net of tax 1,175 910 1,170	908
Profit attributable to :	
2,374 3,060 2,367 3,051 Equity holders of the parent 1,175 910 1,170	908
Non-controlling interests	
Total comprehensive income attributable to :	
2,374 3,060 2,367 3,051 Equity holders of the parent 1,175 910 1,170	908
Non-controlling interests	_
<u>2,374</u> 3,060 <u>2,367</u> 3,051 <u>1,175</u> <u>910</u> <u>1,170</u>	908
0.01 0.02 0.01 0.02 Basic earnings per share (US \$ / RO) 0.01 0.01 0.01	0.01