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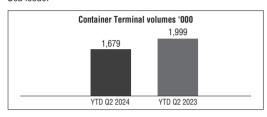
# **DIRECTOR'S REPORT FOR 6 MONTHS ENDED 30 JUNE 2024**

#### Dear Shareholders.

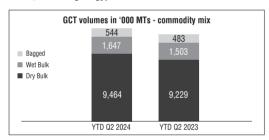
On behalf of the Board of Directors, I have the pleasure of presenting the unaudited consolidated financial results of the Company for the period ended 30 th June 2024 (YTD June'24).

#### **Operational Overview**

The Container Terminal ("CT") has handled 1.679 million TEUs (Twenty-foot Equivalent Units) during YTD June'24, as against 1.999 million TEUs for the same period last year, a decrease of -16%. The decrease in volume is mainly attributed to the Red Sea issue.



The General Cargo Terminal ("GCT") has handled 11.655 million tons of general cargo during YTD June'24 as compared to 11.215 million tons for the same period last year, an increase of 4%, due to higher gypsum volumes.



#### **Financial Overview**

Consolidated net profit for YTD June'24 was recorded at RO 1.570 million, as compared to the corresponding period last year of RO 2.363 million. Consolidated EBITDA was recorded at RO 7.130 million YTD June'24, as compared to RO 8.028 million during same period last year.

Total Revenue from Operations decreased marginally by 2%

Year 2023	Particulars	1 st Jan 2024 to 30th June 2024	1 st Jan 2023 to 30th June 2023		
	Volume				
3,794	Container Terminal (TEUs'000)	1,679	1,999		
20,550	General Cargo Terminal (Tons'000)	11,655	11,215		
68,578	Revenue(RO'000)	35,037	35,843		
	Profitability(RO'000)				
3,309	Net Profit before tax	1,890	2,771		
2,804	Net Profit/ (Loss) after tax	1,570	2,363		
	Ratios				
4%	Net profit / (Loss)(%)	4%	7%		
0.02	Earnings per share(RO)	0.01	0.01		
0.42	Book value per share(RO)	0.42	0.42		

compared to the same period last year mainly driven lower CT volumes due to Red Sea issue.

Compared to the same period last year the operational expenses for the first 6 months of 2024 increased by 2% driven by the maintenance program and higher concession fee due to strong GCT performance.

#### **Employee Development**

Port of Salalah is developing and enhancing employees' productivity as people are the primary asset of the company. Various safety, technical, management and administration training courses are given to the staff. The Company continues to invest in training and development of its workers, with a focus on Omanization and skill development of local talent.

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 June '24 the company is constantly committed to local initiatives with a significant focus on education, Community development, environment, safety, and health.

#### **Future Outlook**

On the container side of the business, the ongoing crisis in the Red Sea continues to disrupt global shipping routes. significantly affecting trade between Asia and Europe. The attacks on ships, which began in Q4 2023, show no signs of abating, necessitating rerouting that has increased costs for shipping lines and, consequently, end users. This situation has led to congestion in most key regional ports, with very few exceptions, Salalah being one. Despite these challenges, the container shipping market is projected to grow in the second half of 2024. According to BIMCO, global container volumes are expected to rise by 5.0-6.0% for the full year. The Middle East and GCC regions, in particular, are anticipated to experience faster-than-average growth due to increased trade volumes, though capacity constraints, port congestion. and high operational costs may temper this growth. Salalah expects a drop in container volumes in Q3 and the remainder of 2024 if the Red Sea situation remains unresolved.

The general cargo shipping market in the Middle East/GCC is expected to face a mixed outlook in the second half of 2024. Ongoing geopolitical complexities, such as the crisis in the Red Sea, continue to impact the region's shipping dynamics, influencing cargo volumes, port congestion, and overall market stability. Despite these challenges, key export commodities like limestone and gypsum are expected to maintain a growth trend, driven by demand from developing markets in India and other Asian economies.

On behalf of the Board of Directors.

Braik Musallam Al Amri Chairman of Board of Directors, Salalah Port Services Co. SAOG 13th August 2024

# UNAUDITED CONSOLIDATED AND PARENT STATEMENT OF FINANCIAL POSITION AS OF 30TH JUNE 2024

Parent (	Company	Consolida	ated		Parent (	Company	Co	nsolidated
Jun-202 US \$ '0		Jun-2023 US \$ '000	Jun-2024 US \$ '000		Jun-2024 RO '000	Jun-2023 RO '000	Jun-2024 RO '000	Jun-2023 RO '000
				ASSETS				
1,37,26	7 1,55,649	1,37,450	1,55,803	Property and equipment	59,864	52,795	59,923	52,864
19,02		19,082	31,697	Right of use of Assets	12,172	7.318	12.190	7.340
1,48	8 919	1,488	919	Intangible assets	353	571	353	571
54	6 546	-	-	Investments in Subsidiary	210	210	-	-
26,00	0 49,400	26,000	49,400	Long term deposits	19,000	10,000	19,000	10,000
1,84,32	5 2,38,165	1,84,020	2,37,819	Non-current assets	91,599	70,894	91,466	70,775
8,41	4 6,086	8,414	6,086	Inventories	2,341	3,236	2,341	3,236
7,67	7,662	7,677	7,662	Other current assets	2,947	2,954	2,947	2,954
8,70	1 10,729	8,701	10,729	Trade receivables	4,126	3,347	4,126	3,347
4,65	8 8,883	4,658	8,883	Other financial assets at amortised cost	3,416	1,792	3,416	1,792
20,60	1 30,600	20,601	30,600	Short term deposits	11,769	7,923	11,769	7,923
82,23	0 14,723	82,230	14,724	Cash and cash equivalents	5,663	31,626	5,663	31,626
1,32,28		1,32,281	78,684	Current assets	30,262	50,878	30,262	50,878
3,16,60	6 3,16,848	3,16,301	3,16,503	TOTAL ASSETS	1,21,861	1,21,772	1,21,728	1,21,653
				EQUITY				
46,75		46,758	46,758	Share capital	17,984	17,984	17,984	17,984
7,66		7,666	7,666	Share premium	2,949	2,949	2,949	2,949
15,58		15,665	15,665	Legal reserve	5,994	5,994	6,025	6,025
1,24,32	6 1,24,929	1,24,665	1,25,215	Retained earnings	48,054	47,819	48,162	47,949
				Equity attributable to equity				
1,94,33		1,94,754	1,95,304	holders of parent company	74,981	74,746	75,120	74,907
1,94,33	4 1,94,937	1,94,754	1,95,304	Total equity	74,981	74,746	75,120	74,907
				LIABILITIES				
18,21		18,285	30,001	Lease Liabilities	11,521	7,007	11,539	7,032
11,14		11,143	13,232	Employees' end of service benefits	5,089	4,286	5,089	4,286
9,74		9,729	8,401	Deferred tax	3,235	3,747	3,231	3,742
39,10		39,157	51,634	Total Non Current Liabilities	19,845	15,040	19,859	15,060
5,14		5,146	6,760	Lease Liabilities	2,596	1,978	2,600	1,979
50,04		49,257	53,814	Trade and other payables	20,981	19,245	20,691	18,944
26,31		26,318	7,205	Contract liabilities	2,772	10,122	2,772	10,122
1,66		1,669	1,786	Current tax liabilities	686	641	686	641
83,17		82,390	69,565	Total Current Liabilities	27,035	31,986	26,749	31,686
1,22,27		1,21,547	1,21,199	TOTAL LIABILITIES	46,880	47,026	46,608	46,746
3,16,60		3,16,301	3,16,503	TOTAL EQUITY AND LIABILITIES	1,21,861		1,21,728	1,21,653
1.0	8 1.08	1.08	1.09	Net assets per share (US \$ /RO)	0.42	0.42	0.42	0.42

## UNAUDITED CONSOLIDATED AND PARENT STATEMENT OF INCOME FOR THE PERIOD 30TH JUNE 2024

Parent Company		Consolida	ited		Parent Company		Consolidated	
Jun-2023 US \$ '000	Jun-2024 US \$ '000	Jun-2023 US \$ '000	Jun-2024 US \$ '000		Jun-2024 RO '000	Jun-2023 RO '000	Jun-2024 RO '000	Jun-2023 RO '000
93,194	91,094	93,194	91,094	Revenue	35,037	35,843	35,037	35,843
(66,650)	(67,148)	(66,655)	(67,154)	Direct operating costs	(25,826)	(25,636)	(25,828)	(25,638)
(8,791)	(9,955)	(8,804)	(9,968)	Other operating expenses	(3,828)	(3,381)	(3,833)	(3,386)
(11,768)	(10,843)	(11,779)	(10,850)	Administration and general expenses	(4,172)	(4,527)	(4,174)	(4,529)
(76)	(130)	(76)	(130)	Net Impairment reversal on financial assets	(50)	(29)	(50)	(29)
529	454	529	454	Other Income	175	204	175	204
6,438	3,472	6,409	3,446	Operating profit	1,336	2,474	1,327	2,465
1,541	2,290	1,541	2,290	Finance income	881	593	881	593
(743)	(825)	(746)	(827)	Finance costs	(317)	(286)	(318)	(287)
7,236	4,937	7,204	4,909	Profit before tax	1,900	2,781	1,890	2,771
(1,061)	(833)	(1,061)	(833)	Income tax	(320)	(408)	(320)	(408)
6,175	4,104	6,143	4,076	Profit for the period	1,580	2,373	1,570	2,363
				Other comprehensive income				
-	-	-	-	for the period, net of tax	-	-	-	-
6,175	4,104	6,143	4,076	Total comprehensive income for theperiod, net	of tax 1,580	2,373	1,570	2,363
				Profit attributable to:				
6,175	4,104	6,143	4,076	Equity holders of the parent	1,580	2,373	1,570	2,363
-	-	-	-	Non-controlling interests	-	-	-	-
				Total comprehensive income attributable to				
6,175	4,104	6,143	4,076	Equity holders of the parent	1,580	2,373	1,570	2,363
-	-	-	-	Non-controlling interests	-	-	-	-
6,175	4,104	6,143	4,076		1,580	2,373	1,570	2,363
0.03	0.02	0.03	0.02	Basic and diluted earnings per share (US \$ ,	/RO) 0.01	0.01	0.01	0.01

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.