

## Directors' Report

### Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the un-audited consolidated results of Al Anwar Investments SAOG (AAI) for the six -month period ended on 30 September 2024.

### Financial Overview of Al Anwar Investments Group ("AAI")

The Company reported a net profit of OMR 588,000 for the six-month period ended on 30 September 2024 as against a net profit of OMR 898,000 for the period ended on 30 September 2023.

The total comprehensive income for the six-month period ended on 30 September 2024 was OMR 770,000 as against OMR 2,753,000 for the period ended on 30 September 2023. The drop is primarily due to the extraordinary gains in 2023, driven by the notable increase in the share prices of Bank Dhofar and Dhofar International Development & Investment Holding SAOG (DIDIC).

Net asset per share of the Group as of 30 September 2024 is 149 Baisas per share as against 160 Baisas per share on 30<sup>th</sup> September 2023.

### Investment update

#### 1. Al Maha Ceramics SAOG

The Company has reported revenue of OMR 2,400,187 for the six-month period ended on 30 June 2024 as compared with OMR 3,537,431 during the previous period, a decline of 32.1. Net Loss after tax for the period was OMR 1,365,596 as compared to a loss of OMR 148,611 in the previous period. This is primarily attributed to several factors, including fierce competition from imported tiles and increased logistics costs due to geopolitical tensions in the region. Additionally, the company recorded a share of loss of OMR 863,919 from associate, Al Hael Ceramics LLC, primarily due to delays in the commencement of production of porcelain tiles. However, since Al Maha is only obligated to book the share of loss to the extent of the investment, the impact in the following quarters will be negligible.

#### 2. Voltamp Energy SAOG

The Company has reported revenue of OMR 16,174,277 for the six-month period ended on 30 June 2024, as compared with OMR 12,922,272 during the previous period, an increase of 25.2% mainly on account of strategic initiatives taken on control of cost and better order book. Net profit after tax (attributable to shareholders of Parent Company) for the period was OMR 1,826,478 compared to net profit of OMR 39,497 in the previous period as a result of controlled total cost of sales combined with improved design process and productivity.

AAI has sold 4.68% stake in the company during the first quarter and recorded a realised gain of OMR 434,497. At the existing shareholding of 20%, AAI Board considers that AAI still has significant influence on the company hence the investment continues to be classified as an Associate.

#### 3. Arabia Falcon Insurance Company SAOG

The Company has reported Insurance Revenue of OMR 10,830,673 during the six -month period ended on 30 June 2024 as compared to OMR 9,986,889 for the previous period, an increase of 8.4%. The Net profit after tax for the period was OMR 814,272, compared with of OMR 363,393 in the previous period, a growth of 124%, as a result to the improvement in the technical results and lower claims recorded in H1 2024 compared with same quarter last year.

#### 4. Al Ruwad International for Education Services SAOC

The Company has reported lower revenue for the six months period ended on 31 July 2024, primarily due to lower number of students enrolled in the school during academic year. The school signed a Governance agreement with Ellesmere College, UK on 4th November 2022. This should improve the school's competitive position and support it in attracting higher number of students in future years.

## 5. National Biscuits Industries Ltd. SAOG

The company recorded a Net Revenue of OMR 8,748,000 for the six months period ended on 30 June 2024 as compared to OMR 7,494,000 for the previous period, an increase of 16.7%. The net profit after tax for the period was 385,000 as compared to OMR 174,000 in the previous period, an increase of 21.3%.

## 6. The National Detergent Co. SAOG

The Company has reported revenue of OMR 12,468,951 for the six-month period ended on 30 June 2024, as compared with OMR 10,665,529 for the previous period, a growth of 17%. Net profit for the period was OMR 757,685 compared to profit of OMR 279,643 in the corresponding period of last year, an increase of 171%. The company exercised effective control over costs, including materials and packing materials, which contributed to improved profitability compared to the same period last year. The company's flagship brand, BAHAR, has successfully maintained its strong market position in Oman. Additionally, sales have grown in both the domestic market (Oman) and export markets during the period, reflecting the brand's solid market presence and strategic efforts to expand its reach.

## 7. Oman Chlorine SAOG

The Oman Chlorine Group (Consolidated) has reported revenue of OMR 16,343,000 for the six-month period ended on 30 June 2024 as compared with OMR 16,140,000 in the previous period, a growth of 1.3%. Net Profit (attributable to Parent Company Shareholders) for the period was OMR 726,000 as compared to profit of OMR 1,426,000 in the previous period, a decline of 49.1%, due to decline in caustic flakes prices globally, and increase in finance cost as a result of increase interest rates globally.

## Future Outlook

Oman's economy is expected to continue to improve. S&P Global Ratings has revised Oman's rating outlook to BBB- from BB+. These developments have been driven by government measures such as VAT introduction, subsidy reforms, and restructuring efforts in key sectors like energy and gas.

AAI has maintained a prudent and active approach towards managing its investment portfolio. Our objective this year is to:

continue to support and pro-actively manage our investment companies and,

take advantage of investment opportunities available in the market

We are confident that AAI and its Group companies will continue to play a pivotal role in Oman's economic growth, create job opportunities for Omani nationals.

## Thanks and Appreciation

On behalf of the Board of Directors, I would like to take this opportunity to express our greetings and good wishes to His Majesty Sultan Haitham bin Tarik, and pray to Allah to grant him and his government success to lead the country and the people to greater prosperity and progress.

The Board records its sincere appreciation to Ministry of Commerce and Industry and Investment Promotion, FSA, Muscat Stock Exchange, Bankers, Auditors for their continued support to AAI and the group companies.

I would also like to express my sincere appreciation to the Board of Directors of all Al Anwar associate companies for direction given to the managements of the respective companies. I place on record my sincere thanks and appreciation for the dedicated efforts of the management team and all employees of the group companies.

I would also like to convey my sincere thanks to the Shareholders of AAI for the confidence they have reposed in the company and its Board.

For & on behalf of the Board of Directors of

**Al Anwar Investments SAOG**

**Masoud Humaid Malik Al Harthy**

Chairman

November 6, 2024