

Board of Directors’ Report – 30th June 2025

Dear Shareholders,

On behalf of the Board, I take this opportunity to present the financial performance of Oman & Emirates Investment Holding Co SAOG for the six months period ended 30th June 2025.

Financial Results:

The Company (Group & Parent) recorded **Net Profits of RO 567,430 and RO 752,499** respectively during the period, compared to (Group & Parent) Net Profits of RO 1,083,163 and RO 1,159,405 respectively during same period in 2024.

Stock Market Indices:

MSM decreased by 1.65% while ADX and DFM increased by 5.72% and 10.61% respectively, compared to MSM increase by 3.83% and ADX and DFM decrease by 5.40% and 0.73% during the same period last year.

Net Equity, Investments and Borrowing:

The Net Equity of the Group and the Parent Company increased by **1.86%** and **2.76%** respectively. The Net Equity of the Group **increased from RO 22.784 million at 31.12.2024 to RO 23.208 million at 30.6.2025** (RO 23.504 million at 30.06.2024). The Net Equity of the Parent **increased from RO 24.351 at 31.12.2024 to RO 25.024 million at 30.6.2025** (RO 24.809 million at 30.6.2024).

The Total Investment values of the Group and the Parent Company were **RO 30.159 million and RO 27.396 Million respectively as at 30.6.2025** (Group RO 30.981 million and RO 29.030 million at 30.6.2024).

The Total Borrowing of the Group and the Parent Company **reduced to RO 10.555 million and RO 6.845 million respectively as at 30.06.2025** (Group RO 11.185 million and Parent RO 7.463 million at 30.06.2024:).

Loans advanced to Associates and Subsidiaries

At the Ordinary General Meeting held on 1st June 2025, shareholders approved convertible loan injections totaling RO 1.75 million, comprising RO 500,000 to National Aluminium Products Company SAOG under its 10-year Turnaround Plan, RO 750,000 to Oman Hotels and Tourism Company SAOC for hotel remodeling and expansion, and RO 500,000 to Omani Euro Food Industries Company SAOG to support its turnaround strategy and fund capital and operational needs.

Performance of Group Companies:

National Aluminium Products Company SAOG

The company reported a 22% increase in revenue and a 16% rise in the cost of sales compared to the previous year, an improvement reflecting the reduction in net loss after tax to RO 522K from the previous year's loss of RO 1,012K. This outcome was attributed to strategic cost optimization measures, a partial injection of committed funds by shareholders and other working capital facilities.

Oman Hotels and Tourism Company SAOC

The Associate recorded a profit of RO 264K during the period ending 30th June 2025 resulting in RO 84K share of profit for O&E. The company’s core business has not yet picked up momentum. The Ruwi Hotel renovation is proceeding and is expected to improve performance. Its Associate Company, United Finance Company SAOG, is engaged in leasing and financial services and performs steadily contributing to the profit.

Omani Euro Food Industries Company SAOG

The Subsidiary recorded a loss of RO 307K during the period ending 30th June 2025 resulting in RO 248K share of loss on consolidation on group results. Supported by O&E as major shareholder, the new board of the company continues to implement the turnaround plan with strategic initiatives, including process efficiencies, introduction of new products and marketing drive.

The Financial Corporation SAOG

The Subsidiary recorded a loss of RO 928K during the six-month period ended 30th June 2025 and O&E's share of loss was RO 475K. The loss was recorded after making an additional provision for claims which now totals RO 1.1 million as on 30.6.2025 (RO 0.6 million at 31.12.2024) and a change in fair value of investment property of RO 54K. The process of assessing the impact of discrepancies in the international brokerage accounts and substantiating the accuracy of account balances initiated since 2024 with forensic auditors is expected to be completed in the year 2025.

Oman Fiber Optics Company SAOC

This Associate company consistently generates profits and has been one of the highest dividend payers in O&E's investment portfolio for several years. The profit recorded during the period was RO 1.293 million resulting in RO 271K share of profit for O&E. O&E also received a dividend of RO 832K during the year from this Associate.

Acknowledgement:

On behalf of the Board, I take this opportunity to convey our heartfelt gratitude to the Governments of the Sultanate of Oman and United Arab Emirates for their support to our Company, the stock market authorities, banks, shareholders and employees for their guidance, cooperation and efforts.

Dr. Abdullah Masoud Al-Harhi

Vice Chairman

12th August 2025