



DIRECTORS' REPORT For the Six-Month Period Ended 30 June 2025

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the unaudited financial results of Ominvest Group for the six-month period ended 30 June 2025. Below I would like to present macroeconomics overview, and financial performance of the Ominvest Group and our major portfolio companies for the six-month period ended 30 June 2025.

A Brief on Macroeconomics

The second quarter of 2025 unfolded against a backdrop of intensifying trade tensions, renewed geopolitical risks, and persistent uncertainty. Yet, markets proved resilient and economic fundamentals were largely held firm, both globally and regionally. April's tariff shock gave way to a recovery in June, while oil prices remained volatile, caught between geopolitical shocks and OPEC+ supply increases.

Regionally, Gulf economies demonstrated resilience despite rising uncertainty, particularly in the wake of US military action against Iran. Markets recovered quickly, the UAE led the rebound, with both the Dubai Financial Market and Abu Dhabi Securities Exchange posting double digit gains, reflecting investor confidence in regional fundamentals.

Oman's economy continued its solid momentum. Real GDP grew by 2.5% year on year in Q1, led by 4.4% non-hydrocarbon growth across manufacturing, information and communication technology (ICT), tourism, finance, and construction. While hydrocarbons contracted slightly by (0.4%), the diversified base of growth underscored the effectiveness of Oman's structural reforms. On the fiscal front, Oman reported a Q1 deficit of RO 136 million, the first since 2021, attributable to lower oil revenues. Nonetheless, fiscal prudence remains intact, and the full year deficit is expected to remain contained. This underpinned Moody's upgrade of Oman's sovereign rating to investment grade (Baa3, stable) in July, following S&P's earlier move.

Oman marked a landmark policy shift during Q2 with the introduction of a personal income tax (PIT) framework, the first such initiative in the GCC. Issued by Royal Decree, the framework is scheduled for implementation in 2028 and was welcomed by the IMF and credit rating agencies as a significant step toward long term fiscal sustainability. In parallel, the Central Bank of Oman finalized its digital bank framework, advancing the shift toward a more innovation driven financial sector.

Looking ahead, policy uncertainty surrounding global trade remains elevated, but the expected impact of tariffs now appears softer than initially feared. For Oman and the wider GCC, the gradual increase in OPEC+ oil production and ongoing diversification efforts provide a supportive backdrop.

Credit Rating

I am pleased to inform you that Capital Intelligence Ratings (CI) has upgraded our long-term international credit rating to investment grade 'BBB-' with stable outlook. According to CI, the rating upgrade reflects the Ominvest Group's position as the leading listed investment group in the Sultanate of Oman and one of the largest in the GCC region. Key supporting factors include our diversified portfolio comprising high-quality liquid assets, improved financial performance, and steady, predictable dividend inflows from most of our key portfolio companies, which collectively strengthen our debt servicing capacity. In addition to these financial strengths, CI has also recognized our high-quality management team and robust governance standards as important non-financial factors contributing to the upgrade.

Group Consolidated Performance

During the six-month period ended 30 June 2025, the Group revenue increased by 14.8 % to RO 267.4 million as compared to RO 232.8 million during the corresponding period in 2024, and the net profit attributable to Ominvest's shareholders increased by 38.2% to RO 20.1 million as compared to RO 14.5 million during the corresponding period in 2024. All our strategic investments have shown strong performance compared to the corresponding period in 2024.

Parent Company Performance

During the six-month period ended 30 June 2025, the Parent Company revenues increased by 13.3 % to RO 37.4 million as compared to RO 32.9 million during the corresponding period in 2024, and the net profit increased by 29.1% to RO 19.5 million as compared to RO 15.1 million during the corresponding period in 2024. All key portfolio companies delivered results in line with expectations, underscoring effective portfolio management and the sustained operational performance of underlying businesses.

Performance of Key Subsidiaries and Associates

Bank Muscat SAOG (Bank Muscat) our major associate in the banking sector continues to perform well and solidifying its leadership position in Oman's financial services sector. Bank Muscat sustained its strong performance in the second quarter of 2025, reporting a 12.2% increase in net profit to RO 125.82 million from RO 112.12 million during the corresponding period in 2024, mainly due to improvement in the operating performance. Bank Muscat's capital adequacy ratio stood at a healthy level of 19.16%. As of 30 June 2025, Bank Muscat's loan book increased by 5.1% to RO 10.73 billion, driven by corporate, retail, and Islamic banking growth and customer deposits also grew by 3.3% to RO 9.88 billion.



Liva Group SAOG (Liva Group), our insurance subsidiary, built on the strong momentum from the second half of 2024 and continued to deliver profitable growth in the first half of 2025. The Group reported a profit of RO 8.82 million, a strong turnaround from a loss of RO 15.94 million in the same period of 2024, which had been adversely impacted by extreme weather events across the region. This strong performance was primarily driven by the United Arab Emirates operations, complemented by positive contributions from other key markets. Enhanced customer engagement, successful product innovation, and the expansion of distribution capabilities across the Group further strengthened these results.

The insurance service result improved significantly to RO 10.3 million as of 30 June 2025 compared to loss of RO 18.2 million during the corresponding period in 2024. This turnaround was driven by continued enhancements in underwriting discipline, with a strong emphasis on prudent risk selection, strengthened claims management, and improved pricing adequacy.

The Group's return to sustained profitability underscores the resilience of its business model and the effectiveness of its strategic execution. Liva Group remains committed to delivering sustainable, value-driven growth by targeting higher-margin segments, accelerating its digital transformation agenda, and enhancing operational agility to meet evolving customer needs and regulatory requirements.

International General Insurance (IGI), our associate in insurance sector, is an international specialty insurance and reinsurance group, registered in Bermuda and listed on the Nasdaq Capital Markets under the symbol "IGIC". IGI has a financial strength rating of "A-" (Strong) from S&P Global Ratings and "A" (Excellent) from AM Best with a Stable Outlook.

IGI's gross written premiums for the quarter ended 30 June 2025 increased by 2% to USD 394.3 million, compared to USD 387.2 million in the corresponding period of 2024. Profit for the quarter was USD 61.4 million, while the combined ratio was 92.4%. Net investment income for the quarter was USD 32.6 million, primarily driven by higher yields on an expanded fixed income portfolio. The annualized return on average equity for the period was 18.6%. IGI continues to demonstrate strong performance across market cycles, underpinned by its disciplined and intelligent risk selection strategy.

Oman Arab Bank SAOG (OAB) our associate in the banking sector, reported a consolidated profit of RO 14.60 million for the six-month period ended 30 June 2025, up by 15% compared to RO 12.70 million during the corresponding period in 2024, driven by a strong growth in its core operations. OAB's net loans and advances, including Islamic finance, increased by 1.7% to RO 3.59 billion as at 30 June 2025 compared to RO 3.53 billion as at 30 June 2024. Customer deposits increased by 2.7% to reach RO 3.63 billion as at 30 June 2025 compared to RO 3.54 billion as at 30 June 2024. OAB's capital adequacy ratio reached 16.4%.



Alizz Islamic Bank SAOC, a fully owned subsidiary of OAB consistently increased its profits and assets since the merger with OAB in 2020 and its profit grew by 23.8% to RO 5.2 million for the six-month ended 30 June 2025 compared to RO 4.2 million for the same period in 2024.

National Finance Company SAOG (NFC), our associate in the leasing sector remains the largest Finance and Leasing Company in the Sultanate of Oman in terms of asset size, branch network, revenues and profit. NFC reported an increase of 19.8% in profit to RO 7.01 million for the six-month period ended 30 June 2025, compared to RO 5.85 million during the corresponding period in 2024. Net investment in leases book grew by 14.9% to RO 614.6 million as at 30 June 2025 compared to RO 534.9 million as at 30 June 2024. National Finance's total regulatory capital of RO 143.9 million as at 30 June 2025 is the highest among Finance and Leasing Companies (FLCs) in Sultanate of Oman, which gives them a strong base to build business.

Oman Real Estate Investments & Services SAOC (ORIS), our real estate subsidiary, launched the prestigious LA VIE project in 2023, featuring a world-class golf course, luxury hotel, and premium residential units. Construction is advancing ahead of schedule, with construction progressing steadily since December 2023 and an impressive 85% of the overall scope already completed.

Other key investments include, private equity investments, which are focused on diverse sectors and expanding into new growth markets in Asia, amounted to RO 72 million.

Corporate Citizenship

Ominvest remains steadfast in its commitment to Environmental, Social, and Governance (ESG) principles, as we continue to integrate them into our operations, while promoting sustainable growth in the Sultanate and the wider Gulf region.

A significant development in the second quarter of 2025 was the successful completion of Al Rahma Headquarter project. This social enterprise was developed to generate sustainable income for Al Rahma Association. The project development supported by our real estate arm ORIS, was delivered while upholding the highest standards, achieving cost savings exceeding 12%, and ensuring longevity through the appointment of a leasing and facility management services to support its long-term success. This initiative exemplifies our dedication to fostering self-sufficiency and long-term positive impact within our communities.

We also continued our efforts to cultivate a thriving people-first culture by introducing Ominvest Plus. This exclusive well-being and lifestyle platform tailored for our employees and their families, is powered by Thawani. This initiative is strategically aligned with Ominvest's wider sustainability and ESG goals, focusing on the well-being and growth of its human capital, while simultaneously supporting the Sultanate's SMEs and services sector.



We will continue our unwavering commitment to ESG integration into our operations, further enabling us to achieve sustainable growth and lasting positive impact on our communities.

Acknowledgements

We are grateful to our inspirational leader His Majesty Sultan Haitham bin Tarik for his vision and initiatives as he continues to lead the country on the path of development, peace, and enduring prosperity.

On behalf of the Board of Directors, I take this opportunity to especially thank the Financial Services Authority, Muscat Stock Exchange, and Central Bank of Oman for their continued support and guidance. I would also like to thank our dedicated teams at Ominvest and across our Group companies for their commitment and hard work.

Khalid Muhammad AlZubair
Chairman