

Dear Shareholders,

On behalf of the Board of Directors,

I am pleased to present the unaudited consolidated financial results of the company, for the period ended 31 March 2026.

Operational Overview

The start of 2026 has been a challenging period where the geopolitical situation and the conflict in the middle east has impacted the business of Port of Salalah. Incidents in March caused damage to port infrastructure, equipment and facilities. Fortunately there were no serious injuries to people during these incidents. These incidents did disrupt operations, adversely impacting productivity, performance and volumes handled. The commercial outlook very much depends on resolution of the conflict and re-opening of the straits of Hormuz. We will need to watch this closely over the coming quarter and remain flexible to adapt the business to changing trade patterns in both the container and general cargo businesses.

In Q1 2026, the container terminal handled 1.09 million TEUs, which is higher than the previous year (2025: 0.82 million TEUs) but lower than the budget for the period. The Port of Salalah’s General Cargo segment handled 6.68 million tons in Q1 2026, compared to 6.39 million tons during the corresponding period in 2025, representing a 4% increase. This overall growth was driven primarily by higher dry bulk volumes in January and February, particularly limestone.

The Company remains focused on continuous improvement initiatives aimed at maintaining a world-class terminal with consistent productivity and efficiency levels.

Financial Overview

The consolidated revenue from operations for Q1-2026 is recorded at 22.04 million an increase of 17% compared to previous year. Consolidated EBITDA is recorded at negative 1.03 million which corresponds to an EBITDA margin of -5%, down from 4.87 million and a margin of 26% in Q1 2025. Consolidated Net result for Q1 2026 is recorded at negative 4.73 million, compared to profit of 0.02 million in Q1 2025.

Employee Development

Our people are central to the Company’s success. To remain competitive and maintain industry leadership, the Company must continuously strengthen its capabilities through ongoing education in procedures, technologies, and global best practices. Accordingly, the Company continues to invest in workforce training and development, with a strong emphasis on Omanization and the upskilling of local talent, ensuring that national capabilities develop in line with operational and strategic requirements.

Corporate Social Responsibility (CSR)

Port of Salalah’s corporate social responsibility (CSR) program is aligned with the core pillars of sustainability and volunteerism and forms an integral part of the Company’s business philosophy. The program aims to contribute to the socio-economic development of the Dhofar region while supporting community groups in need, guided by a commitment to creating positive and lasting impact at both local and wider community levels.

COMMERCIAL

Container Terminal

Container volumes are higher than 2025 by approximately 20%, but remain below the year’s budget by 10%. Salalah is a strategic hub for the Region, especially given its strategic location in the Gulf of Oman. However, trade overall in the Region has declined due to the conflict and this has impacted transshipment volume routed through Salalah.

The geopolitical situation has disrupted vessel schedules and trade patterns. The Container Terminal is doing all possible to adapt the operations model to the situation – especially creating flexibility in yards storage, berthing plans and working with Customers to keep cargo flowing through feedering as well as promoting the land bridge options.

General Cargo Terminal

GCT volumes experienced a decline in March, falling short of both prior month performance and budgeted targets due to the operational disruptions related to the march incidents.

Recovery is expected in Q2 demonstrating the terminal’s resilience and ability to recover from short-term fluctuations.

The CFS volumes registered a decrease during the same period. The primary driver of this decline is the Somali trade corridor, which is currently facing significant challenges related to the prevailing high cost of shipping on a global scale. Suppressed demand or reduced throughput within the Somali-bound supply chain, directly impacting CFS utilization and volume performance.

Outlook

Looking ahead, and given the persistent situation in the Gulf region, it is expected that current operational challenges on the container side of business will continue for the foreseeable future. In response, Port of Salalah is actively working with all the relevant stakeholders to adapt the operations model to the situation, especially maintain yard fluidity.

The General Cargo demand for both limestone and gypsum are expected to remain strong for the remainder of the year. However, the introduction of OMTC as the sole exporter of gypsum will necessitate concerted efforts to streamline the business operations during the transition period.

Overall, the Port of Salalah is well-positioned for continued growth, leveraging its operational efficiency, expanded capacity, and strategic shipping partnerships to strengthen its role as a key regional hub.

Conclusion

On behalf of the Board of Directors and the shareholders of the company, I record the sincere appreciation and gratitude to His Majesty Sultan Haitham bin Tariq, for his strategic vision, leadership, and his continued support. I also thank our customers; investors and the members of the government we collaborate with.

Lastly, I would like to record our sincere appreciation for the contributions of our employees in achieving the strong performance delivered in 2026. Our continued growth was made possible through their hard work, solidarity, cooperation, and unwavering support.

On behalf of the Board of Directors,

Braik Musallam Al Amri
Chairman of Board of Directors,
Salalah Port Services Co. SAOG
12th May 2026