

Board of Directors' Report for the period ended 30 June 2025

Dear Shareholders,

On behalf of the Board of Directors of Taageer Finance Company SAOG, I am pleased to present the un-audited financial statements for the period ended 30 June, 2025.

Performance Summary

The Company showed strong performance in the first half of 2025 with growth in its financing portfolio and improved profitability. Profit before tax increased to RO 3.17 million from RO 2.51 million in June 2024, an increase of 26%. Net profit for the period amounted to RO 2.69 million, an increase of 26% over the previous period's profit of RO 2.13 million.

Total finance income increased to RO 16.95 million compared to RO 14.36 million in the corresponding period of 2024, reflecting a healthy increase of 18%, mainly due to higher disbursements. Net finance income, after accounting for interest expense, stood at RO 9.76 million, marking a 27% YoY increase. Other income increased to RO 1.74 million from RO 1.16 million, representing a better fee-based income.

Operating expenses rose to RO 3.50 million, a 15% increase from RO 3.04 million in the same period last year. The Company recorded an impairment charge of RO 4.59 million, higher than the RO 3.10 million in the prior period, reflecting prudent provisioning aligned with the portfolio expansion.

The financial position of the Company remains strong, with total assets growing to RO 311.60 million, up from RO 255.60 million as at June 2024 — a growth of 22%. The net investment in finance leases, working capital finance, and factoring receivables reached RO 295.73 million, compared to RO 236.37 million in the same period last year, indicating sustained business growth and robust credit demand.

On the funding and liquidity front, the Company maintained a well-diversified borrowing profile. Short and long-term bank borrowings collectively amounted to RO 141.77 million (June 2024: RO 128.29 million). Corporate and security deposits increased to RO 68.35 million from RO 42.61 million a year earlier, indicating growing investor confidence.

Market Outlook

Looking ahead, the Board remains optimistic about the economic outlook and the opportunities for growth in Oman's finance sector. The Company will continue its focus on expanding its financing portfolio with a customer-centric and technology-driven approach, maintaining asset quality through robust risk management, and delivering long-term value to its shareholders through sustainable and profitable operations.

Acknowledgement

The Board would like to express its sincere appreciation to the Central Bank of Oman, the Financial Services Authority, shareholders, customers, and employees for their continued trust, support, and contributions to the ongoing success of Taageer Finance Company SAOG.

On Behalf of the Board of Directors

Khalil Ahmed Al Harthy

Chairman