almadina investment holding (S.A.O.G)
المدينة للإستثمار القابضة (ش.م.ع.ع)

Chairman's report

On behalf of the Board of Directors of Al Madina Investment Holding Company SAOG (the "Company" or the "Parent Company"), I am pleased to present the annual report and audited financial statements for the year ending March 31, 2025.

National Economy

The Omani economy maintained its outstanding performance during the year 2024 due to the progress in accomplishing the goals of Oman Vision 2040 where increased oil production coupled with the investment in various non-oil sectors contributed to the growth of non-oil revenues.

With the great financial stability achieved by reducing public debt and increasing and strengthening government spending, according to the results announced by the Ministry of Finance, the state's general budget has achieved a fiscal surplus and public revenues have risen to more than 15%, , which led to an improvement in the credit rating, which rose to the degree of investment worthiness according to the latest rating of Standard & Poor's, along with the increase in net sovereign foreign assets, and this will undoubtedly reflect positively on the economic situation in the Sultanate.

S&P expects GDP growth of about 2% per annum from 2024 to 2027 due to increased average oil production until 2027, which in turn will stimulate the growth of non-oil sectors by 2%.

Company Background Overview

Al Madina Investment Company SAOG has established many successful projects in various fields, including industrial, real estate, agricultural, financial and logistic services, in addition to the field of education, banking, finance, food commodities and a business center. It has also resorted to numerous investments in one of the associate companies, Al Madina Real Estate, through establishing malls and hotels with the latest models as well as focusing on tourism and constructing residential apartments, villas, etc. in the Sultanate of Oman. It has also participated in many other projects that had an impact on the Omani economy during a process spanning more than 20 years and some of them were exited after achieving their purpose.

PO BOX 171, PC 112 Ruwi, Sultanate of Oman +968 24504466 CR: 1010000 info@almadina-inv.com

Al-Madina Investment Holding Group, Al-Madina Real Estate and its subsidiaries play an important role in the economic value of the Sultanate through attracting foreign investments, establishing commercial entities in various sectors, which contributed and still contributes to creating job opportunities and maximizing the market value of these investments, which indicates the great confidence that the group enjoys in the regional market.

The group is also working to attract more investments to the Sultanate in all economic sectors as the group's companies are following the best practices and implementing corporate governance standards.

The Board always strives to put Al-Madina Investment Holding Company at the highest level and to be one of the best companies.

Financial Overview

Consolidated results

The Group recorded a net loss of RO 308,721 compared to a net loss of RO 1,547,770 last year. The realized income amounted to 762,956 OMR, an increase by 32.7 %, compared to 574,986 OMR in the previous year.

The company recorded share in the profits of the associate companies to RO 473,816, compared to losses of RO 333,092 last year. The basic loss per share amounted to 4 baizas compared to a loss of 18 Baizas in the previous year.

Performance of the parent company

The parent company recorded a net loss of RO 308,721 compared to a net loss of RO 1,547,770 last year.

The realized income achieved from operating increased by 36.2% to reach 667,881 OMR compared to 490,244 OMR in the previous year.

Expenses have increased in general, reaching 194,754 OMR compared to 189,309 OMR last year

Interest costs decreased to reach RO 651,639 compared to RO 656,551 last year Due to the repayment of loan installments with the bank.

Staff cost increased slightly to reach RO 112,422 compared to RO 106,323 last year.

In addition, general and administrative expenses increased by 6% compared to the expenses of last year, and operating expenses decreased by 12% during the year compared to last year.

The change in the fair value of financial assets has increased through the income statement by 0.6% from last year to record a loss of RO 586,944 compared to a loss of RO 583,466 in the previous year.

PO BOX 171, PC 112 Ruwi, Sultanate of Oman | +968 24504466 | CR: 1010000 | info@almadina-inv.com

The company recorded a change in the fair value of real estate investments Profit amounting to RO 63,802 compared to profit of RO 252,500 last year and the basic loss was recorded to reach 4 Baizas per share compared to a loss per share of 18 Baizas in the previous year.

The company's investment portfolio

The subsidiary companies

• **Al-Madina Business Center LLC** is one of the subsidiaries of the parent company, which rents offices for companies and individuals and is located in Muscat Grand Mall. During this year, the business center maintained the level of revenues, as it recorded revenues of 144 thousand Omani riyals, compared to revenues of 135 thousand Omani riyals from last year.
The company will proceed with the development plan for the business center and will work to increase the returns during the coming period.

• **Gulf Marks Trading Company SAOC** is one of the subsidiaries of the parent company and it works in the field of trademarks. During the upcoming period, the liquidation works for this company will be carried out as a result of the accumulated losses secondary to the Corona pandemic and the closure of restaurants.

• **Al Mithaq Al Raida Trading Company LLC** is one of the subsidiaries of the parent company and it works in the field of health. Since the company has stopped practicing its activities during the past years and due to the accumulation of losses, secondary to the Corona pandemic, some medical devices have been sold to reduce losses. During the coming period, the Board of Directors will sell the rest of the medical devices due to their obsolescence and because they do not fit the specifications of the Ministry of Health at the present time in a way that is appropriate for the benefit of shareholders.

Associate companies

Al-Madina Real Estate Company SAOC

Al Madina Real Estate Company announced a gross income of RO 3.43 million in December 2024 compared to RO 3.30 million in December 2023 with an increase rate of 4% and the operative profits have increased to amount of RO 1.613 million compared to RO 1.407 million for the year 2023, an increase rate of 15%.

PO BOX 171, PC 112 Ruwi, Sultanate of Oman +968 24504466 CR: 1010000 info@almadina-inv.com

During the year 2024, Al Madina Real Estate Company recorded a net profit of RO 2.584 million compared to a loss of RO 1.801 million for 2023, representing a significant turnaround and this positive performance is mainly due to the profits recorded from its subsidiaries.

Distributions

The company has distributed bonus shares of 5% of the company's capital for the financial year ending on March 31, 2022, and since the company's restructuring in 2001 due to fluctuations of the financial markets in the region, the company has maintained a good level of performance.

During those previous periods, the company distributed cash dividends to shareholders with a total percentage of about 105% of its capital at that time, estimated at about RO 4.2 million, in addition to the distribution of bonus shares with a total of 64% of the company's capital at that time, i.e. a total distribution to shareholders amounted to 169% of the company's capital.

Corporate Governance

The company's annual report will include a detailed corporate governance report audited by the company's auditor.

The company confirms its commitment towards the corporate governance charter issued by the Capital Market Authority, and the Board of Directors pledges to implement the best practices of disclosure, transparency and accountability.

Future prospects

The company's board of directors believes that 2025 will be an exciting year, witnessing an improvement in the macroeconomic situation, with expectations of higher-than-expected oil prices in the budget.

We assure the shareholders, as mentioned in the company's corporate governance report and the management and analysis discussion report by the CEO, that the company has effective internal control systems and a strong administrative system that enables it to continue to perform its business. The Board of Directors is also fully aware of its responsibility to prepare the financial statements on a fair basis in accordance with the international accounting standards, the requirements of Commercial Companies Law No. 18/2019 and the requirements of the Capital Market Authority.

PO BOX 171, PC 112 Ruwi, Sultanate of Oman | +968 24504466 | CR: 1010000 | info@almadina-inv.com

Thanks and gratitude

The Board of Directors would like to express its sincere gratitude to His Majesty Sultan Haitham bin Tariq, for his insightful vision towards leading Oman on the path of goodness and growth. We are also pleased to express our sincere appreciation for the prudent management pursued by the wise government in light of the renewed renaissance under the patronage of, His Majesty, May God bless him, and the country is proceeding with confident steps towards progress, development and growth. The company continues to support the measures taken by the Sultanate's government in its efforts to preserve the economic situation of the country.

I would also like to extend my sincere thanks and appreciation to all the shareholders for their continuous trust and commitment towards the company and to my fellow Board members for their loyalty despite the challenges that we all faced during the year. I would also like to express my sincere thanks and appreciation to the Capital Market Authority, the Ministry of Commerce, Industry and Investment Promotion and other regulatory authorities for their continuous support of the company.

Finally, I would like to thank the company's management and employees for their loyalty and dedication to their work

Said bin Saleh Al Jabri
Chairman

PO BOX 171, PC 112 Ruwi, Sultanate of Oman T +968 24504466 CR: 1010000 info@almadina-inv.com