

Directors' Report

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the un-audited consolidated results of Al Anwar Investments SAOG (AAI) for the three-month period ended on 30 June 2022.

Financial Overview of Al Anwar Investments Group ("AAI")

The Company reported a consolidated net loss of OMR 644,000 for the three-month period ended on 30th June 2022 as against a profit of OMR 298,000 for the period ended on 30th June 2021, mainly due to fair value loss of OMR 730,000 in company's marked to market investments in Muscat Security Exchange (MSX) and other investments at fair value.

Net asset per share of the Group has decreased to 142 Baisas per share on 30 June 2022 as against 158 Baisas per share on 30 Jun 2021.

Investment update

1. Al Maha Ceramics SAOG

The Company has reported revenue of OMR 2,555,074 for the three-month period ended on 31 March 2022, as compared with OMR 2,383,542 during the previous period, a growth of 7%. Net profit after tax for the period is OMR 713,554 as compared to OMR 603,941 in the previous period, a growth of 18%, which is mainly due to increase in sales revenue and effective cost control measures taken at various levels.

2. Voltamp Energy SAOG

The Company has reported revenue of OMR 6,340,615 for the three-month period ended on 31 March 2022, as compared with OMR 6,241,320 during the previous period, a growth of 2%. Net loss after tax (attributable to shareholders of Parent Company) for the period is OMR 684,023 compared to net loss of OMR 5,195 in the previous period. The loss is mainly attributed to the increase in raw material prices which has impacted the company's profitability.

3. Arabia Falcon Insurance Company SAOG

The Company has reported Gross Written Premium of OMR 4,972,014 during the three-month period ended on 31 March 2022 as compared to OMR 4,481,588 for the previous period, a growth of 11%. The Net profit after tax for the period is OMR 163,501 compared to OMR 543,415 in previous period, a decline of 70% as a result of decrease in underwriting

income and increase in operating cost.

4. Al Ruwad International for Education Services SAOC

The Company has reported a growth in revenue and a decline profitability for the three-month period ended on 30 April 2022. This is primarily due to higher number of students enrolled in the school during academic year. The combined impact of Covid 19 and the challenging economic conditions had a considerable impact on private schools in Oman.

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The school is now approved to provide International Baccalaureate (IB) curriculum at all levels. This should improve the school's competitive position and support it in attracting higher number of students in future years.

5. National Biscuits Industries Ltd. SAOG

The Company has reported revenue of OMR 3,385,014 for the three months period ended on 31 March 2022, compared with OMR 3,410,690 during the previous period. Net profit after tax for the period is OMR 194,587 as compared to OMR 361,810 in the previous year, a decline of 46%. This is largely due to increase in cost of raw materials, rising logistic costs and a loss of a contract from a major client.

6. The National Detergent Co. SAOG

The Company reported revenues of OMR 5,492,591 for the three-month period ended on 31 March 2022, as compared with OMR 4,858,061 for the previous period, a growth of 13%. Net profit for the period is OMR 9,194 as compared to OMR 246,138 in the previous period, a decline of 96%. Decline in demand from consumers and increase in raw material prices are the main factors that affected financial performance of the company. To reduce this impact, NDC is focusing on controlling costs and introducing new products.

7. Oman Chlorine SAOG

The Oman Chlorine Group has reported revenue of OMR 6,997,000 for the three-month period ended on 31 March 2022 as compared with OMR 3,981,000 in the previous period, a growth of 76%. Net Profit (attributable to Parent Company Shareholders) for the period is OMR 936,000 as compared to loss of OMR 152,000 in the previous period.

The Oman operation reported a net profit of OMR 908,000 compared to previous period profit of OMR 405,000, an increase of 124%. The overall sales volume in the Oman plant increased during first three months of 2022 by 41.6% due to higher production volume resulting from expansion and improved sales prices for company products and reaching new areas in MENA, East Africa and some European regions.

Union Chlorine LLC, UAE, a subsidiary, has declared net profit of OMR 249,000 during the three-month period ended on 31 March 2022 compared to loss of OMR 359,000 in previous period. The parent company's share of profit is OMR 149,000.

Gulf Chlorine WLL, Qatar, a subsidiary, has declared a net loss of OMR 236,000 during the three-month period ended 31 March 2022 compared to a loss of OMR 670,000 in previous period. The parent company's share of loss is OMR 120,000. Revenue during the period has increased from OMR 633K to 1.52 million. The company since March 2022 is operating at 100% capacity and is expected to operate at 100% capacity for remaining period of 2022.

Future Outlook

Oman's economy is expected to continue to improve as restrictions related to Covid-19 ease and oil prices recovers from the lows witnessed in prior years. S&P Global Ratings has revised Oman's rating outlook to positive from stable, citing improving fiscal position, progress on reforms and rising oil prices.

AAI has maintained a prudent and active approach towards managing its investment portfolio. Our objective this year is to:

continue to support and pro-actively manage our investment companies and,

take advantage of investment opportunities available in the market

We are confident that AAI and its Group companies will continue to play a pivotal role in Oman's economic growth, create job opportunities for Omani nationals, and attract foreign investments in the Sultanate of Oman. The Board has reviewed the plan to raise capital through Right issue upto OMR 10mn which is being considered for 2022.

Thanks, and Appreciation

On behalf of the Board of Directors, I would like to take this opportunity to express our greetings and good wishes to His Majesty Sultan Haitham bin Tarik, and pray to Allah to grant him and his government success to lead the country and the people to greater prosperity and progress.

The Board records its sincere appreciation to Ministry of Commerce and Industry and Investment Promotion, Capital Market Authority, Muscat Stock Exchange, Bankers, Auditors for their continued support to AAI and the group companies.

I would also like to express my sincere appreciation to the Board of Directors of all Al Anwar Group companies for direction given to the managements of the respective companies. I place on record my sincere thanks and appreciation for the dedicated efforts of the management team and all employees of the group companies.

I would also like to convey my sincere thanks to the Shareholders of AAI for the confidence they have reposed in the company and its Board.

For & on behalf of the Board of Directors of

Al Anwar Investments SAOG

Masoud Humaid Malik Al Harthy

Chairman

August 7, 2022